

The Texas cities along the Mexican border have sustained relatively strong job growth in recent years. A key factor has been a booming health care industry, driven by rising population and the large share of the population covered by government-sponsored health insurance.

Since 2000, health care's share of total jobs has risen faster than the state average in every border metro except El Paso. By 2006, health care jobs accounted for 22 percent of employment in Brownsville, 21 percent in McAllen and 14 percent in Laredo. El Paso matched the state as a whole at 12 percent (Chart 1).

The industry has become an important source of well-paying jobs in a region that has a higher than average share of low-paying jobs. High-skill health care workers earn wages comparable to the state average. For some occupations, such as pharmacists, the median border wage is higher than the state's (Chart 2).

Several factors are boosting the health care sector along the border. First, strong population growth has occurred over the past 20 years. From 1990 to 2006, it increased 49

percent in Brownsville, 83 percent in McAllen and 74 percent in Laredo, all well above Texas' 38 percent.

Residents used to travel outside the region for many surgical procedures, but the larger population base makes it financially feasible to open local medical offices and hospitals to provide those services.

Second, health care demand isn't wholly dependent on income. According to industry contacts, a significant number of border residents are eligible for government programs. Medicare covers many of the elderly who retire in the Lower Rio Grande Valley or stay there in the winter. Medicaid is available to the relatively large portion of the population with low incomes.

Population and job growth have been strong on the Mexican side of the border as well, and some Mexicans cross the Rio Grande for medical services. Contacts report, however, that most of the industry's recent growth has come from the U.S. side.

Home health care has been one of the strongest segments of medical services, with employment gains exceeding industry and statewide averages in all four border metros.

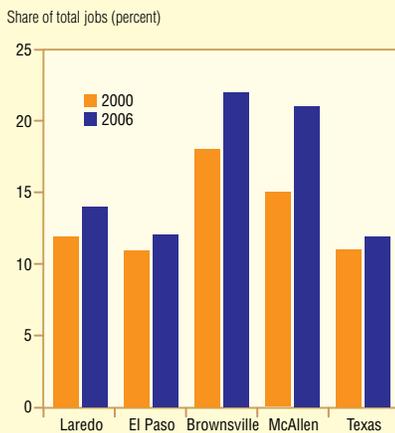
From 2000 to 2006, annualized job growth reached 16.5 percent in Laredo and 14.6 percent in McAllen—both more than double Texas' 6.9 percent.

Health care contacts in the border region say home care is important for the elderly living on low incomes and for patients who resist going to doctors' offices because of language or other barriers. Services provided include wound care and treatment for diabetes. Low start-up costs are another factor stimulating the formation of home health care companies.

According to forecasts from the Texas Workforce Commission (TWC), strong employment growth will continue in the border health care industry. Between 2004 and 2014, for example, the TWC forecasts that high-skill health care jobs will increase 46 percent in the Lower Rio Grande Valley, compared with 34 percent in Texas. Similarly, Valley health care support jobs are projected to increase 51 percent, well ahead of Texas' 40 percent.

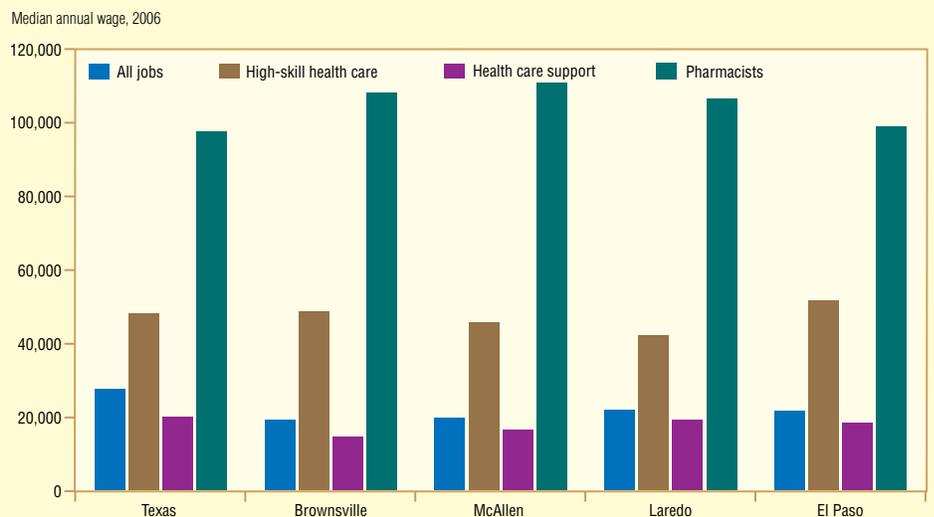
—Keith Phillips and Armida Riojas

**Chart 1**  
**Border Health Care Employment Rising**



SOURCE: Texas Workforce Commission.

**Chart 2**  
**High-Skill Health Care Jobs Pay High Wages**



SOURCE: Texas Workforce Commission.