



Executive Summary

At the Cross Roads: US / Mexico Border Counties in Transition

If the 24 southwest border counties were a 51st state, how would they compare to the other 50 states?

In 1998, former Texas Comptroller John Sharp published *Bordering the Future: Challenge and Opportunity in the Texas Border Region*, which provided an assessment of the economic, political, and social condition of the Texas border counties. This report, commissioned by the US / Mexico Border Counties Coalition, extends those findings to all of the 24 U.S. counties that are contiguous with Mexico. As a region, if these 24 counties were the 51st state, how would they compare with the rest of the nation?

Population

With 6.7 million residents, the border region would rank 13th in population.

Since 1990, the border region has experienced a growth rate of nearly 30 percent, which would rank it 15th in population change.

It would be the 2nd youngest state with almost 29 percent of its population under the age of 18.

It would have the 3rd highest concentration of Hispanics of all states, almost 3.36 million or more than 50 percent of its population.

Income

Border counties would rank last in per capita income if San Diego County is not included, and with San Diego the border counties rank 39th in per capita income.

Between 1993 and 2003, total personal income in border counties increased 41.4 percent compared with 29.3 percent growth in non-border counties in the same states.

More than 21 percent of the region's personal income, not including San Diego, is comprised of transfer receipts, such as government assistance, which would rank border counties 2nd among all states in recipients of these benefits.

More than half a million, or 27.2 percent, of the border counties' children and youth ages 0 through 17 live in poverty.

San Diego County's per capita income would rank it greater than 45 states, making it an anomaly among border counties.

San Diego's income is greater than the collective incomes of the remaining 23 southwest border counties.

Nineteen border counties had a per capita income less than \$21,000.

Labor Force, Labor Pool and Unemployment

Since 1990, border counties have managed to narrow the unemployment rate gap with the rest of the nation.

However, if border counties were the 51st state, they would rank 5th in unemployment, between Michigan and South Carolina if Pima County is excluded, and fall to last place without the San Diego County work force.

Collectively, in 22 of the 24 border counties, the unemployment rate is double the national average and their labor force participation rates are less than 58 percent compared to 65 percent nationwide.

In 2003, the labor force participation rate for all border counties was 61.7 percent. Removing San Diego and Pima counties, the rate falls to 57.3 percent compared to the remaining U.S. rate of 64.9 percent.

Women are less likely to participate in the workforce than men in border counties when compared to the nation. The female participation rate in the labor force is significantly lower than the male participation rate along the border regardless of household type, marital status, or number of children in households.

Nine border counties, including two large population bases, had unemployment rates greater than 10 percent, meaning that more than one in ten persons who actively sought work could not find a job.

Border counties have significant "underemployment" among their populations, individuals with skills exceeding the jobs they perform. Underemployment in border counties and "temp" work far exceed national standards.

Employment

Throughout the 1990s, employment growth in U.S. border counties outpaced the nation.

Within the 10 year period of 1993 to 2003, total full-time and part-

time jobs increased by nearly 800,000 to almost 3.5 million, with half of the actual job gains accounted for by San Diego, and another quarter accounted for by Pima and El Paso counties.

Border counties would rank 12th as a 51st state in government and government enterprise employment; 10th in employment of federal civilians; and 4th in military employment.

With San Diego, the border economy mirrors the non-border economy in many aspects; only without San Diego do the industrial differences become more apparent, seen, for example, by the decline from 20th in management of companies and enterprises with San Diego to 43rd without San Diego.

Other than San Diego, border counties have an extremely low percentage of private jobs in the higher paying professional, scientific, and technical sector. Without San Diego, border counties fall as a 51st state from 15th to 35th in this sector.

Border counties without San Diego have a higher percentage than the rest of the nation in employment in health services, as a result of several state and federal assistance programs and increasing retiree services in areas like Pima and Doña Ana.

As a result of border counties' proximity to Mexico and sales to customers of Mexican origin, retail trade along the border plays an important role in the economy when compared to the rest of the United States. Border counties would rank 19th as a 51st state in this sector; without San Diego, the rank falls to 31st.

From a national perspective, manufacturing is weak at a 25th place ranking and drops 11 places to 36th without San Diego if considered a 51st state.

Mexican maquiladoras also create employment in U.S. border counties in transportation and professional services, such as logistics, finance, accounting, and legal entities. As a 51st state, border counties would rank 22nd in transportation related employment; without San Diego, that rank would fall to 29th.

While San Diego's salary and wage earnings are above the national average, the salary and wages of the remaining 23 border counties range from as low as 40.1 percent of the national level in Jeff Davis County to 83.1 percent in El Paso County.

While San Diego accounts for 52.3 percent of total jobs along the border, it accounts for 60.7 percent of all wages and salary disbursements.

Public and Higher Education

In 2000, 73 percent of border residents above the age of 25 had completed high school, compared with 80.4 percent nationally, ranking border counties 50th if considered a 51st state. Without San Diego, that ranking would drop to last.

Border counties would rank 27th among the states in the percentage of adults with a four year college degree. Excluding San Diego, the ranking would drop to 46th.

There is a high demand for education in border counties due to the fact that the region would rank 2nd as a 51st state in the percentage of its population that is under the age of 18.

Environment

Given that much of the region is arid, water supplies will be the fundamental limiting factor in regional growth in California, Arizona, New Mexico, and the Upper Rio Grande area in Texas.

The middle and lower reaches of the Rio Grande will remain dependent on important agriculture water from the Rio Concho and a complex set of relationships with Mexico.

Overall, the set of environmental problems impacting the border region are localized in the major urban areas.

The arid ecosystem that lies across a large portion of the southwest border is extremely fragile. The value of this natural system may

lead to decisions that will limit development in some places to save unique natural features.

At the human level, colonias have created pockets of environmental concerns that may have deleterious long and short term effects on the health of residents that are yet undetermined.

The need for colonia infrastructure is an expensive, yet perhaps unavoidable cost, which border counties will need to address in the near future to eliminate areas of environmental blight and improve quality of life for more than 1.5 million residents.

Agriculture may decline in the southwestern border counties, mirroring a trend nationwide as a result of urban sprawl but at a rate less rapid than other regions in the country during the last 20 years.

Health and Health Care

As a 51st state, southwest border counties would rank last in the presence of health care professionals.

Many southwest border counties are unable to provide basic health services to residents; as a result, the federal government has designated many border counties as "health professional shortage areas."

Hospitals in border counties spend more than \$800 million annually to provide emergency health care to uninsured populations. This is approximately 3 percent of all uncompensated costs in U.S. hospitals per year.

Rates of uninsured persons in the four border states range from 17 percent in Arizona to 25 percent in Texas. Border counties would rank as the 50th state out of 51 in insurance coverage for adults and children.

In all 24 border counties there are fewer Health Care and Social Assistance personnel per 100,000 residents than for the United States resulting in a 46th place ranking if viewed as a 51st state.

Arizona, New Mexico, and Texas border counties have slightly increased rates of adult diabetes than their respective states. Collectively the border would rank 7th as a 51st state, with only six states reporting higher incidence of adult diabetes.

Deaths related to diabetes as a 51st state would result in a 5th place ranking for the region and 3rd for deaths due to hepatitis, resulting in only a handful of states exceeding mortality rates from these diseases.

The AIDS rate per 100,000 persons in all border counties is slightly higher (16.1 percent) than the national rate (15.2 percent), which would rank border counties 12th as a 51st state.

The prevalence of tuberculosis (TB) per 100,000 persons among residents of all border counties (10.4) is *twice* that of the United States (5.1) as a whole, ranking southwest border counties 2nd in rate of incidence.

The percentage of births by teens per 1,000 mothers of all border counties is almost 3 percent lower than the nation, placing the southwest border 42nd among states in teen pregnancy.

The infant mortality rate in border counties is significantly lower than the national rate. As a 51st state, border counties would rank 39th.

Low birth weight babies in border counties occur at a far lower rate than the nation, resulting in a 37th place ranking, if viewed as a 51st state.

Trade and Border Traffic

Southwest border counties would rank 13th in population if considered a 51st state, but would rank 22nd in U.S. state rankings on the allocation of federal highway planning and construction expenditures between 1993 and 2003.

On any given day, about 132,000 persons, 250,000 vehicles, 523,000 vehicle passengers, 12,000 commercial trucks, and 2,000 rail containers cross from Mexico into the United States.

Seven ports of entry, and their respective border counties, are at the center of cross-border trade and crossings between the United States and Mexico. These crossings handle 90 percent of all southwest border trade and northbound commercial truck traffic. In addition, the region's top ports, Laredo, El Paso, and San Diego, are also the second, fifth, and sixth busiest land gateways by trade value in the nation, respectively.

Regional mobility issues are growing as congestion and traffic delays increase; however, compared to the nation, southwest border counties' urban areas are relatively free of the commuting issues facing other regions.

Immigration

Almost 5 percent of the nation's foreign born persons reside in the border counties, and close to 72 percent of the total foreign born population in border counties was born in Mexico.

Exact population counts of unauthorized persons are unavailable and estimates vary dramatically.

Housing

As a 51st state, southwest border counties would rank 22nd in homeownership rates, but the case could be made that this is a rate that is forced lower by the inclusion of California counties, which record lower home ownership.

The median price of a home places the region 37th, as a 51st state, a ranking that falls to 45th without San Diego.

Low housing costs also are passed to the rental market, which makes housing more affordable than much of the nation.

Low median housing values provide southwest border counties an excellent opportunity to attract in-migration for those seeking to lessen the financial burden of housing; for attracting industries that are looking at housing as a key factor in relocation; and, for retirees, flocking to the sunbelt for, among other reasons, affordable housing.

Crime and Law Enforcement

Since 1990, crime in southwest border counties has dropped a dramatic 30 percent. Property crimes were down 40 percent between 1990 and 2000 and violent crimes, among the lowest in the nation making up only 12 percent of all crimes, dropped 29 percent in the same decade.

Border county crime rates place the region as 16th, as a 51st state, for both violent crimes and the federal crime index.

Border counties report the largest number of federal offenses creating a 1st ranking as a 51st state, primarily as a result of drug and immigration arrests by federal agencies.

Border prosecutors accept many cases from federal prosecutors, but are not fully funded to handle these cases.

Federal arrests in U.S. District Courts in border counties are two times more likely to involve immigration offenses than other crimes.

Fiscal Balance of Payments

If border counties were the 51st state, it would rank 29th in receipt of total federal government expenditures.

The inclusion of San Diego County in the analysis affects the overall fiscal health of border counties. For the most part, when San Diego County is incorporated into the analysis, border counties appear to be fiscally healthy. When San Diego is excluded, the fiscal health of border counties is dramatically weaker. Out of the total and all types of federal expenditures to border counties, half are disbursed to San Diego County.

Excluding San Diego, the remaining border counties would rank 29th in receipt of combined federal funds in the following categories: Total Amounts, Retirement and Disability Payments, Other Direct Payments, and Grants.

Border counties would rank 22nd, when considered as the 51st state, when disbursement amounts of federal funds for Procurement Contracts and Salaries and Wages are evaluated.

If border counties composed the 51st state and per capita values are examined for each of the federal funds categories, the border counties without San Diego are ranked 31st overall.

When San Diego is excluded, using national average federal expenditures per capita, the southwest border counties receive \$1.9 billion less in federal funds coming to the region.



This project was conducted by the Institute for Policy and Economic Development at the University of Texas El Paso. For a full copy see: iped.utep.edu/bcc/bcc.pdf or www.bordercounties.org.