

# **Small Business Development Center**

## **South-West Texas Border Region**

### Snapshot Report

# El Paso Community College SBDC

The SBDC business advisors provide training and consulting to small business owners at El Paso Community College.

The El Paso area exhibits a vibrant blend of cultures and customs amid a history spanning 400 years. Nestled between the rugged Franklin Mountains and the historic Rio Grande in far west Texas, El Paso is a dynamic cultural community that combines the advantages of a major metropolitan center with the ambience and neighborly charm of a modern western town.

El Paso boasts state-of-the-art educational and medical facilities, abundant cultural and entertainment opportunities, year-round sports and outdoor recreation, a low crime rate, some of the best weather conditions on the planet, and a low cost-of-living. Seven in ten El Pasoans are bilingual in English and Spanish, and people from all over the world come here to live, work, do business, get an education, or retire.



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El Paso's growth has been attributed to the development of an integrated international trade region with Ciudad Juarez. El Paso's proximity to Mexico furnishes an excellent opportunity for businesses to capitalize on NAFTA, the maquiladora industry, and other prospects in Central and South America. The October 2005 issue of Entrepreneur Magazine ranked El Paso as the #1 midsize city in the United States in which to start and grow a business

**:: 2 counties** make up the El Paso Community College SBDC

# El Paso Community College

SBDC

El Paso is a major transportation hub and home for Fort Bliss, the United States Army's Air Defense Center. Fort Bliss is a major economic force for the El Paso region. It procures about \$80 million in products and services each year, of which approximately \$60 million is purchased locally. There are more than 2,500 military representatives from approximately 30 countries posted at Fort Bliss for air defense artillery training. Germany and Japan currently maintain the largest contingents. White Sands Missile Range (missile and laser testing) and Holloman Air Force Base are also located in the region.

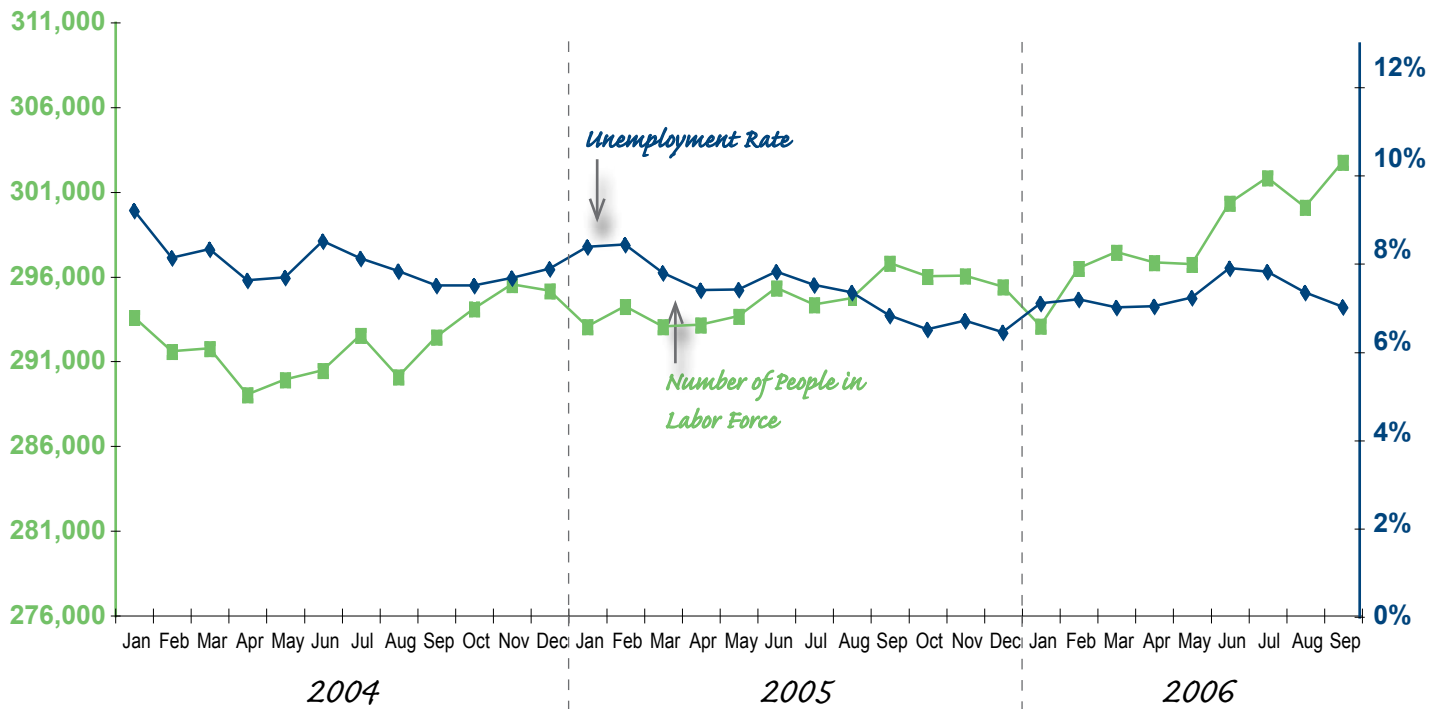
Several business development initiatives that are currently making a major impact in the El Paso region. These include the expansion of the role of Fort Bliss and the development of the Future Combat System (FCS), the development of the new

Biological Research Facility at The University of Texas at El Paso, the new Texas Tech Research Center and Medical School, the rebirth of manufacturing (Maquiladora Industry) in Juárez, and the expanding high-tech industry.

## Labor Market Highlights

The El Paso Field Center Area's economic growth is reflected in its increasing labor force and declining unemployment rate through 2005. From a low of 289,000 workers in the second quarter of 2004, the labor force grew by nearly 7,000 jobs by the third quarter of 2005. The unemployment rate dropped a full two points over that span as well, from 8.2 percent in June, 2004 to 6.2 percent in December of 2005. Early 2006 erased some of those gains, due largely to an overall increase in the labor force and corresponding increase in unemployment claims.

### Size of Labor Force and Unemployment Rate Since 2004



El Paso Community College SBDC Area: 2 counties  
Data Source: Texas Workforce Commission

The Field Center Area Jobs chart shows both the number of jobs in El Paso and Hudspeth counties and the concentration of the industry relative to the rest of the state at the end of the first quarter of 2005. Most of the jobs in the field center area are in El Paso County, with Hudspeth contributing a substantial portion of the area's natural resources and mining jobs.

The "field center ratio" shows the proportion of industry jobs compared to all jobs in the area. Over half of the jobs in the field center area are in two industries: education and health services (0.279); and trade, transportation, and utilities (0.227).

The question of whether these industry ratios are high or low can be determined by comparing them with the proportions that the industry represents in the rest of the state. For example, the field center area boasts 26,106 professional and business service jobs, which is 10.3 percent of all jobs in the area. However, to keep pace with the state average, the proportion needs to be 11.9 percent of jobs in this industry. Dividing 0.103 (the field center ratio) by 0.119 (the state ratio) yields a quotient of 0.86. This number is referred to as a "location quotient." When the location quotient is less than 1.0, the area industry is under-represented relative to the state. When the location quotient is greater than 1.0, the

area industry is over-represented relative to the state.

Which industries have a particular foothold in the El Paso Field Center? Border patrol staff increase the public administration industry in El Paso, with over 14,000 jobs representing nearly 6 percent of jobs in the area. The nearly 400,000 public administration jobs in the state of Texas represent only about 4 percent of total jobs. Consequently, the location quotient of 1.36 in the El Paso area reflects the greater representation of public administration jobs there.

The area's largest industry, education and health services, is another concentration industry. Nearly 28 percent of jobs fall into this category. However, at the state level, only 23 percent of jobs are in education and health services.

Two other prominent area industries have location quotients greater than one. Trade, transportation, and utilities; and leisure and hospitality are the second and third largest industries, respectively. Both are concentration industries in El Paso.

Other industries have representations that are lower but comparable to the rest of the state. The one exception is natural resources and mining. The area's 1000-plus jobs are much lower than the state average, resulting in a location quotient of 0.19.

## Field Center Jobs Per County by Industry

	El Paso	Hudspeth	Region	Region Rate	State	State Ratio	Region Location Quotient
Natural Resources & Mining	1,075	158	1,233	0.005	236,676	0.024	0.19
Construction	12,964	52	13,016	0.050	623,516	0.064	0.78
Manufacturing	22,079	0	22,079	0.085	913,295	0.094	0.90
Trade, Transportation & Utilities	59,349	118	59,467	0.228	2,109,207	0.217	1.05
Information	4,864	0	4,864	0.019	229,125	0.024	0.79
Financial Activities	11,444	0	11,444	0.044	614,050	0.063	0.69
Professional & Business Services	28,710	0	28,710	0.110	1,205,726	0.124	0.89
Education & Health Services	72,256	171	72,427	0.277	2,180,498	0.224	1.24
Leisure & Hospitality	25,882	18	25,900	0.099	926,487	0.095	1.04
Other Services	6,371	8	6,379	0.024	275,574	0.028	0.86
Public Administration	15,065	224	15,289	0.059	408,555	0.042	1.40
Unclassified	280	0	280	0.001	10,958	0.001	0.95
<b>Total Jobs</b>	<b>260,339</b>	<b>749</b>	<b>261,088</b>		<b>9,733,667</b>		

Data Source: Texas Workforce Commission

## County Business Patterns 2004

	'1-4'	'5-9'	'10-19'	'20-49'	'50-99'
Forestry, fishing, hunting, & agricultural support	9	3	0	0	0
Mining	8	4	4	3	0
Utilities	7	1	4	5	4
Construction	492	164	99	57	16
Manufacturing	262	90	96	77	40
Wholesale trade	549	213	135	81	16
Retail trade	997	666	273	155	74
Transportation & warehousing	392	129	81	78	30
Information	80	27	26	14	12
Finance & insurance	412	169	76	43	16
Real Estate & rental & leasing	435	116	67	23	1
Professional, scientific & technical services	717	199	119	57	10
Management of companies & enterprises	29	10	7	10	3
Admin, support, waste mgt, remediation services	261	90	43	47	24
Educational services	55	18	12	21	7
Health care and social assistance	524	329	210	124	40
Arts, entertainment & recreation	68	20	11	19	6
Accommodation & food services	369	167	246	263	81
Other services (except public administration)	745	244	114	65	15
Unclassified establishments	52	5	1	0	1
<b>Total</b>	<b>6,463</b>	<b>2,664</b>	<b>1,624</b>	<b>1,142</b>	<b>396</b>

## County Business Patterns 2004 Continued

	'100-249'	'250-499'	Over 500	Total	1-4%
Forestry, fishing, hunting, & agricultural support	1	0	0	13	69%
Mining	1	0	0	20	40%
Utilities	4	0	0	25	28%
Construction	12	0	0	840	59%
Manufacturing	34	19	6	624	42%
Wholesale trade	6	3	0	1,003	55%
Retail trade	42	6	6	2,219	45%
Transportation & warehousing	10	7	0	727	54%
Information	4	4	2	169	47%
Finance & insurance	6	1	1	724	57%
Real Estate & rental & leasing	1	0	1	644	68%
Professional, scientific & technical services	6	0	0	1,108	65%
Management of companies & enterprises	2	3	0	64	45%
Admin, support, waste mgt, remediation services	22	12	9	508	51%
Educational services	3	0	0	116	47%
Health care and social assistance	29	2	11	1,269	41%
Arts, entertainment & recreation	4	0	0	128	53%
Accommodation & food services	21	0	1	1,148	32%
Other services (except public administration)	5	2	0	1,190	63%
Unclassified establishments	0	0	0	59	88%
<b>Total</b>	<b>213</b>	<b>59</b>	<b>37</b>	<b>12,598</b>	<b>51%</b>