11/10/98

Border Initiative

part of proposed MS Delta Commission (did not pass) $26 million

[Econ Dev.
Transportation
Access to Capital

① What w/in FY99 budget can they do (border initiative)
② What in FY2000 request

Last year asked for \$37 million ⟶ got \$10 million
for NADBANK
(estimated to leverage \$150 million)

FY2000 ⟶ asking for \$27 million

Work of NADBANK targeted to any area affected by NAFTA.

HUD — FY99 \$25 million
for migrant housing
(Out of that, migrant farmworker housing)

HUD
FY2000 request

Transportation ?
- truck safety on the border
- Updating transportation ports
(airports, trains & bus stations)

U. S. DEPARTMENT OF LABOR
EMPLOYMENT AND TRAINING ADMINISTRATION

CONTACT: Andrew Yarrow (202) 219-6871
Peggy Lewis (202) 219-8211

US DOL: May 7, 1998
FOR RELEASE: Immediate

VICE PRESIDENT GORE AND LABOR SECRETARY HERMAN ANNOUNCE $45 MILLION GRANT FOR DISLOCATED APPAREL WORKERS IN TEXAS

The U.S. Department of Labor is providing up to $45 million to assist more than 3,000 apparel workers in El Paso who have lost their jobs due to the effects of trade, Vice President Gore and Secretary of Labor Alexis M. Herman announced today. The Upper Rio Grande Private Industry Council will be awarded $15 million initially to begin the retraining and employment-related assistance for these workers.

"Despite the overall, long-term benefits of trade to America's economy, workers and consumers, this Administration is committed to help provide opportunities for dislocated workers in certain industries and regions of the country," said Vice President Gore. "We are also committed to giving all American workers the tools they need to succeed and prosper. We must make the new, global economy work for all of our citizens, ensuring that no one is left behind and creating new opportunities for workers in El Paso and elsewhere."

Secretary Herman said, "El Paso was one of the first places I visited as Secretary of Labor and I saw the dire need for workers there to develop skills and get more training so they can move into better-paying jobs. Losing a job is a horrible thing for workers and their families and it affects the entire community. That is why this grant is so important. It will help workers take advantage of opportunities that will help them find good jobs in other industries. If we are to remain competitive in the new global economy we must use the skills and talents of all our workers."

The El Paso Proactive Reemployment Project (PREP), which is supported by a coalition of community organizations, education and training providers, and others, will target dislocated apparel workers in metropolitan El Paso. The guiding principles behind El Paso PREP include establishing a Dislocated Workers Technical Training and Services Center (WTTSC) that offers workers a full complement of services related to trade and training under the Job Training Partnership Act. El Paso PREP is also intended to improve employment and training services and take a more integrated approach to helping workers learn basic skills. In addition, its goal is to better link workers, employers and the skills that workers need for job success.

El Paso PREP will serve as a one-stop for dislocated apparel workers to access services customized to meet their unique needs. It will provide services such as: outreach, recruitment, assessment, testing, job-search assistance in the area and elsewhere, job development and placement, intensive work-based English, pre-GED/GED preparation, computer literacy, bilingual vocational skills and classes on how to start a business. It will also help with support services such as relocation assistance, child care, transportation and living expenses. Services will be provided at the WTTSC in cooperation with the Texas Workforce Commission, which operates the Trade Adjustment Assistance and NAFTA-Transitional Adjustment Assistance programs.

The funding is authorized under Title III of the Job Training Partnership Act (JTPA). The dislocated worker program is a comprehensive retraining effort to assist workers who have been, or are about to be, laid off for reasons such as technological change, foreign competition or government actions. Generally such workers are eligible if they are unlikely to return to their previous industry or occupation.

"The President has asked for increased funding in Title III to fill gaps in our training system by developing innovative approaches to serve special targeted groups, like those impacted by trade," added Secretary Herman. "This will include leveraging other federal, state and local efforts for economic development and community adjustment that demonstrate community-wide approaches to worker assistance."

The increased funding would support dislocated worker program participation in interagency efforts involving the Departments of Labor, Commerce, Housing and Urban Development, and the Treasury, as well as the Small Business Administration and other government agencies, to respond to dislocations in trade-impacted regions, including hard-hit border communities. It would also support participation in the Community Adjustment and Investment Program (CAIP) of the North American Development Bank.

# # #

For more information about this grant please contact: Marcy Trost, (202) 219-5339, ext. 111.

This information will be made available to sensory impaired individuals upon request. Voice phone: (202) 219-5577. TDD Message Phone: 1-800-326-2577.

News Releases from the U.S. Department of Labor are accessible on the Internet at http://www.dol.gov

U.S. Department of Labor

Employment and Training Administration
Federal Building
525 South Griffin Street
Dallas, Texas 75202

Reply to the Attention of: 6TGDO

9800/4491

September 28, 1998

Meeting of Federal, State, and Local Officials
to discuss
Workforce Development Strategies
in the
El Paso Border Area

Stated Mission of the Meeting: To discuss among the key Federal, State, and local partners the efforts in El Paso on improving the workforce development system and ideas on economic development necessary to empower the community to meet the demands of the rapidly changing economy, to upgrade the skills of the labor force, and to help the City transition to a more competitive, highly-skilled economy for the 21st Century. To support the City of El Paso with the necessary investments, resources, and technical assistance to ensure success at the local level and to harness the positive elements into a National model for replication.

SUMMARY OF MEETING

On Friday, September 11, 1998, the U. S. Department of Labor hosted a meeting in the Francis Perkins Building, 200 Constitution Avenue, Ilab Conference Room (S1011), in Washington D.C. Federal, State , and local stakeholders came together to discuss workforce development strategies in the El Paso Border area. The meeting was opened and facilitated by Joe Juarez, U. S. Department of Labor Region VI Administrator.

Ray Bramucci, Assistant Secretary for the Employment and Training Administration, welcomed everyone to the meeting, noting that he was pleased to see the "pulling together of partners and resources to help the people of the El Paso border area."

U. S. Congressman Silvestre Reyes invited Mr. Bramucci to visit El Paso. Congressman Reyes stated that the El Paso border area represents what America will look like in a few years. Secretary Herman and Irasema Garza's visits to El Paso helped to change the way people look at government. The visits show that the Administration is paying attention to the area and also continuing support for jobs lost as a result of NAFTA. The government's interest has already made a significant impact through El Paso's Pro-active Re-employment Project (PREP). The community of El Paso will continue to work toward the success of the project. El Paso is committed to continuing support for economic development and a new way of doing business on the border. The Empowerment Zone grant is a critical part of the strategy that will provide (1) the opportunity for economic development; (2) meaningful employment; (3) and showcase what can happen by working together to improve the quality of life in the El Paso region. The Draft Strategic Plan is a living document.

Mike Sheridan, Executive Director, Texas Workforce Commission (TWC), added that this is a very important project for the State of Texas and for TWC. We have an opportunity to solve a problem in El Paso, plus learn to solve similar problems in other Texas border areas. In the Workforce Investment Act (WIA), Congress has ratified what Texas initiated with local Workforce Development Boards. We have some challenges in El Paso. Since August 1997 alone, 59 companies have announced layoffs; critical needs exist in education and training; one in four youth are dropouts; and literacy problems exist. On the other hand, there is also a great work ethic among the area's individuals; and Governor Bush and TWC's Commissioners are committed to this effort. These solutions have a local, State, and National impact. They can be taken to the rest of the border, as well as used for dislocated workers in other States. Employers must be involved so issues can be better resolved at the local level. Work-based learning will help to resolve the language issues of those workers who are not literate as well as the mismatch between residents and jobs. Membership in the Workforce Development Boards throughout Texas consists of 51% employers and brings together all of the partners. We can take this plan to the rest of the border. It is not a partisan issue, but a people issue.

Carlos Ramirez, Mayor of El Paso, noted that while El Paso is the 17th largest City in the United States, it has a low median income average between $9,000 and $14,000, with a high tax load. Residents like "Cecilia" are among the reasons why he ran for office. Cecilia is a single parent, with a low minimum wage job and two children. He would like to work to help Cecilia, as well as help provide the basic tools for her daughter and son to become productive. The solution is to create an environment in which per capita income will go up. The region has been impacted tremendously by NAFTA. NAFTA has been good for this country, exports have grown by 25%. But the El Paso border area has been asked to bear the burden of NAFTA, without being given the tools to resolve the resulting problems. We must give people the tools to become self-sufficient. The border is our first line of defense when it comes to things like unemployment, illegal aliens, and health issues. It is the conduit through which trade and commerce come into this country. We need to teach people how to fish -- to look at programs as investments in the people of this country. The PREP grant will help make people self-sufficient. By PREP's program design, training is being driven by the private sector. The private sector has been asked to get deeply involved. The Upper Rio Grande Workforce Development Board is made up of 51% private sector members. This program is working. The Economic Development Agency (EDA) has awarded a $1,200,000 grant to La Mujer (a worker advocacy group) and the City of El Paso to develop a Small Business Incubator. This will help Cecilia start her own business. EDA has also awarded the City a grant to develop a strategic plan that will tie it all together. How does it tie together? As of August 31, we have 4,025 enrolled in PREP. We are teaching people how to fish - now where's the pond? We need to renovate El Paso's older communities and downtown area, and we need to provide small business tools. El Paso is the first line of defense and the first line of opportunity for this country. The Empowerment Zone grant is critical to tying in training of the workforce. I want to see Cecilia become a small business person and her children an investment in our community. That will be the first line of defense as well as an opportunity for this country.

Kitty Higgins, Deputy Secretary of Labor, referenced Secretary of Labor Alexis Herman's visit to El Paso last year on Labor Day weekend. She noted that the Department of Labor (DOL) is looking toward El Paso as a model for what can be done, and stated that DOL is committed to continuing to work with and help El Paso. Ms. Higgins added that, while the economy is in good shape overall, there are other El Paso's in need of an employment strategy.

Suzanna Valdez, DOL Deputy Chief of Staff, added that she was encouraged to see the inter-agency participation; and stressed that, to be successful, we must work across government agencies. Ms. Valdez reaffirmed the Secretary's vision to "empower" local communities to solve their problems, in partnership with Federal and State governments.

Irene Chavez, Chair, Upper Rio Grande Workforce Development Board, thanked DOL for granting El Paso the opportunity to be "first out of the chute." Ms. Chavez stated that the draft goals would be tied to the Board's own strategic goals, identified in the Board Plan. (Goals, objectives, and measures from the Board's Strategic and Operational Plan were handed out.) Ms. Chavez stressed the importance of targeting employers and making sure training programs meet their needs. Noting that she, herself, was a member of the private sector, Ms. Chavez stated that the average employer in El Paso has only seven employees. El Paso has a lot of "mom and pop" shops. It's a real challenge to establish a One-Stop Center and still have outreach in remote areas. The Board has now finished its first year. PREP has 4,020 people enrolled. The Board has a Power Point presentation it uses for employers and other local organizations entitled, "Hire the Retrained Employees." It's a huge challenge, but the Board believes it will be successful. We all want the same outcome.

Chester Straub, Deputy Assistant Secretary, Economic Development Administration, commented on the "bottom-up"nature of this effort and that solutions must come from business and local organizations. Partners must be very active and "hands on" at the local level in order to leverage investments. We must clearly identify local priorities and replicate successes.

Nelson Bregon, Department of Housing and Urban Development (HUD), noted that El Paso has been nominated as an Enterprise Community. He invited the City to participate in the second round of empowerment zone grants, stating that in the past El Paso has been given $22,000,000 to construct 610 units. Mr. Bregon then went over the various HUD programs and initiatives that were available.

Dan Decena, Department of the Treasury, referenced the Community Adjustment and Investment Program (CAIP) Inter-Agency meeting held in El Paso last November that was organized by his

Agency. Mr. Decena reported that 10% of all North American Development Bank (NAD Bank)/CAIP loan guarantees in the United States have been made in El Paso. NAD Bank/CAIP currently has two direct loan proposals in El Paso, a La Mujer match of EDA funds and facility improvement of the Levi Strauss Lomaland building. He commended the El Paso Small Business Administration (SBA) District Office for doing a tremendous job, noting that about 400 jobs have recently been created through the SBA/CAIP Loan Guarantee Program in El Paso.

Hector Gutierrez, Government Relations for the City of El Paso, remarked that the change from Private Industry Council to the Workforce Development Board approach a year ago in El Paso was a major event. He pointed out that Irene Chavez is a volunteer, who heads a Board made up of volunteers. While the listing of investments in the handout is amazing, we must keep in mind that they are current investments. Historically, El Paso has not had this many investments. The community of El Paso still needs more investments to ensure the success of the entire government investment.

Brian Deaton, Grant Officer's Technical Representative for the DOL PREP Grant, suggested that El Paso take the current investments and use them to drive up the per capita tax base by moving the 4,000 participants into the available 9,000 jobs. El Paso needs a focused effort to bring the employment community into the process -- a focused follow-up with employers that represents best opportunities.

Mayor Ramirez responded that El Paso's strategy includes bringing in the private sector as a partner to the City. The City has contracted with the University of Texas at El Paso, the Chamber of Commerce, and others to provide training in incubator services and to bring in jobs and companies. The City is focusing on the one-stop approach to providing services, coordination of efforts, and a liaison extension of El Paso in over-all Texas efforts.

Irene Chavez, Chair, Upper Rio Grande WDB, also responded that the Board is targeting employers and making sure the training programs meet the employers' needs.

Congressman Reyes added that quality of life is the difference between success and failure. The community is bringing in jobs to employ residents at every level, so they can move up the chain. El Paso is behind the curve but working very hard as a community and will be an example nationally and internationally.

Irene Chavez, Chair, Upper Rio Grande WDB, stated that the Board will incorporate the specifics of economic development in their Board Plan. They will fill in the gaps.

Shirley Smith, Director, Office of Work Based Learning, voiced our common personal commitment to El Paso's success. El Paso is a model where we can to go.

Alexis Herman, Secretary of Labor, stopped by to express her personal interest and pleasure with accomplishments to date. The Secretary thanked Congressman Reyes, Mayor Ramirez, Irene Chavez, Mike Sheridan, and others for all they've done so far, and for coming to the meeting.

Secretary Herman stressed that this is a high priority, not just for DOL but for the President and Vice-President. The Secretary voiced the Administration's continuing commitment to ensuring that we are doing everything possible to see that El Paso and its citizens receive deserved and needed assistance -- assistance that will provide them with meaningful and lasting tools to compete and prosper in our economy

Congressman Reyes offered to have the next meeting of this group in El Paso.

Joe Juarez, Region VI Administrator, reminded everyone that the Draft Strategic Plan is a " draft" -- a living document, and to provide any comments to Judy Jackson in the Regional Office, telephone number (214) 767-2154, extension 212. The revised document will be shared at the next meeting. Mr. Juarez closed the meeting by expressing DOL's commitment to continue to ensure a collaborative process.

NEXT STEPS:

a. Meeting in El Paso early in 1999
b. Review updated version of Draft Strategic Plan
c. Discuss status of specific activities to ensure economic revitalization

ATTACHMENT
List of Attendees

Prepared by: Judy Jackson

DRAFT

THE SOUTHWEST BORDER REGION PARTNERSHIP

CONCEPTIAL DESIGN AND FUNDING REQUEST

PURPOSE AND EXPECTED OUTCOMES

❖ Purpose

The Southwest Border Region Partnership is seeking legislative language, approval and funding from the United States Senate and House of Representatives to form *the Southwest Border Region Authority (SBRA)*. The SBRA will provide economic and community leadership in the Southwest Border region of Arizona, Californian New Mexico and Texas.

❖ Vision

The vision for the Southwest Border Region is of safe and economically dynamic communities that celebrate the strength of our families, diversity of our culture, and the preservation of our precious resources for generations to come.

❖ Federal Partners

The Southwest Border Region Authority will seek to establish formal lines of communication with the following Federal agencies in an effort to enhance the focus and resources to the region.

U.S. Department of Agriculture
U.S. Department of Commerce
U.S. Department of Health and Human Services
U.S. Department of Housing and Urban Development
U.S. Department of Education
U.S. Department of Labor
U.S. Environmental Protection Agency

❖ Approach

The *Southwest Border Region Authority* will utilize two approaches to accomplish the milestones identified by regional leadership.

1. A *Community Development Bank (Revolving Loans)* will provide for an opportunity Southwest Border region residents, communities and entrepenuers to access resources for local and regional economic and community development initiatives.

2. An *Economic and Community Development Fund* will provide the region the opportunity capitalize innovative and priority private and public projects.

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Goals

Southwest Border Region residents will have the skills and knowledge necessary to compete in the world economy in the 21st century.

Southwest Border Region communities will have the physical infrastructure for self-sustaining economic development and improved quality of life.

The people and the organizations of the Southwest Border Region will have the vision and capacity to mobilize and work together for sustained economic progress and improvement of their communities.

Southwest Border Region residents will have access to financial and technical resources to help build dynamic and self- sustaining local economies.

Southwest Border Region residents will have access to quality health care and affordable housing opportunities.

Criteria for Southwest Border Region Authority Projects

Projects must have a transferability of the approach, the project or solution to the problem, and/or the impact, must affect more than one community or region within or between states.

The project's solution to the problem requires greater than available state resources.

Benefits should target the most distressed and impoverished communities.

Projects must have strong commitment from state and local partners, either through financial or other resources, leveraging private and public capital will be mandatory.

Special emphasis will be given to projects that have a BI-national component.

Priority will be given to projects that promote long-term sustainable community and economic development.

Projects must encourage across jurisdictional participation and cooperation.

Projects must encourage multiple agency and broad-based community support and participation

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BACKGROUND

On April 16, 1997, at the White House Empowerment Conference in Detroit Michigan, Vice President Al Gore challenged the Southwest Border region to develop a united and regional approach to economic and community development.

On June 12-13, 1997, The Rio Grande Valley Empowerment Zone and the United States Department of Agriculture held a Southwest Border Region Conference at the University of Texas Pan American in Edinburg, Texas. Representatives of Empowerment Zones, Enterprise Communities and Champion Communities from California, Arizona, New Mexico and Texas were in attendance. At this meeting the four states' federally designated targeted communities signed a mutual agreement to form the *Southwest Border Region Partnership.*

During the conference, representatives identified eight major areas of focus for the Southwest Border Region Partnership and agreed to hold subsequent meetings across the region to experience local conditions and develop a regional strategy. The focus areas include:

- Infrastructure
- Education
- Workforce Development
- Welfare Reform
- Housing
- Environment
- Health
- Trade

On October 27, 1997, the second meeting of the *Southwest Border Region Partnership* took place in Tucson, Arizona. Led by representatives from the Tennessee Valley Authority and the United States Department of Agriculture, Office of Community Development, the Partnership developed a frame-work for a regional comprehensive strategy. An Ad-Hoc steering committee was formed to outline and detail a course-of-action for capitalizing and implementing the Southwest Border Region Partnership initiative.

On February 23, 1998, in San Diego, California, the Ad-Hoc steering committee met to initiate the course-of-action. The result of this reunion was that geographic perimeters were formalized, issues were prioritized and a capitalization strategy was developed.

On July 14, 1998, at the White House Empowerment Conference in Washington D.C., the Southwest Border Region Partnership Ad-Hoc Committee conducted a briefing of the proposed initiative for all Southwest Border constituents in attendance. Over 220 representatives from all four states were present. Attendees represented the private sector as well as the public domain. The briefing generated additional enthusiasm, support and commitment from the Southwest communities.

On July 17, 1998, United States Congressman Ruben Hinojosa, (D-15), Texas, hosted a congressional briefing for all Southwest Border Region congressional delegates. The Southwest Border Region Partnership presented the need, vision and proposed plan for the regional initiative.

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United States Congressman Joe Skeen, (R-2), New Mexico, member of the House Appropriations Committee directed the Partnership to prepare a formal proposal for introduction to the United States House and Senate for recognition and support.

THE SOUTHWEST BORDER REGION

The Southwest Border Region Partnership is a unique consortium of federally designated Empowerment Zones, Enterprise and Champion Communities along the Southwest border of the United States. The Partnership has defined the Southwest border region as encompassing all communities that are rural in character with long-term endemic poverty and lie within one hundred-fifty (150) miles of the Unites States-Mexico Border. In cases where a county's political jurisdiction is split, for any census tracts with land within one hundred-fifty (150) miles of the border, the entire census tract will be included in the defined area.

Figure 1. Southwest Border Region Map

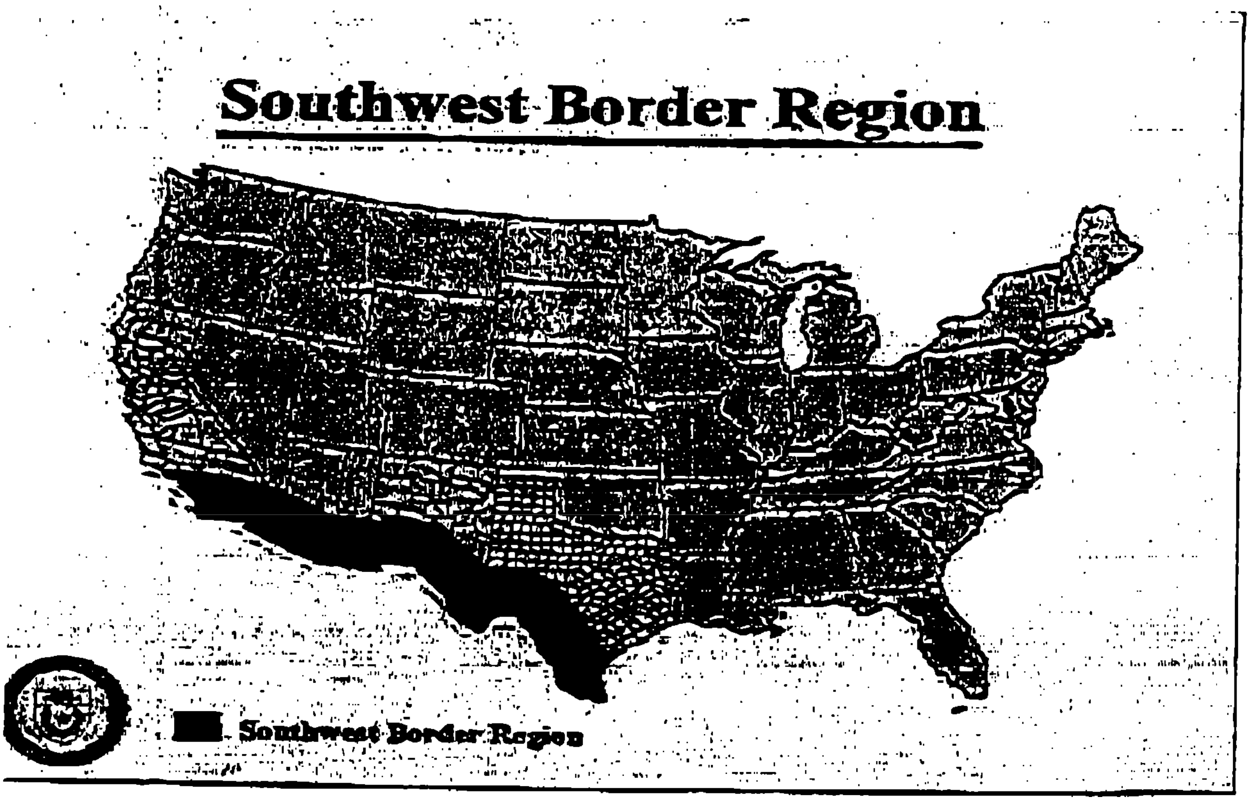

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Figure 2. Southwest Border Region Partnership Counties

ARIZONA		
Cochise	Graham	Greenlee
La Paz	Maricopa	Pinal
Pima	Santa Cruz	Yuma
CALIFORNIA		
Imperial	Riverside	San Bernardi
San Diego		
NEW MEXICO		
Dona Ana	Eddy	Grant
Hidalgo	Luna	Otero
Sierra		
TEXAS		
Atascosa	Bandera	Bee
Bexar	Brewster	Brooks
Cameron	Coke	Concho
Crane	Crockett	Culberson
Dimmit	Duval	Ector
Edwards	El Paso	Frio
Gillespie	Glasscock	Hidalgo
Hudspeth	Irion	Jeff Davis
Jim Hogg	Jim Wells	Karnes
Kendall	Kenedy	Kerr
Kimble	Kinney	Kieberg
La Salle	Live Oak	Loving
McMullen	Mason	Maverick
Medina	Menard	Midland
Nueces	Pecos	Presidio
Reagan	Real	Reeves
San Patricio	Schleicher	Starr
Starr	Sterling	Sutton
Terrell	Tom Green	Upton
Uvalde	Val Verde	Ward
Webb	Willacy	Wilson
Winkler	Zapata	Zavala

Figure 3. Southwest Border Region Facts

Total Population: 14,437,058	**Square Miles: 213,159**
25% of residents of the Southwest states live along the border	**Average medium housing unit value: $46, 255 compared to $78,500 for the U.S.**

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STATEMENT OF NEED

The *Southwest Border Region Partnership* has identified a population growing almost three times faster of that of the rest the United States and the lack of regional economic goals and prioritization as a challenge to sustained and future growth. This lack of regional *"thinking"* and lack of sufficient resources for our schools, roads, water and waste water treatment systems, housing, health, and environmental programs will be the focus of the ***Southwest Border Region Partnership.***

The most distinguishable characteristic of the Southwest Border economy is its extremely rapid growing population. The Southwest Border Region grew by a dramatic 15% between 1990 and 1996 compared to 6.6% for the rest of the United States. The region also suffers from a history of endemic and crushing poverty. As of 1995 more than a quarter of the Southwest Border counties fell into the poorest percent of all counties in nation with a per capital income of less than $10,840.

Despite these disturbing numbers, it can be argued that the Southwest Border region is not unique in its poverty. In this country, among the most recognized impoverished regions have been the Appalachian region and recently the Mississippi Delta. However, the U.S. Census and other economic indicators for this region confirm that the Southwest Border region is quickly *"catching up,"* and in many cases, even surpassing, these two regions.

While the Southwest Border region is not unique in its intense poverty, it is alone in the U.S. for not being singled out to receive full-fledged attention by the federal government. Since 1965 the United States government has identified five distinct regional initiatives to address regional development in problem areas. These federally recognized initiatives include: Appalachia Regional Commission, Four Corners Regional Commission, Upper Great Lakes Regional Commission, The Ozarks Regional Commission and the New England Regional Commission.

To date, a federal, state or regional master plan that comprehensively addresses the Southwest Border region is non-existent. Many government and private sector leaders have reached Bi-national and state to state agreements on a program by program basis. The agreements are at best a fragmented approach to the solutions affecting the Southwest Border region.

Southwest Border communities are dissatisfied with a long history of " Crisis Management" policy decisions. Border communities agree that the overarching goal of the Southwest Border Region Partnership as well as state and local economic development policy should be to raise the standard of living for all border residents. But federal and state governments buttressed by business and local communities must develop policies and implement programs which support and enhance an environment, infrastructure and workforce that may attract and sustain a marketable economy and sustain a higher standard of living.

DRAft.

A key principal to economic development is that a well-developed infrastructure is paramount to attracting value-added business to the region. Economic development strategies that are regional in nature, can serve as catalysts forging short and long range change in the Southwest Border region. Unless, such a comprehensive plan is developed and implemented into a structure of coordinated decision making the Southwest Border region will suffer swift growth without prosperity.

To truly understand the barriers facing the Southwest Border region, one must comprehend the staggering demographics, historic circumstances and unique issues facing the area. The *Southwest Border Partnership* has conducted a preliminary review of issues of the Southwest Border region and developed a frame- work to begin addressing the regions' concerns. Outlined below are some of the distressing facts:

- **Education**

At the dawn of the new century, public schools, colleges and universities face the challenges of swelling school enrollments. Southwest Border school district are experiencing annual double-digit increases. This burgeoning growth places a tremendous burden on local and state social and economic infrastructures.

Research and experience have concluded that the main economic challenge faced the Southwest Border region is educational improvement. In 1996 only 61.2% Of Southwest residents 25 years and over had a high school education compared to 75.2% for the U.S. and only 12.3% had college degrees compared to20.3% for the U.S. A more high skilled workforce must be developed if the region is to reach its potential and leave its history of extreme poverty behind.

- **Workforce Development**

Before buying capacity increases along the Southwest Border region workers must improve their skills. The residents of the region face a dearth of job skills that serve as a barricade to better wages, more stable jobs, and ultimately, a more sustainable quality of life.

Current figures place regions the region unemployment rate at 7.2% compared to 4.3% for the U.S. However, many of the regions' counties' unemployment rates are as high as 35 to 50 percent during peak seasons. If the Southwest Border areas were considered a "State" of the Union it would have the highest unemployment rate in America.

- **Transportation**

As trade pressures increase, traffic congestion has become the most obvious and persistent infrastructure challenge along the Southwest Border. Leadership along the border has agreed that local highways and roads are not handling the surge of traffic efficiently. Nor are roads, bridges and highways expected to improve any time soon.

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Almost every day, trucks heading south are backed up from the border for five miles or longer. The communities that bill themselves as *"gateways"* to Mexico and South America have become giant parking lots, for fuming 18-wheelers idling for up to six hours daily.

Figure 4. South Bound Truck Crossings, 1990-1996 State of Texas (Only)

SOUTHBOUND TRUCK CROSSINGS, 1990-1996
(in thousands)

City	1990	1991	1992	1993	1994	1995	1996
Brownsville	134	148	149	199	204	185	198
Del Rio	31	32	34	35	34	34	37
Eagle Pass	40	38	46	37	41	35	40
El Paso	NA	NA	530	566	544	583	591
Harlingen - Los Indios	0	0	0	22	57	35	44
Laredo	261	347	457	478	548	423	517
McAllen - Hidalgo	52	60	68	159	171	123	125
Pharr	0	0	0	0	0	31	57
Progreso	27	28	33	21	24	21	20
Rio Grande City	0	9	12	16	16	14	18
Roma	9	8	6	6	7	8	9
TOTAL	554	670	1,335	1,539	1,646	1,492	1,656

Notes: Eagle Pass and Laredo are loaded trucks only. The southbound bridge at Pharr did not open until 1995. Los Indios bridge opened in 1993.

Sources: John Sharp, Texas comptroller of Public Accounts, and Border Trade Alliance.

❖ Housing

Safe and decent affordable housing is hard to come by in the Southwest Border Region. This is attributed to the rapid population growth of families.

Border families often forego other necessities such as food and clothing to attain affordable living quarters. Others settle in semi-rural *"colonias."* About 1,500 colonias are scattered along the Southwest Border region with 97% of these in Texas.

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An estimated nine of every 100 Texans live in colonias. The plight of colonia residents has been a topic of national concern, in part because the scattered settlements are characterized as communities of extreme poverty in one of the wealthiest countries in the world.
Colonias are not in themselves the border regions' affordable housing crisis. Instead, colonias symbolize a regional challenge-how can residents struggling to make a living possibly have the financial capacity to afford a decent and safe home.

❖ Health

Health conditions along the Southwest Border are among the worst in the United States. State and national reports have at times, categorized these conditions as "Unsafe" and "Third World". Cases of Hepatitis A, a gastrointestinal virus borne by contaminated food and water are four times higher in some areas of the Southwest Border Region than the rest of the U.S. Additionally, the region faces significant and unique health challenges From a public health prospective, the Southwest Border Region is a unique epidemiological melting pot of diseases. Tuberculosis, leprosy, dengue fever and hepatitis pass freely via shared water, contaminated food and uncontrolled pharmaceuticals.

The Southwest Border Region is also faced with the unique problem of the uninsured indigent. This is compounded with the problem of lack of affordable health care. The Southwest Border consisting of 84 counties, has less than 5 federally designated "medically under-served areas." This places an extreme burden the states' health care systems.

❖ Crime

The expanding role of Mexico's gangs in drug trafficking along the U.S. southern border is a well-documented fact. Thomas Constantine, Administrator of the U.S. Drug Enforcement Administration (DEA) has stated that Mexico's drug trafficking organizations have claimed a new prominence along the Southwest Border Region. Since the late 1980's Mexico has been a transit route for South Americas' cocaine, marijuana, heroin and methamphetamine trade. The DEA in 1994 designated the Southwest Border Region, extending from San Diego, California to Brownsville, Texas a *"High Intensity Drug Trafficking Area."*

In 1996 the Southwest Border Region accounted for 70 percent of marijuana, 18 percent of cocaine and 16 percent of heroin seized by the United States Customs Service. During 1995 to 1996, narcotics seizures increased 25 percent in the border region.

For residents outside the 150-mile radius of the Southwest Border region murder and mayhem surrounding illegal drug smuggling in Mexico may seem distant. The reality is that border communities within the 150 corridor are faced with mounting criminal activity.

DRAFT.

The crisis along the border region has long-term implications to its economic survival. It was clearly articulated by Jane Becker, U.S. State Department, Deputy Secretary for International Law Enforcement, *"This is a critical time for the U.S. and for Mexico on the counter narcotics front," "We are more than just neighbors with a 2,000 miles border or trading partners with mutual interest in expanding business. We are also allies in a struggle against a phenomenon that threatens our people, our societies, and our democratic institutions."*

❖ Illegal Immigration

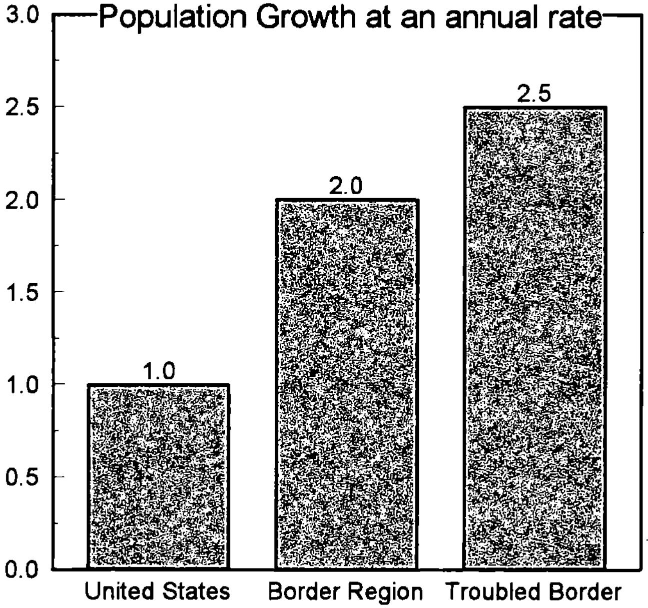
Earlier in this century, Mexican citizens used to venture north in search of work. Not unlike many immigrants to the U.S. in the early part of this century, most intended to return home and stay, and many did. Today, entire families are crossing the border into the Southwest Border region unwilling to leave their loved ones behind. These new immigrants seem to have more than a temporary visit in mind. More and more they have come to stay.

The US Immigration and Naturalization Service (INS) estimates a total of 4.6 to 5.2 million illegal immigrant population residing the United States. Nationally, an estimated 54% of illegal immigrants are form Mexico, followed by El Salvador (7%), Guatemala (3%), and Canada (2%). The majority at the illegal immigrants settle in the Southwest Border, California (2,000,000) and Texas (700,000).

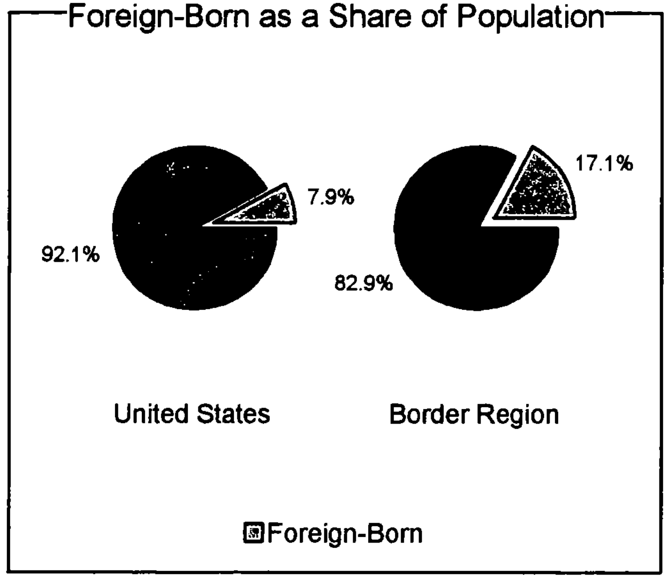
Illegal immigration has had a major affect on Southwest Border Region states and local governments. In a recent study, commissioned by the federal government, by the Urban Institute, estimated that in Texas the costs of education, emerging health care, social services and incarceration of illegal immigrants at $454 million. The same study estimated that immigrants paid about $ 202 million in sale taxes. The implication is that the immigrant population is a major part of history and the future of the Southwest Border Region.

SNAPSHOT OF THE SOUTHWEST BORDER REGION

The Border's population is growing twice as fast as in the entire country

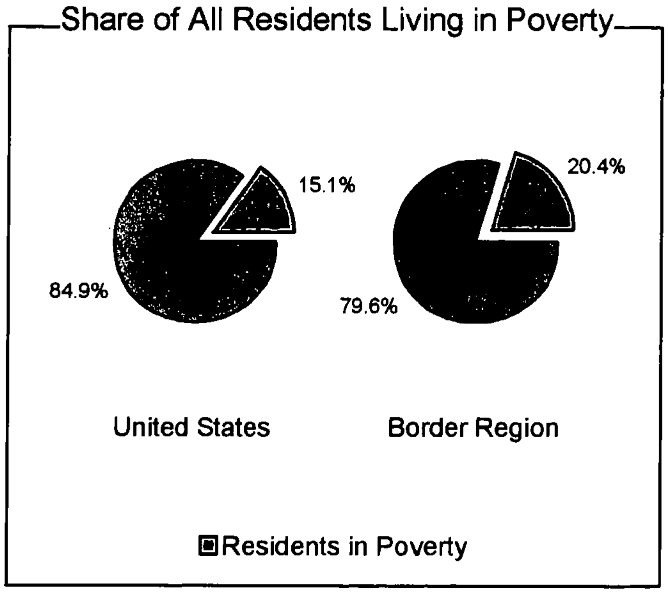


More of the Border's residents are foreign-born than is typical nationwide

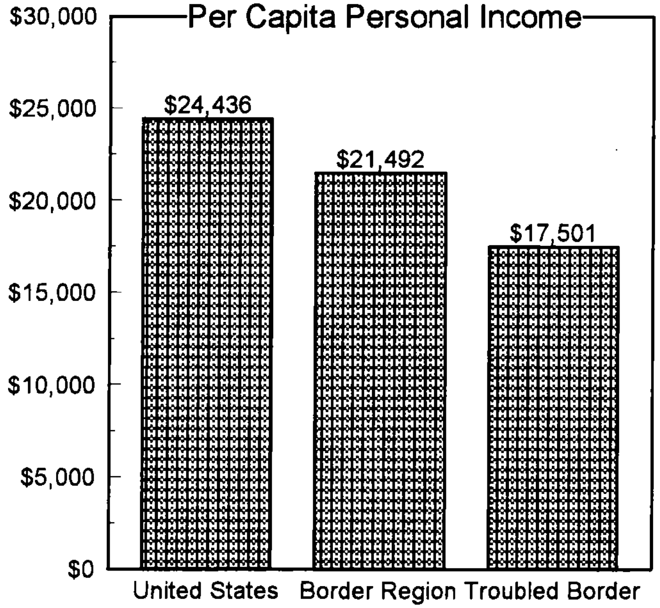


The Border's unemployment rate is well above the national average

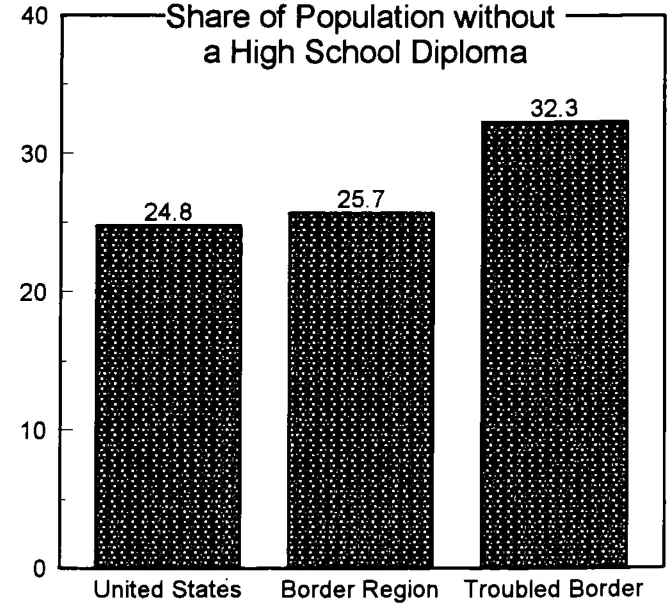
Poverty is a way of life for one-fifth of the Border's residents



Incomes along the Border lag well behind the U.S. level



Educational attainment is lower than average along the Border



THE SOUTHWEST BORDER REGION: A PROFILE OF THE REGIONAL ECONOMY

Department of Treasury
Office of Economic Policy
November 5, 1998

THE SOUTHWEST BORDER REGION

Executive Summary

The focus of this analysis is the fifty-six-county region contiguous with the United States' southwestern border with Mexico. While important differences exist among the counties within this area, they also share a number of common features that substantially differentiate the Border region from the rest of the United States.

- The **population** in the Border region is growing twice as fast and is generally much younger and more heavily Hispanic than is typical throughout the United States.

- A higher concentration of this region's residents are **foreign-born** compared to the entire country and more of this region's residents **speak Spanish at home** than in the United States as a whole.

- **Unemployment** is higher in the Border region than in all but two states and a disproportionately large share of this region's residents are living in **poverty** compared to the entire country.

- **Per capita personal income** in the Border region lags that of the United States by more than 10 percent and **average annual pay** in the manufacturing sector, which usually exceeds the average compensation paid by other industries, is actually 2 percent *below* the very low average yearly pay in all of this region's private industries combined.

- Rates of **educational attainment** are alarmingly low in the Border region -- close to one-quarter of the adult population has not graduated from high school.

- Based on measures of unemployment and poverty, **fifty-three counties* in the Border region were categorized as "troubled". The gap between the Border and the United States is *even wider* for this subset.**

The immediate outlook for the Border region is not favorable, given the pervasiveness of poverty, general lack of formal education, and rapid pace at which the youngest and oldest segments of the Border's population is expanding. All of these factors are likely to place additional strain on government resources in the near future. The relatively low level of economic development that has occurred in this region also has serious implications for the law enforcement community, as a significant relationship has been shown to exist between economic condition and crime. Unless adequate steps are taken to alleviate the economic distress from which this region currently suffers, the Border will likely continue to pose significant enforcement resource issues for the government.

November 5, 1998

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*Three counties -- Orange County (CA), San Diego County (CA), and McMullen County (TX) -- were excluded based on the following economic criteria: the unemployment rate in 1997 was below the national rate of 5.0 percent, per capita personal income was close to or above the U.S. level of $24,436 in 1996, and the poverty rate was near or below the U.S. rate of 15.1 percent in 1993.

THE SOUTHWEST BORDER REGION

Economic studies have shown that a strong link exists between the economic environment and crime. This finding has important implications for the Southwest Border Region, an area of the country plagued with high unemployment, widespread poverty, and low levels of educational achievement. The following paper provides a brief overview of the general conclusions that can be drawn from the economic literature on crime, followed by a detailed profile of the Southwest Border Region which includes a description of its people and its industry as well as the current state of its economy.

Economic Analysis of Crime

The economic discipline's analysis of crime emanates from the baseline perspective that crime can be modeled as a rational choice where an individual comparatively weighs the cost and benefits of his/her actions. The individual is assumed to be a rational utility maximizer who compares the probability of being caught, and the various costs and benefits of the crime, before making a decision. Sociologists and criminologists, in contrast, focus more on personal traits such as age, sex, race and intelligence, and environmental factors such as family background and community conditions, as determinants of criminal activity.

Starting in the late 1960's economists first formulated models of crime before subsequently proceeding to more empirical work. Studies focused on both economic conditions and deterrence variables. Many also incorporated personal trait variables, most notably age and race, into the rational choice framework. Although the studies yield a wide range of results, general conclusions can be drawn from the economic crime literature. (Refer to Appendix 1 for a more detailed description of this literature.)

- **Economic incentives** are important determinants of crime and crime can be treated as a **rational choice**.

- **Areas with high unemployment rates tend to have high crime rates** and unemployment rates are generally positively related to most types of crime.

- There is a **positive correlation between measures of income and crime rates**. Results for measures of income inequality and poverty are mixed, although empirical crime studies point to **a positive relationship between poverty measures and property crime**.

- **Deterrence lowers the expected return to criminal activity** and is therefore effective. In general, the greatest deterrent to criminal activity is the probability of getting caught, followed, to a lesser degree, by the probability and severity of punishment.

The Southwest Border Region

There exist numerous metrics for defining the Southwest Border region. Each definition is specific to its prime concern or focus.[1] We have defined the Border region as the counties that are reached if one travels 100 miles into the United States from Mexico.[2] This area covers a land base over six times the size of Israel and includes four counties each in California and Arizona, five counties in New Mexico, and forty-three counties in Texas. (See Appendix 2 for a complete list of the counties included.) Its residents number 12.3 million, a population that is almost four times larger than that of Costa Rica.

The economic profile of this region varies considerably from county to county and state to state, with areas of prosperity intermingled amongst areas of great poverty. However, there also exist a number of similarities -- many derived from the region's proximity to Mexico -- that have affected standards of living and economic development throughout the area. The population is generally younger and growing more rapidly than in the country as a whole. Hispanic Americans outnumber all non-white ethnic groups and represent a much larger segment of the total population relative to the entire country. More of the Border region's residents were born outside of the United States than is typical nationwide and Spanish is the primary language spoken in almost one-third of the region's households. The disparity that exists between the Border region's economy and that of the entire United States is striking. On balance, those who call this region home tend to be poorer and less well-educated than the average American and are far more likely to be unemployed.

Three counties -- Orange County (CA), San Diego County (CA), and McMullen County (TX) -- clearly stand apart from the rest of the region. According to measures of employment, income and poverty, they appear to be better off than the nation as a whole. If these three counties (which together account for roughly 44 percent of the Border's total population) are excluded, the differences that exist between the Border region and the United States grow even more extreme (see column labeled "Troubled Border" in Tables 1 and 2). The composition of the population becomes more heavily skewed towards younger age groups and population growth accelerates. The share of

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[1]The North American Development Bank, which was created under the auspices of the North American Free Trade Agreement to preserve and promote the health and welfare of border residents and their environment, defines the U.S. Border region as the area within roughly 62 miles north of the boundary between the United States and Mexico. The White House Office of National Drug Control Policy defines this area as the twenty-three counties located directly adjacent to the U.S. border with Mexico. Given the specialized focus of the mandates of the above agencies and the very different focus of this paper, and in light of conversations with and information gathered from state officials familiar with the area, a broader definition of the Border region was deemed necessary.

[2]If more than half of a county fell outside of the 100-mile limit it was not included.

Hispanic Americans rises by almost one-third and the fraction of the population speaking Spanish at home increases to more than 40 percent. The average level of educational attainment plummets, the unemployment rate surges, per capita income falls by over 20 percent, and poverty rates climb even higher.

Characteristics of the Border Population

The Border region included 12.3 million of the nation's 267.3 million people in 1997 -- accounting for about 4-1/2 percent of the U.S. population. (Table 1, attached, shows details of the population.) The population of this area is greater than that of 61 other nations of the world.

- Among the Border's residents, nearly 7 million were located in California, 4 million in Texas, 1.1 million in Arizona, and just slightly more than 1/4 million in New Mexico.

- During the first seven years of the 1990's, the population of the Border region grew at a 2.0 percent annual rate, twice as fast as the population of the country as a whole, with gains ranging between 1.7 percent for the Border counties of California and 2.8 percent for New Mexico.

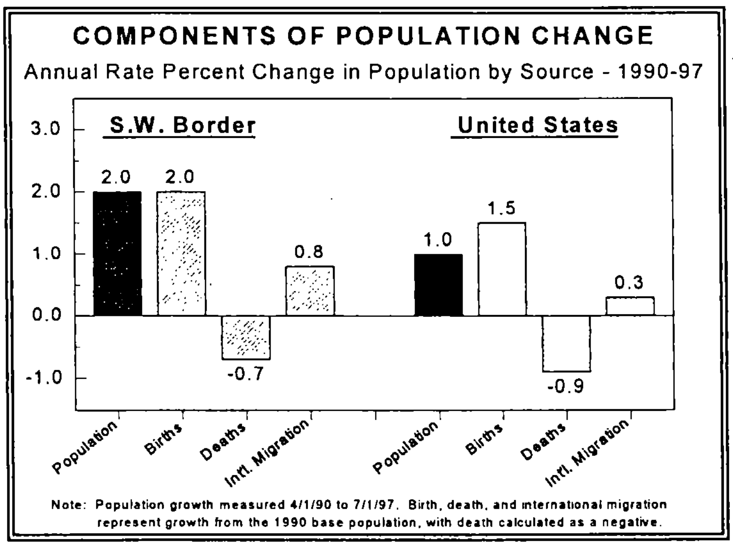

Figure 1

Faster population growth in the Border region reflects a higher birth rate, lower rate of death (since the Border population is relatively young) and greater international migration relative to the country as a whole, as shown in Figure 1.

- If the Southwest Border area were the 51st state[3], its **birth rate** of 18.2 per 1,000 people in 1997 would have been the second highest in the nation after Utah's 20.5 per 1,000 rate. Both far outpace the 14.6 per 1,000 U.S. rate.

- The Border's **death rate** of 6.7 per 1,000 in 1997 ranked 47th among the states.

- The **rate of international migration** for the Southwest Border of 7.7 per 1,000 in 1997 exceeded that of every State and was more than double the nation's rate of 3.1 per 1,000.

The **age profile** of the Southwestern Border population is generally younger than that of the nation as a whole. Just over 39 percent of the Border population is less than 25 years old (compared to 35 percent for the total United States). In the Texas and New Mexico Border areas, this group accounts for 42 percent or more of the population. The concentration of residents 65 years or older is also less in the Border region -- 11 percent of the population compared to 13 percent nationwide.

- More rapid population growth than for the nation as a whole extends across the age spectrum but is particularly significant for the youngest and oldest population groups (see Figure 2). These are the groups likely to rely the most on government resources including education, income maintenance, and health services, but usually contribute the least to the tax base.

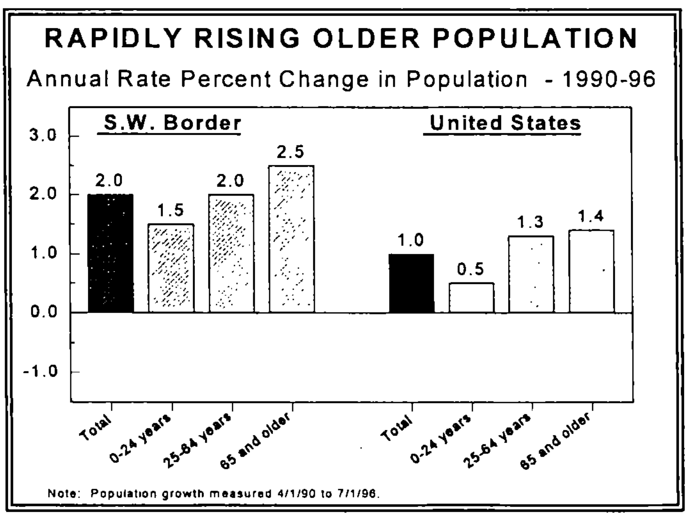

Figure 2

[3]When comparing the Border region to the fifty states, the counties falling within the Border region were *not* excluded from their respective states due to difficulties encountered when trying to disaggregate the data.

The region's historical links and proximity to Mexico have resulted in a high **concentration of Hispanic Americans** living in the Border area.

- Hispanic whites make up about 41 percent of the Border population -- far eclipsing the less than 10 percent of the population that they account for nationwide (see Figure 3).

    -- The aggregate of the Border area masks diverse patterns within States. Hispanic whites account for 27 percent of the population in the California Border region and about 30 percent in Arizona but 54 percent in New Mexico and nearly 68 percent in Texas.

    -- Recent trends suggest that the Hispanic share of the population in the Border region will continue to grow. From 1990 to 1996, the white Hispanic population expanded at a 3.8 percent annual rate, with growth rates for this group ranging from about 3 percent in New Mexico and Texas to 4.0 percent in Arizona and 4.6 percent in California.

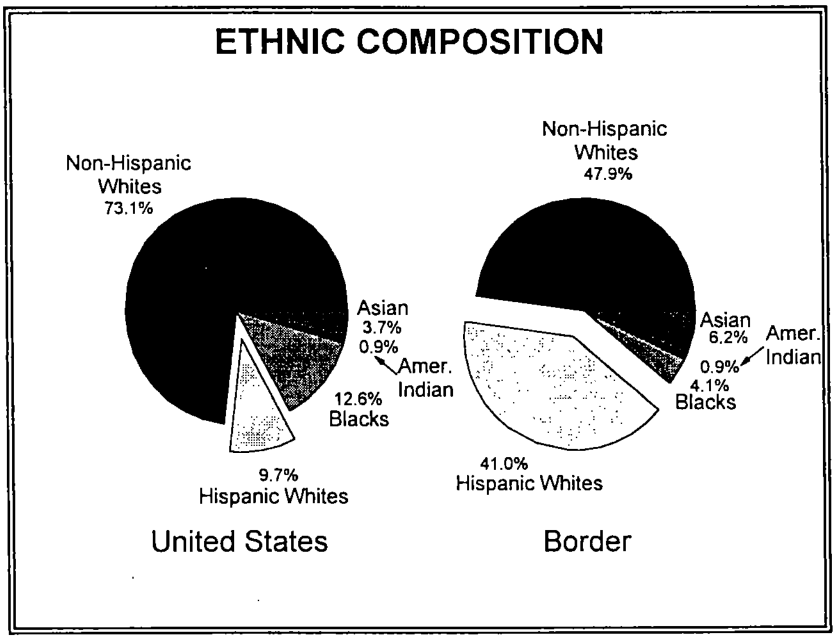

Figure 3

- The Border as a whole also has a higher proportion of people of **Asian and Pacific Island** backgrounds -- 6.2 percent of the population compared to 3.7 percent nationwide. This is entirely because of the influence of the large California area, where Asians account for nearly 10 percent of the population. Among the Border regions of the remaining three states, this group is less represented than in the nation as a whole.

-- While small in proportion to the population for the Border areas other than California, the Asian population is growing even faster than that of Hispanics -- 4.6 percent compared to 3.8 percent. Rapid growth is occurring in each of the Border states.

Not only is the ethnic composition of the Border region vastly different than that of the entire United States, it also has a much higher share of the population that is **foreign-born.** The latest data are for 1990 and show that about 17 percent of the Border area's population was born outside of the United States -- more than double the nearly 8 percent for the nation as a whole (see Figure 4).

- While California has by far the largest foreign-born share of the population, other Border states have shares well above the average for the nation. Because of the rapid growth of immigration since 1990, it seems likely that these shares may have risen further.

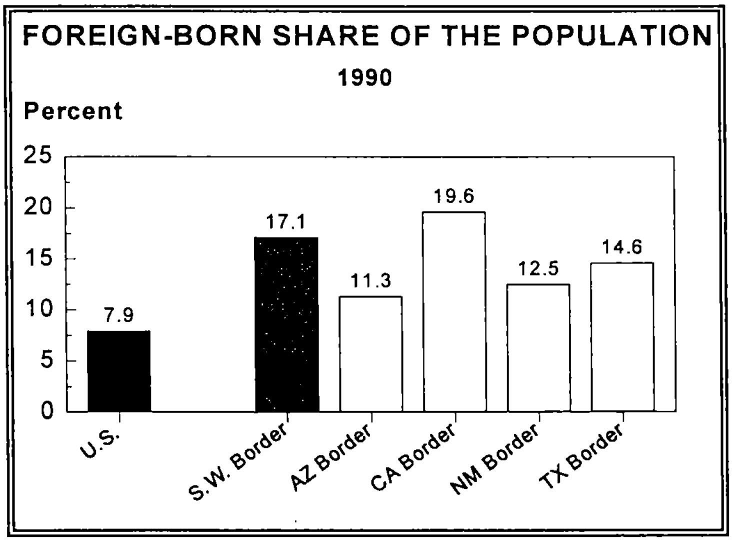

Figure 4

The importance of the foreign-born population and the heavily Hispanic concentration of the population have resulted in an unusually large share of the population **speaking a language other than English at home.** In 1990, fully 38 percent of the Border population spoke a foreign language in the home (see Figure 5), nearly triple the share averaged for the nation and ranking the Border region above any state. By far the greatest intensity of foreign language use was in the Texas Border region, where nearly 60 percent of the population spoke a foreign language -- predominantly Spanish (see Figure 6).

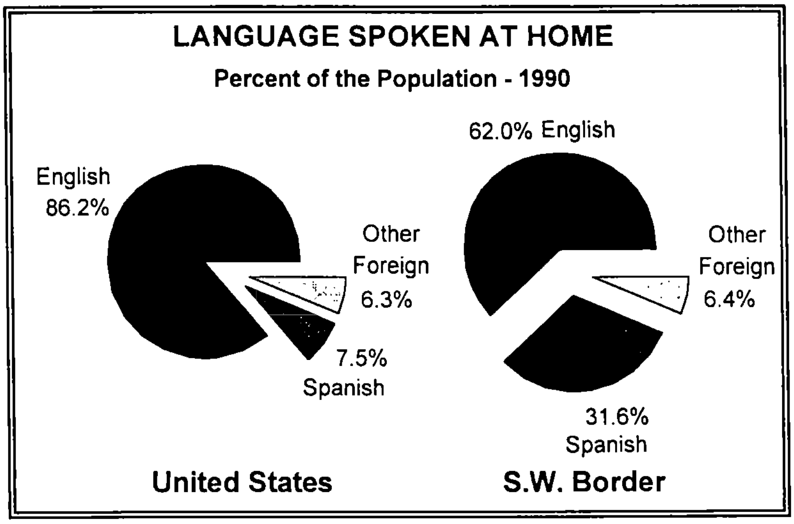

Figure 5

- Obscured by these compilations are areas of even greater foreign language use. In ten of Texas' forty-three Border counties, foreign languages were spoken in the home by more than 80 percent of the population, in one county in Arizona foreign language usage exceeded 75 percent and in one California county it reached nearly 64 percent. While many of these counties are quite small, the relative predominance of foreign language use can pose challenges especially in the areas of education and government administration, where English may be the only language used, but may not be well understood.

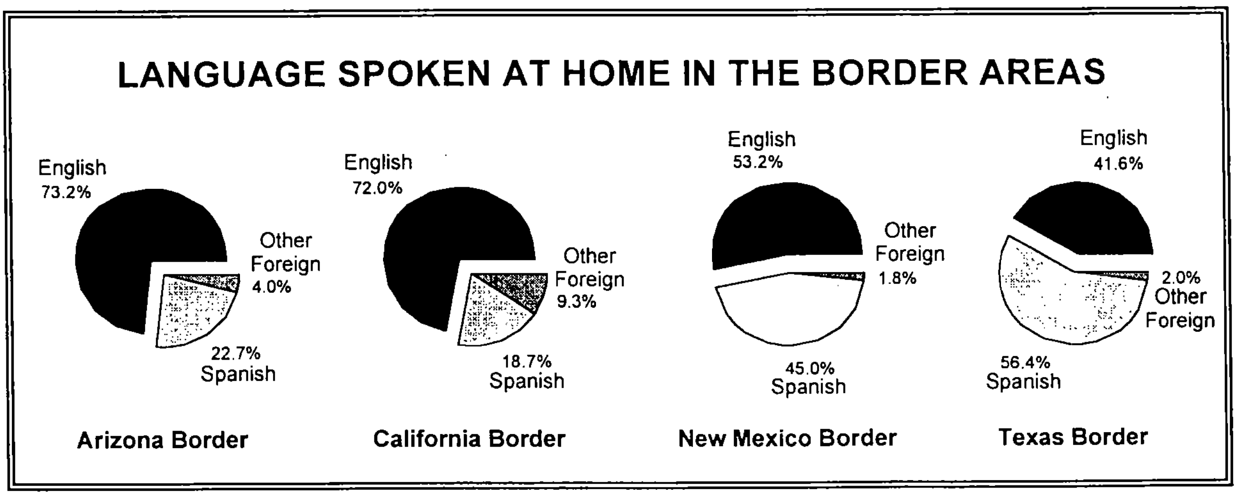

Figure 6

The Economic Situation Along the U.S.-Mexican Border

In general, the 12.3 million people who live and work in this fifty-six county area are less likely to be employed and tend to be poorer and less educated than the average American. The economy in this region varies, however, not only across the four state Border areas it includes but also between counties within those areas. (Most statistics referred to in the text that follows can be found in Table 2.)

- The four-county California Border area, which is home to nearly 60 percent of the Border region's residents, appears to be the most prosperous: the unemployment rate in 1997 was below the national average, per capita personal income exceeded the U.S. level and poverty was slightly less pervasive than it was across the entire country. Yet one county within that area, Imperial County, experienced double-digit unemployment and poverty rates, its per capita income was just two-thirds of the U.S. level and only about half of its residents have completed high school.

- The three remaining state Border areas provide a sharp contrast. Per capita income was significantly below the national level, poverty was more common, and unemployment exceeded the national average by more than 20 percentage points in some areas.

Services and Retail Trade Dominate the Border Region's Economy

In some respects, the industrial profile of the Border region is very similar to that of the nation as a whole. As the figure below indicates, the same broad sectors clearly dominate the economy in both the Border area and at the national level. Moreover the region's largest industry, services, employs virtually the same share of the total workforce as in the United States. Yet there also exist important differences. As Figure 7 also shows, the retail sector, which employs the second largest share of the workforce both along the Border and nationwide, appears to be slightly more important in the Border region than in the United States. In contrast, the manufacturing sector accounts for a much smaller share of overall employment in the Border region than in the country as a whole.

If Orange (CA), San Diego (CA), and McMullen (TX) counties are excluded, the industrial profile of the Border region is altered considerably: the services industry is still the dominant employer in the region, but the share of the labor force working in the retail sector jumps up to 26-1/2 percent --surpassing the U.S. share by 5-1/2 percentage points, and the share employed by the manufacturing sector plunges to 11.8 percent; the construction industry, which employs 6.3 percent of the Border area's labor force but only 5.0 percent of the national labor force, moves into fourth place; and the finance, insurance and real estate (FIRE) industries account for a smaller 5.9 percent share of total employment, compared with the nation's 7.0 percent share.

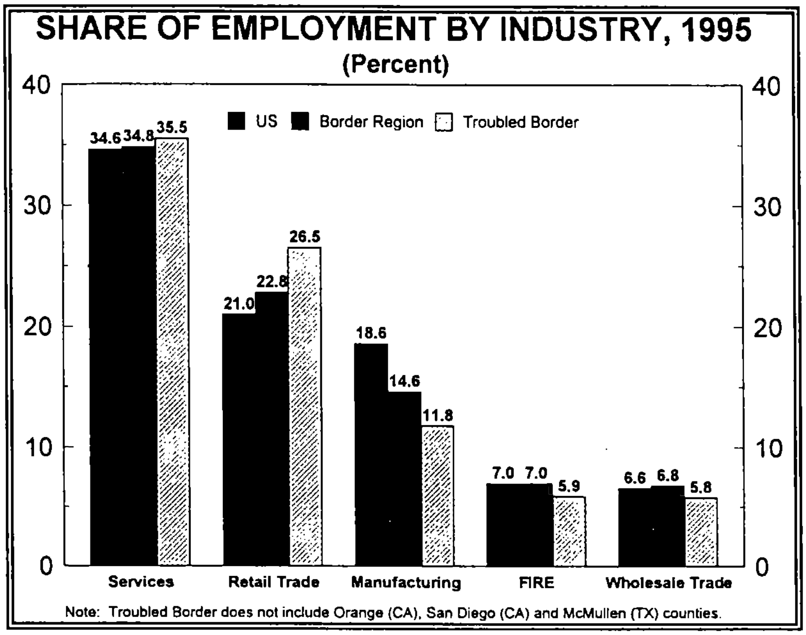

Figure 7

Border Residents Are More Likely Than Other Americans To Be Unemployed

In 1997, the rate of **unemployment** in the Border region was 6.5 percent, well above the 5.0 percent national unemployment rate and higher than in forty-eight states (including the four states which share the Border area). A much less favorable picture of the region's labor market emerges when one decomposes the region by state and county.

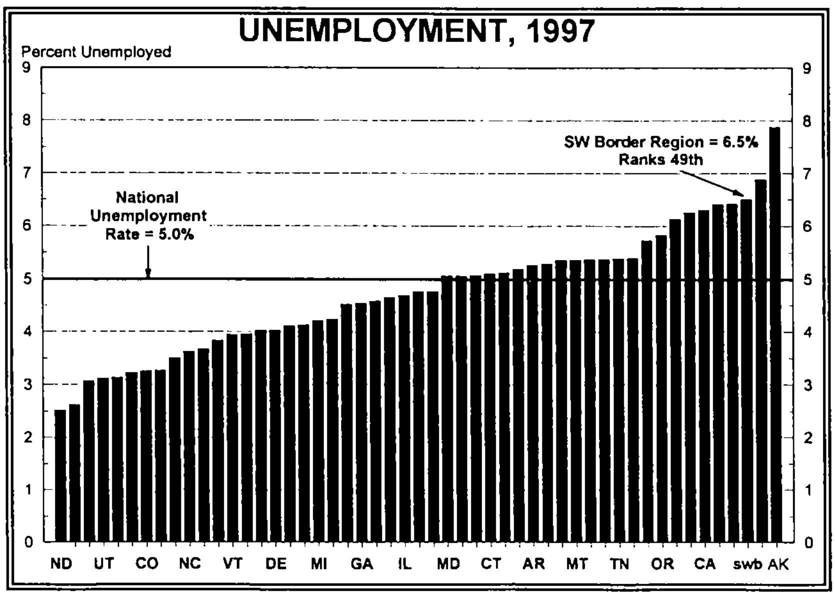

Figure 8

- The Arizona, New Mexico and Texas Border areas all recorded unemployment rates much higher than the national average, but together account for only 41 percent of the Border's total work force (see Figure 9).

- San Diego and Orange counties in California together account for almost half of the entire region's labor force. With their low unemployment rates (4.2 and 3.3 percent, respectively) and disproportionately large share of the Border's workers, they kept the rate for the entire Border region artificially low. If they are excluded[4], the unemployment rate for the Border region jumps from 6.5 to 8.9 percent.

- One-third of the counties within the Border region recorded unemployment rates *below* the national average (see lefthand panel of Figure 10), yet it is not unusual to find these communities enveloped by counties with double-digit rates of unemployment.

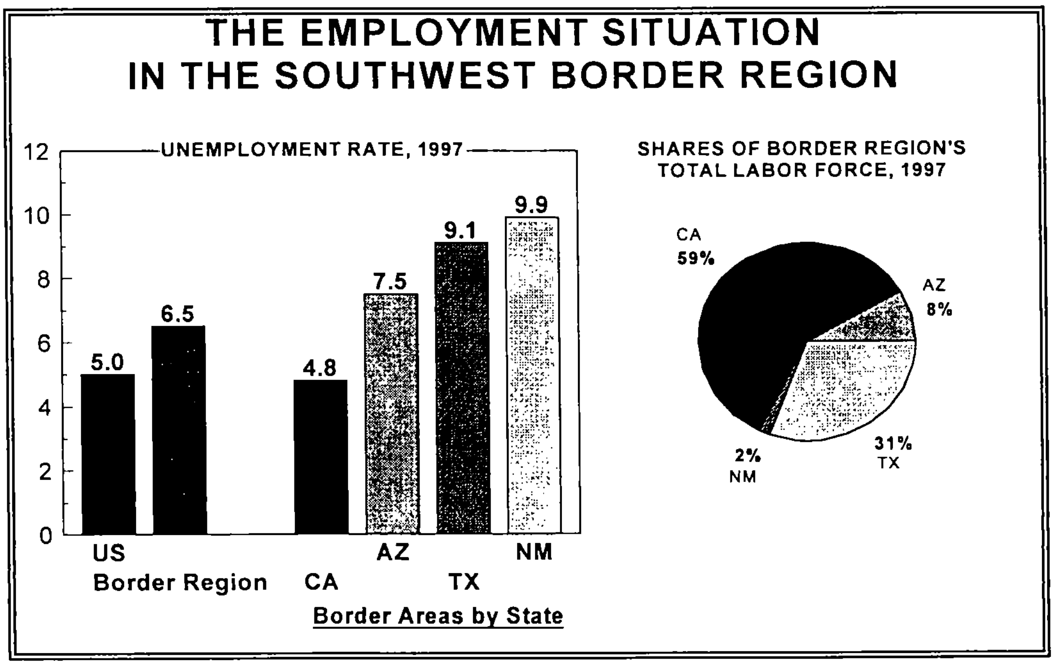

Figure 9

[4]McMullen County in Texas, which also has very low unemployment but accounts for only a negligible share of the Border's labor force, was also dropped.

Poverty Is A Way of Life for Many in the Southwest Border Region

Despite intermittent pockets of low unemployment, **poverty** appears to be a way of life for a disproportionately high number of this area's residents. As the lefthand panel of Figure 10 indicates, all but four of the Border region's fifty-six counties registered poverty rates above the 15.1 percent national average in 1993 (the latest year for which these data are available).

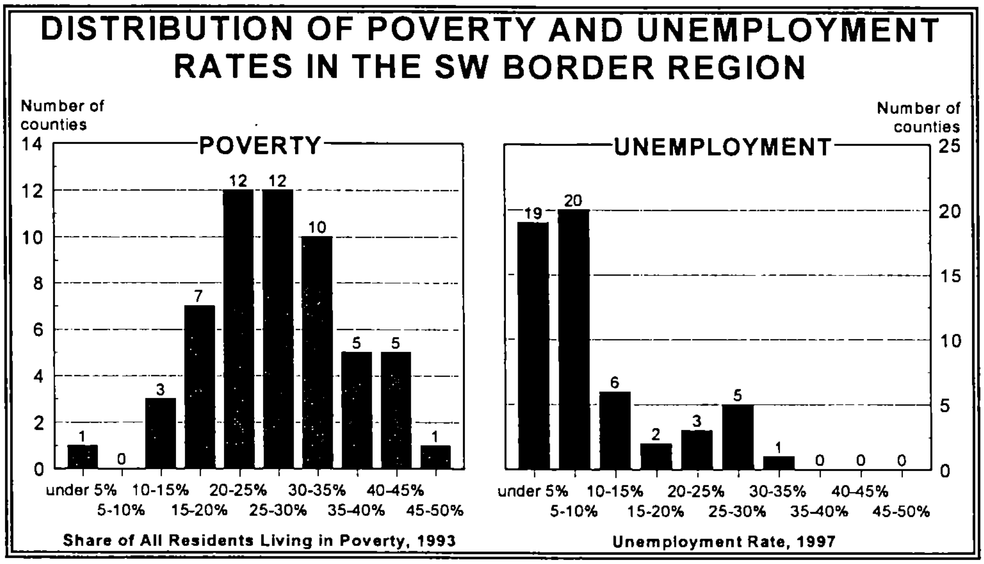

Figure 10

- All together, 20.4 percent of the Border region's residents were living at or below the poverty level in 1993. This topped the national rate of 15.1 percent and exceeded poverty rates in 46 states.

  -- Poverty was most pervasive along the eastern-most stretch of the Border: in both the Texas and New Mexico Border areas one-third of the population was impoverished while one-fifth of the Arizona Border population was poverty stricken. A much smaller 15.0 percent share of the population living along California's border with Mexico was living in poverty during that same year.

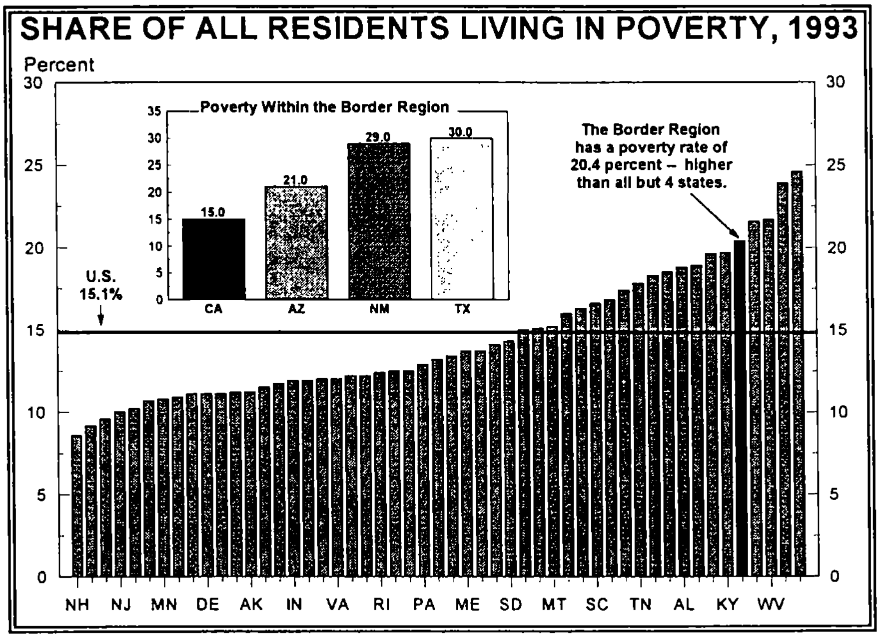

Figure 11

- Pockets of relative prosperity can and do exist side-by-side with highly impoverished areas.

  -- In the California Border area, Imperial County recorded a 28.6 percent poverty rate but neighboring San Diego and Riverside counties registered rates of 16.3 and 15 percent, respectively – much closer to the national poverty rate.

  -- In Texas, Bandera County showed a poverty rate of only 12.3 percent, yet it is surrounded on all sides by counties with poverty rates ranging from 16.3 to 32.7 percent.

- *The situation for children living in Border communities is even bleaker.* Almost one-third of all of the region's children under the age of 18 were living in poverty in 1993. The national poverty rate for children during the same year was a much lower 22.7 percent.

  -- The Texas and New Mexico Border areas had the highest child poverty rates – 41.3 and 39.7 percent respectively, followed by Arizona at 30.2 percent. California's 22.4 percent child poverty rate was just under the national rate.

As recently as 1996, **per capita personal income** in the fifty-six counties along the U.S. border with Mexico was a low $21,492, 12 percent below U.S. per capita income. As shown in Figure 13, growth in this region's per capita personal income between 1990 and 1996 trailed far behind that of the rest of the United States.

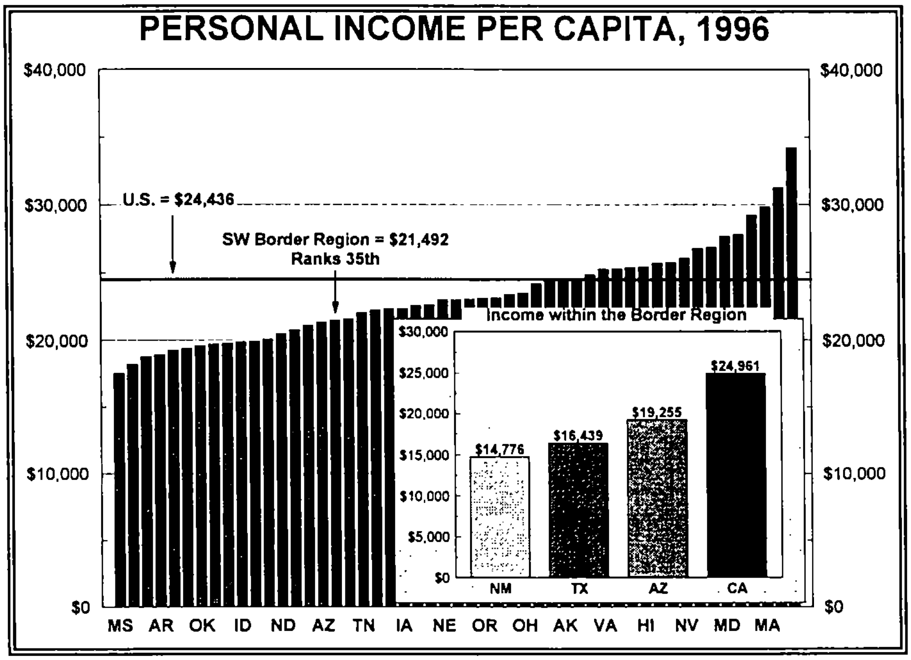

Figure 12

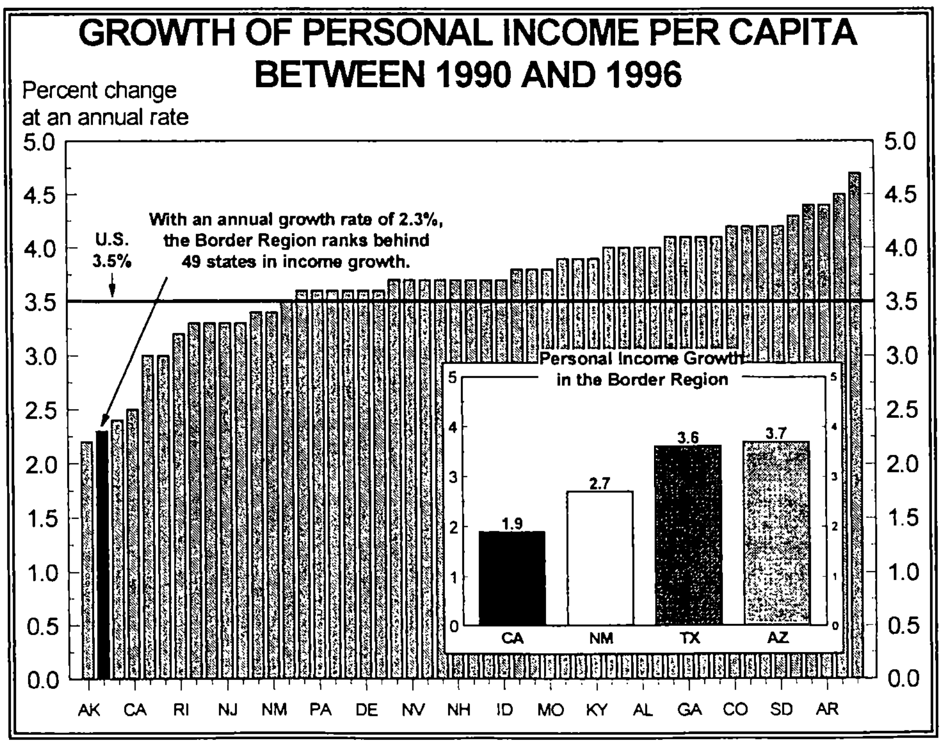

Figure 13

For many residents of the Border region a large part of personal income is derived from **transfer payments**. These payments, which include welfare, retirement, and unemployment benefits, accounted for 17.3 percent of the Border region's total personal income in 1996, compared to 16.5 percent in the United States as a whole. Between 1990 and 1996, this share grew by 7.0 percent at an annual rate in the Southwest Border region, faster than the 6.5 percent U.S. pace. When measured against the 50 states, the region ranked near the bottom -- only 15 states registered speedier growth rates. Moreover, each of the three major components of transfer payments expanded at a faster rate in the Border region than in the entire U.S.

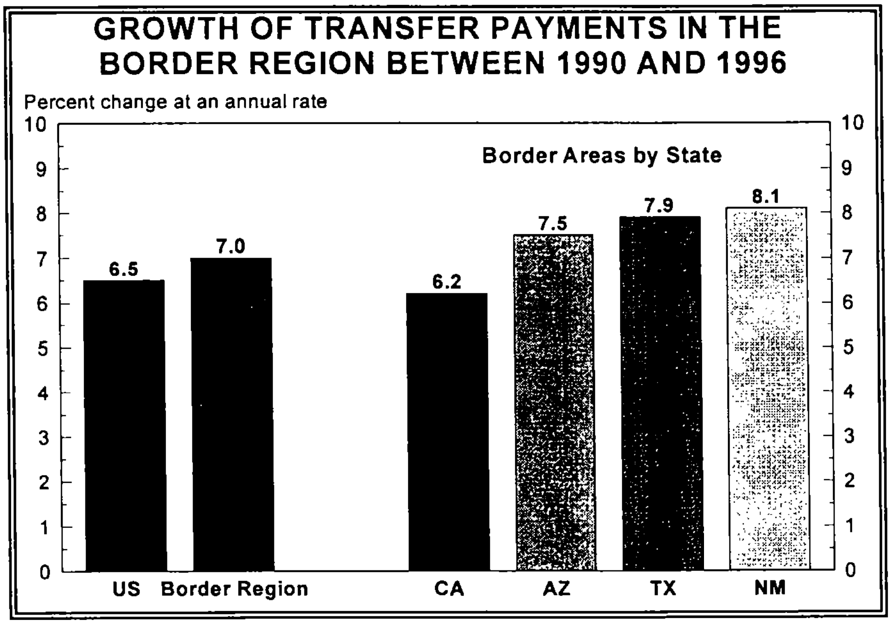

Figure 14

- **Welfare benefits** (which include Supplemental Security Income, Aid to Families with Dependent Children, food stamps, and other forms of supplemental income payments) accounted for approximately 9 percent of all U.S. transfer payments in 1996. In the Southwest Border region, however, they accounted for nearly 12 percent of transfer payments (see Figure 15). The share of transfer payments funneled into welfare benefits that year was larger in only three states.

- Given the low level of per capita income, high unemployment, and rapid pace at which the population in this area is expanding, growth of transfer payments in the Border region is likely to continue to exceed that of the nation in the years to come, placing additional stress on government resources.

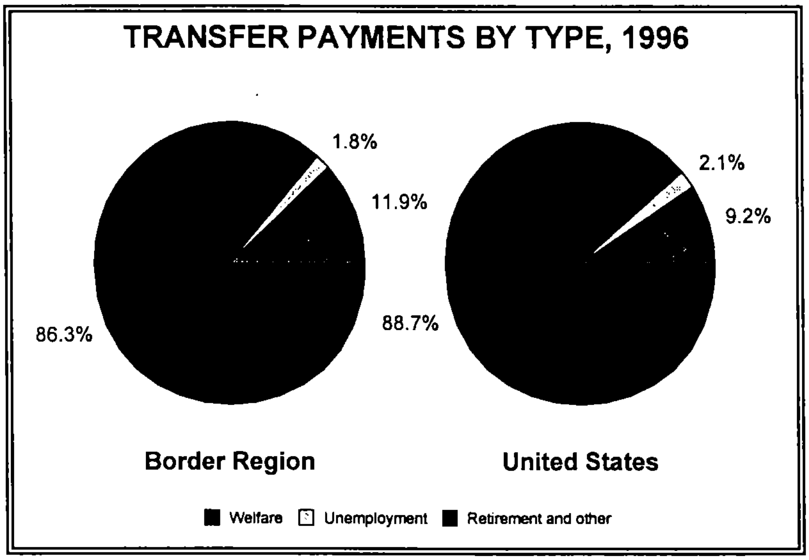

Figure 15

Average annual pay in the communities along the Border also lagged behind the national average in 1996, providing a partial explanation for the relatively low per capita personal income in this region relative to the entire country. For all private industries combined average annual pay in the Border region amounted to $25,915, almost 10 percent less than the U.S. average of $28,581. While the manufacturing sector typically pays more on average than other industries, this was clearly not the case within 100 miles north of the Mexican border (see Figure 16). In 1996, average annual pay for private manufacturing was $25,589, only 71 percent of the $36,235 U.S. average and almost 2 percent *below* the average yearly compensation paid by all private industries combined in that same area.

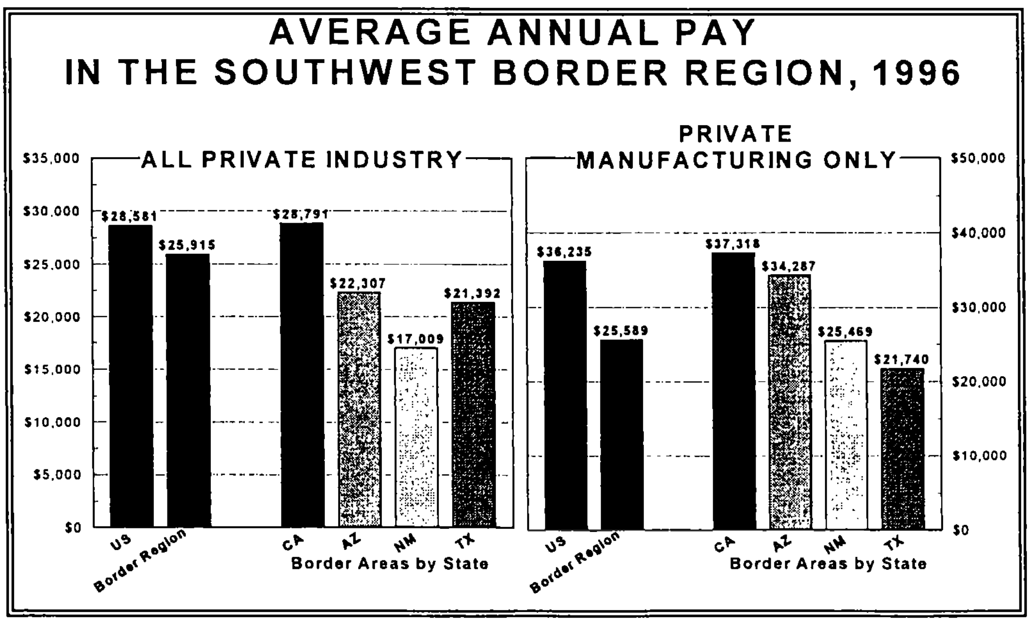

Figure 16

Educational Attainment and Public School Enrollment in the Border Region

Unless workers acquire the skills and education necessary to obtain higher paying jobs, incomes are unlikely to rise. As of 1990, about one-quarter of the region's adult population did not have a **high school diploma**. While this proportion is only slightly larger than in the United States as a whole, the Border region placed near the bottom when ranked against the 50 states. The **high school dropout rate** paints a more ominous picture. In 1990 , roughly 13 percent of 16-to-19-year-olds had dropped out of school, giving the Border region one of the highest dropout rates in the nation.

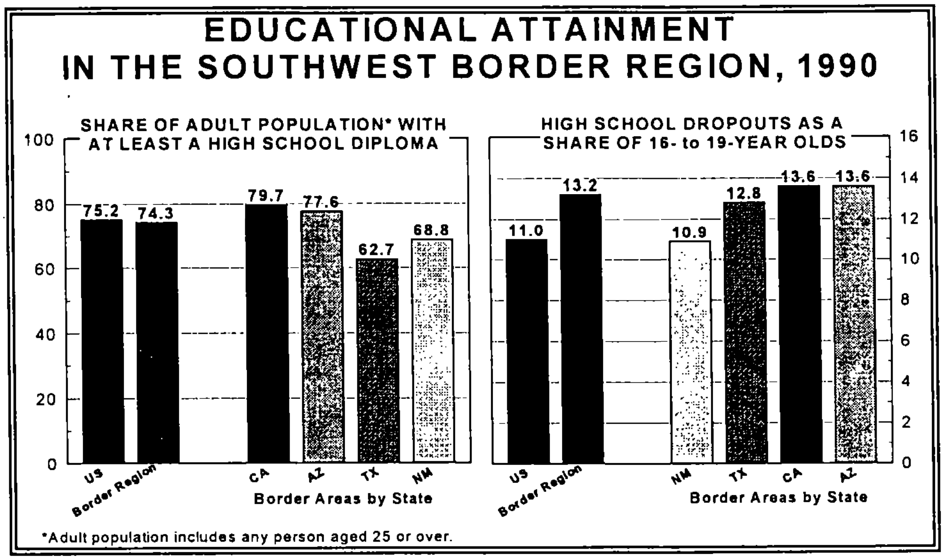

Figure 17

As the next figure clearly shows, there is a strong positive relationship between educational attainment and poverty. Those Border counties with the largest shares of adult residents who had not graduated from high school also tended to have the largest shares living in poverty.

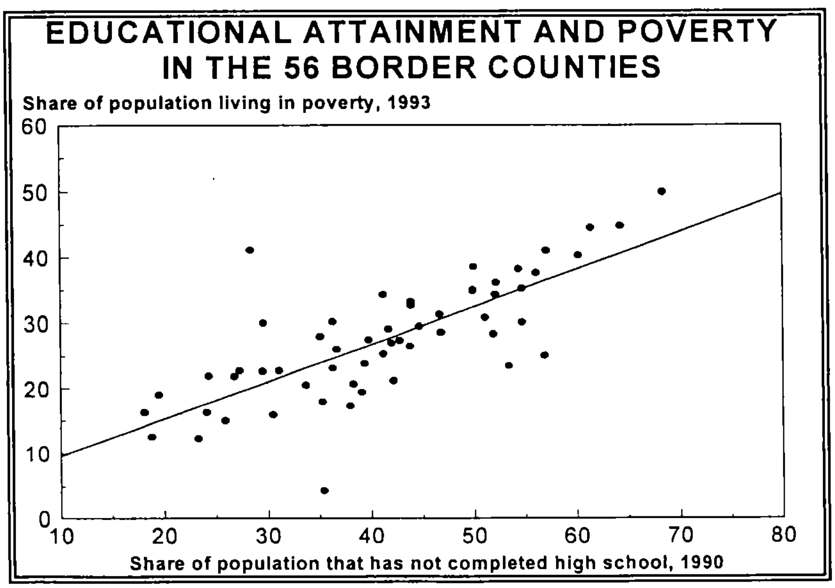

Figure 18

While the **proportion of Border residents who had completed college** in 1990 was slightly higher than the 20.3 percent national figure, the largest concentration of bachelor's degree holders lived in the most affluent, and most populated counties in the California border region: Orange County and San Diego County. If these counties are excluded[5], the share of college educated residents in the Border region plunges to 16.3 percent, giving the Border one of the lowest proportions of college-educated residents in the nation.

The fraction of **children enrolled in public elementary and secondary schools** throughout the region was a very high 67.1 percent in 1990. This was almost 4 percentage points above the nation's 63.6 percent and surpassed enrollment rates in 41 states. In light of the rapid rate at which the population of school-aged children is currently expanding, public school enrollment is likely to grow further, placing additional demands on the Border's public resources in the years to come.

Conclusions

The immediate outlook for the Border region is not favorable, given the pervasiveness of poverty, low level of educational attainment, and rapid pace at which the youngest and oldest segments of the Border's population is expanding. All of these factors are likely to place additional stress on government resources in the near future.

- If the youngest and oldest segments of the population – those who typically account for the smallest share of government receipts yet are the most likely to rely upon the government for education, health care, supplemental income, and myriad other services – continue to grow at their current rates, government resources will be strained further in the future.

- If opportunity for employment continues to remain elusive for so many of the region's residents, poverty will remain a way of life for a large number of the Border's residents.

- If the region's workforce fails to acquire the education and skills necessary to obtain higher paying jobs, incomes will not rise sufficiently to lift many of these workers out of poverty.

The relatively low level of economic development that has occurred in this region also has serious implications for the law enforcement community. In light of the relationship between economic condition and crime, it is imperative that a higher level of commitment be developed to alleviate the economic distress from which this region

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[5]For the sake of consistency, McMullen County (TX) was also excluded, although in terms of educational achievement it clearly trails far behind the nation. However, because this county's total population is very small, excluding it had virtually no effect on the outcome.

currently suffers. Economic studies have clearly shown that the decision to commit a crime can be treated as a rational choice. The results of these studies argue for a balanced approach in policies between increasing deterrence efforts and improving legitimate market opportunities and general economic conditions.

- In 1996, Richard Freeman analyzed the increasing involvement in criminal activity of less skilled, less educated young men. He related the increase in crime to the decline in employment demand for less skilled males. Freeman stated, "if the supply of youth to crime is sufficiently elastic then the criminal justice system can at best cap the crime rate at rising costs." He concluded that any long term solution must include improved labor market opportunities, especially for less skilled youth.[6]

The Treasury Department and other entities of the U.S. government can play an important role in addressing certain aspects of the economic distress enveloping the Southwest border. Current efforts by Treasury include:

- The North American Development Bank (NAD Bank), with components dedicated to the environmental infrastructure development of the border and to the assistance of communities affected by trade dislocations (CAIP). The objective of the Community Adjustment Investment Program (CAIP) is to serve as a development catalyst helping finance job-creating projects in U.S. Southwest border communities affected by trade adjustment. Presently, the NAD Bank's institutional development program includes projects in 20 U.S. border communities. The NAD Bank's geographic focus on the Southwest border parallels Treasury's enforcement interest in combating narcotics trafficking and other crimes in the region.

- The Community Development Financial Institutions Fund is another instrument that could help provide access to capital on the border. Credit and investment capital are essential ingredients for creating and retaining jobs, developing affordable housing, starting or expanding businesses, and revitalizing neighborhoods. The CDFI is dedicated to the creation of a network of financial institutions that are specifically concerned with funding and supporting community development. The CDFI Fund's support of Accion Texas, Inc., a community lending institution in South Texas, is an example of funding assistance to the border area.

The Treasury Department is in the process of establishing an internal Southern Border Working Group in order to coordinate Treasury policy programs and to explore potential new instruments with regard to a southern border target. Treasury's evaluation of programs and resources dedicated to the issues of the Southwest border can be complemented by a parallel review in other agencies via an interagency task force.

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[6]Freeman, Richard B. (1996).

- For example, the Justice Department's Weed and Seed program can help distressed neighborhoods in the Southwest border region. The program aims to weed out violent crime, gang activity, drug use, and drug trafficking in targeted neighborhoods and then to provide assistance supporting economic and social revitalization. Neighborhood revitalization assistance helps fund economic opportunities for residents, improved housing conditions, enhanced social services, and improved public services in the target area.

The Labor Department, the Department of Housing and Urban Development, and the Department of Agriculture also possess valuable expertise and resources.

Over time, efforts must be made to raise the education and skill levels of the Border's residents and provide more opportunity for employment in this region. Otherwise, the Border's economy is likely to continue to lag behind the rest of the United States and continue to pose significant enforcement resource issues for the government.

Table 1

BORDER POPULATION: YOUNGER, FASTER-GROWING, MORE FOREIGN-BORN

		Southwest Border				Arizona		California		New Mexico		Texas	
	United States	Total	Rank* against 50 States	Troubled Border**	Rank against 50 States	State	Border	State	Border	State	Border	State	Border
CHARACTERISTICS OF THE POPULATION													
Population, July 1, 1997 (millions)	267.6	12.3	5	6.9	12	4.6	1.1	32.3	7.0	1.7	0.2	19.4	4.0
share of U.S. or State		4.6		2.6			23.3		21.7		13.9		20.6
Growth of population, 1990 to 1997 (annual rate)	1.0	2.0	8	2.5	6	3.0	2.3	1.1	1.7	1.8	2.8	1.9	2.3
Rates per 1,000 population, 1996-97													
Birth rate	14.6	18.2	2	18.9	2	16.5	16.7	16.7	17.0	15.8	16.8	17.0	20.6
Death rate	8.7	6.7	47	7.0	46	8.1	8.7	6.9	6.5	7.3	7.3	7.2	6.4
Rate of net international migration	3.1	7.7	1	7.7	1	2.7	5.0	7.2	7.3	4.5	11.9	5.2	8.8
Age composition (percent of total, 1996)													
0 to 24 years	35.4	39.1	5	40.7	3	35.7	36.0	37.2	37.4	39.2	42.0	38.8	42.5
25 to 64 years	51.8	49.9	42	47.9	50	51.1	50.5	51.7	51.4	49.7	46.0	51.0	47.2
65 years and older	12.8	11.1	44	11.5	39	13.2	13.6	11.0	11.2	11.0	12.0	10.2	10.2
Ethnic makeup (percent of total, 1996)													
Non-Hispanic white	73.1	47.9	50	39.4	50	69.0	60.6	51.7	58.0	49.1	43.2	57.0	27.2
Hispanic white	9.7	41.0	1	53.6	1	19.9	30.5	28.3	26.9	37.9	53.5	27.8	67.6
Black	12.6	4.1	32	4.0	32	3.5	3.8	7.4	4.4	2.5	1.6	12.2	3.6
American Indian	0.9	0.9	21	1.0	17	5.6	2.8	1.0	0.8	9.2	0.8	0.5	0.4
Asian and Pacific Islander	3.7	6.2	3	2.0	19	2.0	2.3	11.6	9.9	1.3	0.9	2.6	1.1
Foreign-born share of total population, 1990 (percent)	7.9	17.1	2	14.3	4	7.6	11.3	21.7	19.6	5.3	12.5	9.0	14.6
Language spoken at home, 1990													
Share of pop. speaking language other than English	13.8	38.0	1	46.5	1	20.8	27.9	31.5	28.0	35.5	46.8	25.4	58.4
Share of population speaking Spanish	7.5	31.6	1	43.6	1	14.2	23.7	20.0	18.7	27.9	45.0	22.1	56.4

*Ranked from highest to lowest where 1 = highest and 51 = lowest.
**Orange and San Diego counties in California and McMullen County in Texas have been excluded.

TABLE 2

BORDER RESIDENTS TEND TO BE POORER, LESS EDUCATED, AND ARE MORE LIKELY TO BE UNEMPLOYED

	United States	Southwest Border: Total	Southwest Border: Rank* against 50 States	Southwest Border: Troubled Border**	Southwest Border: Rank against 50 States	Arizona: State	Arizona: Border	California: State	California: Border	New Mexico: State	New Mexico: Border	Texas: State	Texas: Border
EMPLOYMENT													
Labor Force, 1997 (thousands)	136,285	5,676		3,014		2,165.3	474.3	15,971.4	3,358.8	820.5	98.1	9,880.0	1,744.4
Share of border region's total labor force (percent)							8.4		59.2		1.7		30.7
Unemployment Rate (percent)	5.0	6.5	49	8.9	51	4.7	7.5	6.3	4.8	6.3	9.9	5.4	9.1
Range in border area		2.1 - 33.1					3.3 - 27.9		3.3 - 26.5		3.5 - 25.2		2.1 - 33.1
Number of counties above U.S. rate		37 of 56					3 of 4		2 of 4		3 of 5		29 of 43
INCOME & POVERTY													
Per capita personal income, 1996	$24,436	$21,492	35	$17,501	51	$21,335	$19,255	$25,368	$24,961	$18,814	$14,776	$22,324	$16,439
Share of U.S. personal income (percent)		88.0		71.6		87.3	78.8	103.8	102.1	77.0	60.5	91.4	67.3
Range in border area		$7,233 - $28,936					$13,784 - $20,535		$14,394 - $28,936		$12,633 - $17,124		$7,233 - $27,648
Number of counties below U.S. level		54 of 56					4 of 4		3 of 4		5 of 5		42 of 43
Annual rate of growth, 1990 to 1996	3.5%	2.3%	50	2.8%	48	3.6%	3.7%	2.5%	1.9%	3.4%	2.7%	3.7%	3.6%
Transfer payments as a share of personal income, 1996	16.5%	17.3%	32	21.7%	51	17.3%	20.7%	15.5%	14.7%	20.1%	26.4%	15.0%	22.8%
Annual rate of growth, 1990 to 1996:													
All Transfer payments	6.5%	7.0%	36	7.8%	46	7.5%	7.1%	6.2%	6.2%	6.9%	8.9%	7.9%	8.2%
Welfare benefits only***	7.0%	8.5%	36	9.3%	39	10.1%	10.0%	6.6%	7.6%	7.9%	12.5%	9.4%	9.3%
Average Annual Pay, 1996													
All Private Industry	$28,581	$25,915	27	$21,536	47	$25,923	$22,307	$31,183	$28,791	$22,604	$17,009	$28,421	$21,392
Share of U.S. average (percent)		90.7		75.4		90.7	78.0	109.1	100.7	79.1	59.5	99.4	74.8
Range in border area		$12,156 - $27,715					$16,434 - $23,678		$16,430 - $27,715		$13,117 - $23,909		$12,156 - $25,156
Number of counties below U.S. level		55 of 56					4 of 4		3 of 4		5 of 5		43 of 43
Private Manufacturing	$36,235	$25,589	48	$23,462	51	$37,168	$34,287	$39,810	$37,318	$29,630	$25,469	$36,163	$21,740
Share of U.S. average (percent)		70.6		64.8		102.6	94.6	109.9	103.0	81.8	70.3	99.8	60.0
Range in border area		$8,952 - $41,612					$22,022 - $35,710		$23,635 - $38,269		$12,242 - $41,028		$8,952 - $41,612
Number of counties below U.S. level		41 of 46					4 of 4		2 of 4		3 of 5		32 of 33
Poverty Rates:****													
All residents living in poverty, 1993 (percent)	15.1	20.4	47	25.1	51	18.5%	20.7%	17.4%	14.9%	21.6%	29.0%	19.6%	29.5%
Range in border area		4.3 - 49.9					19.0% - 28.0%		12.6% - 28.6%		22.6% - 34.3%		4.3% - 49.9%
Number of counties with poverty rate above U.S. rate		52 of 56					4 of 4		2 of 4		5 of 5		41 of 43
Residents under 18 living in poverty, 1993 (percent)	22.7	30.1	47	35.5	51	28.0%	30.2%	26.4%	22.4%	30.6%	39.7%	38.6%	41.3%
Range in border area		5.4 - 59.3					29% - 34.5%		18.9% - 25.3%		28.5% - 44.6%		5.4% - 59.3%
Number of counties with poverty rate above U.S. rate		51 of 56					4 of 4		2 of 4		5 of 5		40 of 43
EDUCATION													
Educational Attainment, 1990													
Percent of Adult Population (aged 25 and over) with:													
High school diploma or higher	75.2	74.3	37	67.7	43	78.7	77.6	76.2	79.7	75.1	68.8	72.1	62.7
Bachelor's degree or higher	20.3	21.2	18	16.3	41	20.3	21.0	23.4	24.0	20.4	18.8	20.3	15.7
School Enrollment, 1990													
Public Elementary and Secondary School Enrollment as share of population aged 3 -19 (percent)	63.6	67.1	10	69.8	1	65.3	64.1	65.4	63.9	68.2	69.7	68.5	72.3
High School Dropouts as a share of population aged 16-19 (percent)	11.0	13.2	45	13.2	45	14.2	13.6	13.8	13.6	11.4	10.9	12.7	12.8

*Ranked from best to worst where 1 = best in the U. S. and 51 = worst in the U.S. except in the case of public school enrollment as a share of the school-aged population where 1 = highest in U.S. and 51 = lowest.

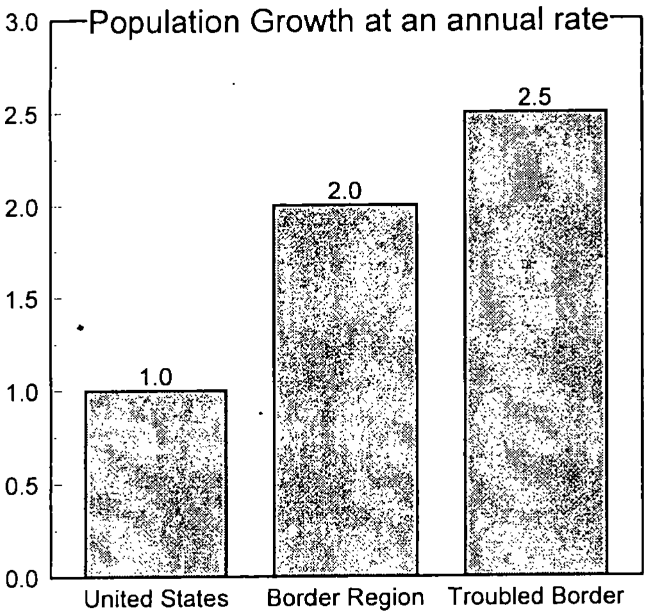
**Orange and San Diego counties in California and McMullen County in Texas have been excluded.

*** Welfare benefits include Supplemental Security Income, Aid to Families with Dependent Children, food stamps, and other income maintenance programs.

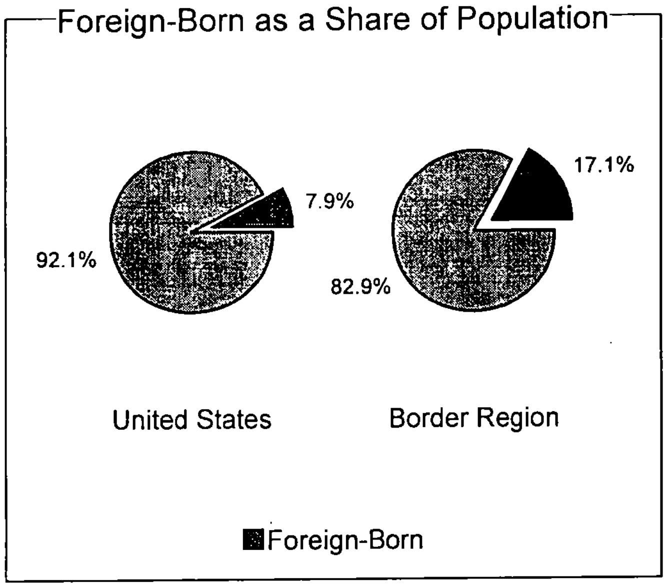
****Poverty rates for female headed households were not available at the county level.

SNAPSHOT OF THE SOUTHWEST BORDER REGION

The Border's population is growing twice as fast as in the entire country

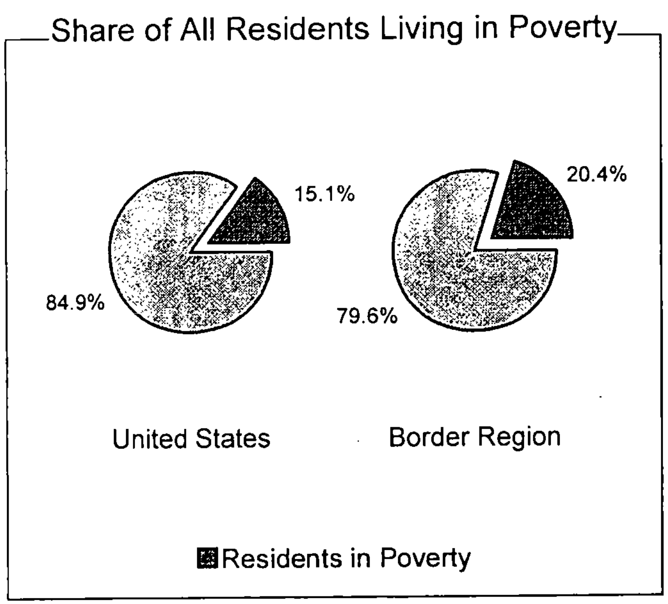


More of the Border's residents are foreign-born than is typical nationwide

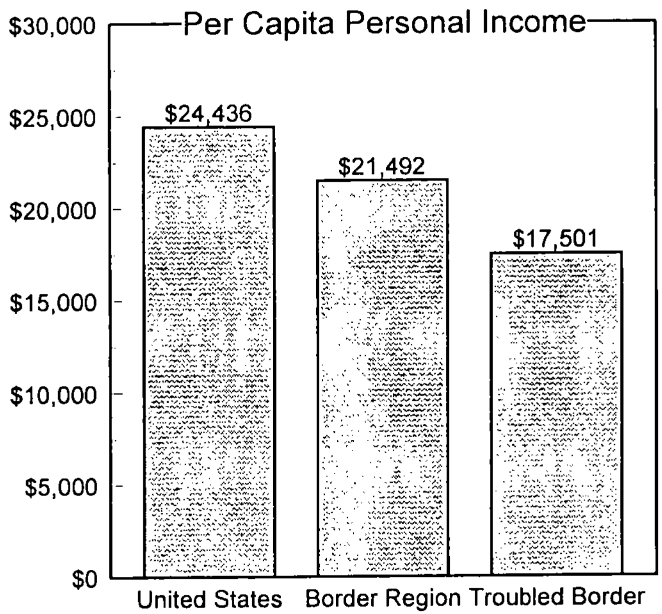


The Border's unemployment rate is well above the national average

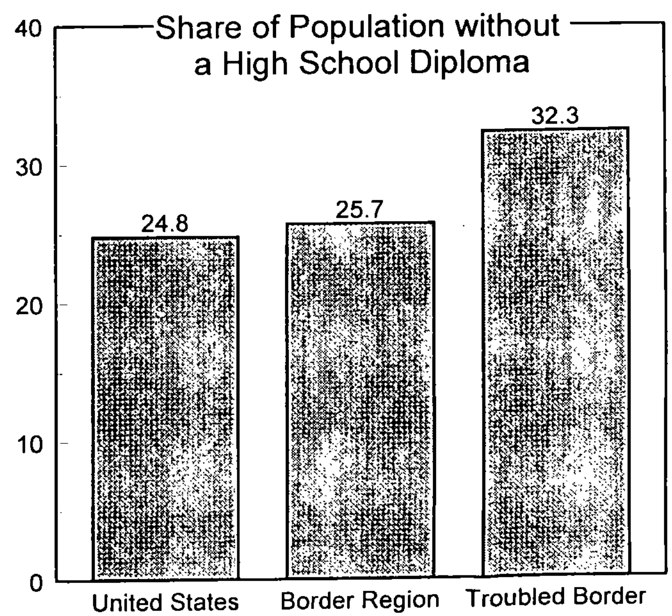
Poverty is a way of life for one-fifth of the Border's residents



Incomes along the Border lag well behind the U.S. level



Educational attainment is lower than average along the Border



APPENDIX 1
ECONOMIC ANALYSIS OF CRIME

ECONOMIC ANALYSIS OF CRIME

The economic discipline's analysis of crime emanates from an approach developed in a treatise entitled Crime and Punishment: An Economic Approach (1968) by Gary Becker. This study established the baseline perspective that crime can be modeled as a rational choice where an individual comparatively weighs the costs and benefits of his/her actions. The individual is assumed to be a rational utility maximizer who compares the probability of being caught, and the various costs and benefits of the crime, before making a decision. Sociologists and criminologists, in contrast, focus more on personal traits such as age, sex, race and intelligence, and environmental factors such as family background and community conditions, as determinants of criminal activity. Many of the post-Becker economic studies incorporate some personal trait variables, most notably age and race, into the rational choice framework.

The focus of Becker's essay specifically was on the cost of crime and on how to minimize the social loss in income from crime. It provided the basic economic framework for analyzing crime. Subsequent models (Steigler (1970), Harris (1970), Ehrlich (1973)) took a more comprehensive view of both the costs and benefits of legal and illegal activities that enter into the individual's choice set. The focus of Steigler's model was optimal law enforcement. Harris extended the basic model by making the legal framework no longer a given but subject to policy choice. Ehrlich's model incorporated rewards, not just punishment, and the concept of uncertainty in the decision process model.

Empirical and Statistical Studies

Empirical and statistical studies of crime have provided the field work for testing the basic hypotheses of the economic models and have added further insight into other socio-economic conditions that enter into the choice process. These studies vary from simple correlation studies to multi-stage least squares models, including both time series and cross sectional analysis.

Correlation studies provide a simple method by which to analyze the relationship between crime rates and punishment. These studies (Eide (1994)) depicted ***a negative relationship between probability of arrest and crime rates*** for the various categories of crime. Severity of imprisonment was not generally significant with few exceptions, notably homicide, but did become relevant in studies that controlled for the effects of certainty of imprisonment (Logan (1972), Bailey and Smith (1972)).

Cross sectional models have been used to analyze the relationships among deterrence variables, socioeconomic factors, and crime rates by type of crime. Ehrlich (1973) investigated seven types of crime in the U.S. He found the probability of punishment had a negative and significant effect on all types of crime. The variable for severity of punishment was also negatively correlated for all types crime but only statistically significant for about half of the categories. With regard to socioeconomic variables, Ehrlich found ***a positive relationship between crime rates and income*** and also ***a positive relationship between crime rates and the distribution of income, a measure of relative poverty***. The degree of significance, however, depended on the method of estimation. Subsequent work by other authors (Eide (1994)) has expanded the scope of cross sectional analysis of crime. In general, these studies confirm the relationship between deterrence variables and crime rates. For most studies the elasticities of crime with respect to the probability and severity of punishment variables are estimated to be between 0 and -2, with a median value of approximately -0.5. There is little unanimity regarding the relationship between crime and the level of income and the degree of income inequality. Several studies include a poverty variable and find a positive relationship to crime. Vandaele (1978) reestimated the Erlich model and found ***a positive relationship between crime and poverty***. Pogue (1975) also found a direct relationship between crime rates and poverty, measured as the percentage of households with annual income below $3,000. Additionally, in studies that included the proportion of youth and nonwhites as variables, the effects on crime depicted a direct relationship.

Many cross sectional studies, including some of those noted above, have analyzed crime rates across states, cities, or standard metropolitan statistical areas (SMSAs). Freeman (1983) summarized the results from a large number of these studies and found ***a positive relationship between unemployment and crime***. Stronger results were obtained for deterrence variables, with a majority of studies showing that severe sanctions reduce criminal activity. This is generally consistent with the findings of other cross sectional studies.

Time series studies (Eide (1994), Freeman (1983)) of crime reinforce the conclusions of the basic economic models and the results of the correlation and cross sectional studies while providing additional insight. Deterrence is estimated to have the greatest impact. In general, the probability of being caught has the most significant negative effect on the crime rate, followed by the probability of being punished. Analysis of severity of punishment or imprisonment variables has not produced consistent results, with most studies showing a negative but only slightly significant correlation to the crime rate. Furthermore, the studies demonstrate that the relative size of the male youth population is a critical factor.

The link between economic variables and crime is shown to be directly related, yet in some instances statistically inconclusive, in the studies that use a time series framework. It is consistently demonstrated that ***increases in unemployment are positively related to rising crime rates***, particularly property crime. Moreover, ***measures of income and income inequality are positively correlated with crime***. Regression analysis results (Freeman (1983)), after adjusting for time trends, estimate that a one point increase in the unemployment rate will result in a rise in the uniform crime rate by 0.05 per 100,000 inhabitants or, ***a halving of the unemployment rate from 10 percent to 5 percent would reduce the crime rate by 5 percent.***

Individual Comparisons and Ethnographic Studies

Studies comparing the economic circumstances of individuals to the commission of crime and ethnographic studies of crime provide additional information on what determines the individual's decision to commit a crime. These studies provide some of the strongest evidence that crime is related to the economic conditions facing the individual and to the individual's response to economic incentives.

Individual studies often rely on surveys of released prisoners or the self-reporting of criminal activity and, as a result, do not represent an accurate cross section of society. These studies, therefore, focus on individuals making decisions and their economic environment. These investigations have found that criminals tend to be less educated and have low and decreasing income and employment opportunities. Moreover, they generally show ***a positive correlation between the unemployment rate and crime rate***, and that deterrence lowers the crime rate (Freeman (1994), Eide (1994))

A study by W. Kip Viscusi (1986) of a broader population group than just criminals also found a very strong relationship between economic variables and the propensity to commit crime. The study used National Bureau of Economic Research survey data on the nature of illegal activities of urban youth, their earnings from crime, and perceptions regarding the relative attractiveness of crime and the probability of apprehension. ***The gap between expected gains from crime and expected job income, weighed against the probability of legal sanctions, was a highly significant factor in the decision to engage in crime.*** Further, individuals who were not employed or in school were much more strongly driven by economic incentives. In this study, it was the relative economic rewards from crime that contributed more to criminal behavior than legal sanctions. Approximately three-fourths of the respondents believed the probability of arrest was low; a higher proportion believed that even if they were arrested the chance of conviction was low; and few believed that if convicted they would go to prison. Drug use was highly correlated with criminal activity, as drug users were more apt to engage in illegal pursuits and more likely to have opportunities to sell drugs.

Ethnographic studies show that gangs have shifted focus in recent years. Fagan (1992) reports that "Gangs in South Central Los Angeles, Chicago, and Detroit changed in recent years from ethnic enterprises organized around turf, ethnicity, conflict, and natural group processes to business organizations with monetary and material goals." Other ethnographic studies (Freeman (1994)) support Fagan's conclusion that economic factors are a driving force in gang activity.

Summary

The economic models and statistical studies reviewed have shown that ***economic incentives are important determinants of crime and that crime can be treated as a rational choice***. The early Becker and Ehrlich theoretical models and much of the following statistical analysis support the hypothesis that deterrence lowers the expected return to criminal activity and is therefore effective. In general, the greatest deterrent to criminal activity is the probability of getting caught, followed, to a lesser degree, by the probability and severity of punishment.

Studies show that areas with high unemployment rates tend to have high crime rates and that unemployment rates are generally positively related to most types of crime. Elasticities, however, appear to be small. The literature demonstrates a ***positive correlation between measures of income and crime rates***. Results for measures of income inequality and poverty are generally mixed, although empirical crime studies point to a positive relationship between poverty measures and property crime (Allen (1996)).

The more conclusive results from the models and cross sectional and time series studies for deterrence variables may reflect the nature and measurement of the variables, the structure of the models, and the general focus of the studies. The early models, beginning with Becker, were concerned with crime and enforcement. Deterrence variables relate directly to the options facing potential criminals. General labor market conditions and wage rates may be relevant to the potential criminal's decision, but this relationship may not be adequately captured by the use of aggregate economic variables in the current models and thereby produces less robust results.

Policy Approaches

Several observations can be drawn from the economic literature on crime. First, deterrence variables have a significant impact on the decision to commit a crime. For most crimes, the probability of being caught is a greater deterrent than the severity of the punishment. Secondly, the studies generally show a positive relationship between crime rates and economic conditions. Furthermore, the evidence depicts a positive correlation between unemployment and crime and between levels of income or income inequality and crime.

Economic models and most statistical studies have focused on aggregate economic and deterrence variables, which may have understated the importance of the economic conditions facing the potential criminal. Freeman (1996) analyzed the increasing involvement in criminal activity of less skilled, less educated young men. He relates the increase in crime to the decline in employment demand for less skilled males. Freeman states, "if the supply of youth to crime is sufficiently elastic then the criminal justice system can at best cap the crime rate at rising costs." Any long term solution must include improved labor market opportunities, especially for less skilled youth. In summary, the results of economic studies argue for a balanced approach in policies between increased deterrence efforts and increased legitimate market opportunities for the less skilled.

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APPENDIX 2
COUNTIES LOCATED IN THE SOUTHWEST BORDER REGION

COUNTIES LOCATED IN THE SOUTHWEST BORDER REGION

CALIFORNIA
Imperial
Orange
Riverside
San Diego

ARIZONA
Cochise
Pima
Santa Cruz
Yuma

NEW MEXICO
Dona Ana
Hidalgo
Grant
Luna
Sierra

TEXAS
Atascosa
Bandera
Bexar
Brewster
Brooks
Cameron
Crockett
Culberson
Dimmit
Duval
Edwards
El Paso
Frio
Hidalgo
Hudspeth
Jeff Davis
Jim Hogg
Jim Wells
Kenedy
Kerr
Kimble
Kinney

TEXAS continued
Kleberg
La Salle
Live Oak
Maverick
McMullen
Medina
Nueces
Pecos
Presidio
Real
Reeves
San Patricio
Starr
Sutton
Terrell
Uvalde
Val Verde
Webb
Willacy
Zapata
Zavala

DATA SOURCES

Average Annual Pay:	U.S. Bureau of Labor Statistics.
Employment:	U.S. Bureau of Labor Statistics Local Area Unemployment Statistics; and U.S. Bureau of the Census, 1995 County Business Patterns for the United States.
Land Area:	U.S. Bureau of the Census.
Language Use at Home:	U.S. Bureau of the Census.
Personal Income:	Bureau of Economic Analysis Regional Information System.
Population:	U.S. Bureau of the Census Population Estimates Program.
Poverty:	U.S. Bureau of the Census Small Area Income and Poverty Estimates Program.
Transfer Payments:	Bureau of Economic Analysis Regional Information System.