



# Introduction

With its enormous size, vast array of natural resources and large population, Texas plays a significant role in the nation's economy. Our diverse economy helped buffer Texas from the national recession during most of 2008, making it one of the last states to lose jobs.

Our state's economy remains open for business. We are not, however, immune from global economic forces, and could continue to see negative impacts from national and international economic problems until the economy recovers.

It is important to all Texans that the state continues to grow and to discover new

opportunities. And the role of state government is to create and foster an environment in which this can happen.

The Texas Comptroller analyzes factors affecting the state's economy and uses this information to prepare its biennial forecast of state revenue. To perform this task, our economists keep their fingers on the pulse of the state, detecting changes as they occur and identifying trends that will affect our common future.

In January 2008, the Comptroller began a series of reports called *Texas in Focus*. The first report, *A Statewide View of Opportunities*, examined issues affecting the state and its economy as a whole. Other reports in the series examine each of the state's 12 economic regions. Previous volumes looked at the High Plains, South Texas, Upper East Texas



PHOTO: Texas Department of Transportation

Guadalupe Mountains – El Capitan and Guadalupe Peak



and Central Texas regions, providing detailed data and analysis specific to those regions.

This sixth report in the series, *Texas in Focus: The Upper Rio Grande Region*, examines issues affecting an economic region that includes the Rio Grande Council of Governments. The Upper Rio Grande region consists of six counties in the westernmost portion of the state and includes the cities of El Paso, Alpine, Presidio, Van Horn, Marfa and Fort Davis (**Exhibit 1**).

This report provides information on the forces driving change in the Upper Rio Grande region, and examines factors that may affect the development of its economy. State leaders, county and city officials, chambers of commerce, economic development corporations and the general public can use this report to stay on top of important issues as they work to keep their local economies thriving. Areas explored in this report include:

### Economic Development

The Upper Rio Grande region's employment growth should match the state's by 2013, with its non-metro counties surpassing statewide growth for this period.

Strongest job growth is expected in the professional and business services sector, with 79 percent more jobs in 2013 than in 2003. In all, the region's job count is expected to rise by 24 percent over this period, despite the current national downturn.

The military is the region's largest employer, accounting for 27 percent of the region's total employment, 3.5 times the national average. Other important industries in the region include the manufacture of household vacuum cleaners and men's footwear, tourism and agricultural production.

### Demographics

Nearly 97 percent of the Upper Rio Grande region's residents live in or near El Paso. Between 2003 and 2013, El Paso's population should increase by 12.5 percent, compared to a 17 percent growth rate for the state. Outside of El Paso County, the region's population should remain largely unchanged. The region's population is relatively young, with more than 42 percent under the age of 25 in 2008, compared to 38 percent in Texas and 34 percent in the U.S.

### Infrastructure

The Upper Rio Grande has more public parkland than any other region in the state, boasting Texas' two national parks, including Big Bend National Park at 801,163 acres or 1,252 square miles, and several state parks.

The region also serves as an important international trade corridor between Mexico and the United States via Interstate Highway 10 and a Foreign Trade Zone operated by the El Paso International Airport. And El Paso Water Utilities' recently opened Kay Bailey Hutchison Desalination Plant is one of the world's largest inland desalination plant, providing the region with an important source for potable water.

### Health Care

Like many other areas in Texas, the Upper Rio Grande faces a shortage of trained health care professionals. This shortage, however, should be reduced by Texas' first new medical school since 1977, the Paul L. Foster School of Medicine, scheduled to open its doors in El Paso on July 9, 2009.

The new medical school should increase the region's supply of medical professionals.



In addition, construction of the Children’s Hospital at Thomason General Hospital, El Paso’s first children’s hospital, began in February 2009 and is anticipated to open in early 2012. And while the region has historically been underserved, five of El Paso’s 14 largest employers are health-related organizations.

### Education

The region’s school districts vary dramatically in size, from the El Paso Independent School District with almost 62,000 students to San Vicente Independent School District

in Brewster County, with just 26 students. Although three-quarters of the region’s students are classified as economically disadvantaged, 88 percent of its campuses are rated Academically Acceptable or above.

The four-year graduation rate at the region’s major university, the University of Texas at El Paso, doubled between 1999 and 2007. From 2005 to 2007, *Hispanic Business* magazine ranked the university’s College of Engineering first in the nation for Hispanic students, while the National Science Foundation has designated the college a “Model Institution for Excellence.”

Exhibit 1

### Upper Rio Grande Region



