

Situation Analysis



Situation Analysis

The situation analysis includes two primary areas: an analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) of the Paso del Norte region as a retirement destination and a comparison of El Paso and/or the Paso del Norte region with other retirement destination areas.

In This Section

- SWOT Analysis
- Competitive retirement destinations and comparisons with El Paso and the Paso del Norte region

Texas is the #2 Retiree Destination State in the US

Texas attracted 6.8 percent of America's migrant retirees in 2005 (Moos, 2007) according to migration data analyzed by the National Center for Creative Retirement. Texas trailed behind Florida, but passed Arizona and California in the number of retirees attracted to the state. In 2000, Texas had half as many retiree households moving to the state than did Arizona (Texas 47,000 and Arizona 90,000).

Many households are attracted to Texas because of the relatively low cost of living when compared to California, Arizona and Florida.

The Paso del Norte region, particularly the El Paso area has not seen a measurable influx of retirees. This is likely a result of the lack of attention paid to this market sector because of the primary focus on military personnel. It is not that retirees would not choose the Paso del Norte region, but rather it is that attracting this market sector has not been on the radar screen and the infrastructure to capture this market has not been developed.

It is reasonable for the community to focus on Ft. Bliss, the primary driver of its economy, but it would be wise for the Paso del Norte region to diversify its population base and economic drivers by recruiting a market sector that will not necessarily be subject to a single commandment to increase the forces on the base, deploy the forces or transfer sections of the base command to other areas. As the area has witnessed, these decisions made far from the region have a significant impact on the region.

SWOT Analysis: Strengths

- Climate
 - Temperate
 - Low humidity
- Cost of living
 - Low cost of housing
 - Variety of entertainment at affordable prices
 - Quality food and dining options at reasonable prices
 - Medications available, particularly by crossing the border, at significantly lower prices than in the US
- Proximity to Mexico
 - Access to another culture
 - Access to low cost medications
- Low Crime (see crime rate comparisons in Competition)
- Mountains and mountain views
- Recreation Opportunities
 - Hiking in Franklin Mountains
 - Horse races at Sunland Park
- Culture is a blend of Hispanic and Old West
- Expansion of military presence at Ft. Bliss (increase of 20,000 military and 30,000 dependents)
 - Increase in high tech sector jobs
 - Increase in economy
 - Increase in number of households who will call El Paso area home at least for a period of time
- Availability of fresh water and management of the fresh water supply (Broedehoeft, 2004)
- Availability of domestic assistance at reasonable rates

SWOT Analysis: Strengths

- Universities and Colleges – provide opportunities for households locating to the area and provide a source of households to return to this area upon retirement.
 - University of Texas at El Paso (UTEP)
 - The UTEP Center for Lifelong Learning Program has 40+ classes available for the 50+ individual with a modest membership and enrollment fee.
 - UTEP has recently begun to focus on forming relationships with its alumni. The Alumni Association should be a key component of the Paso del Norte Retiree Attraction Plan.
 - UTEP has almost 23,000 alumni between the ages of 50 and 79 years
 - El Paso Community College has continuing education programs available and are identified as a part of a lifelong learning program
 - Texas Tech Health Sciences Center Medical School will have advanced medical care and possible employment opportunities.

- The first four-year medical school on the U.S./Mexico border will graduate its first four year class in 2009 and is expected to improve the local economy by \$1.31 billion by the year 2013. TTUHSC at El Paso will also fill a niche in border and Hispanic health with leading research that will have a huge impact on the nation by contributing to literature dealing with Hispanics and diseases that affect the El Paso area – diabetes, obesity and depression (Hunt, 2006).

- El Paso is one of the first Texas cities to turn around its air quality profile, and one of the few U.S. cities to go from non-attainment to attainment for more than one pollutant, according to the Texas Commission on Environmental Quality. The Environmental Protection Agency (EPA) designated El Paso County as being in attainment for ozone under the new eight hour ozone standard as of June 15, 2004. On January 11, 2006, TCEQ commissioners also approved El Paso's request to the EPA for carbon monoxide attainment status. The EPA is reviewing the request, which may take several months. El Paso remains in non-attainment for PM10 (particulate matter of ten microns in size or smaller) (Hunt, 2006).



SWOT Analysis: Weaknesses

- Perceptions of the region
 - People within region have accepted the status of the region and may believe that the area cannot be improved.
 - People outside of region know little about El Paso and have formed opinions based on it being a border town.
- Border town and proximity to Mexico
- Lack of knowledge about El Paso
 - El Paso, and the other areas of the region are isolated and relatively forgotten by the rest of the state.
- Quality of neighborhoods in some areas
 - Many neighborhoods particularly in the northeastern area have lower quality homes, lack amenities and have little if any green areas. They have a ghetto-like appearance. Even areas in designated historic districts do not have attractive streetscapes.
 - Many streetscapes throughout the area lack aesthetic appeal in that businesses and/or homes may have a rundown, ill-kempt appearance. These may be next door to a nice home, adjacent to UTEP or in or near historical, central and/or the suburban areas of the city.
- Expansion of military presence at Ft. Bliss (increase of 20,000 military and 30,000 dependents)
 - Construction worker shortage.
 - Focus on entertainment for young families.
- Air quality in El Paso
 - El Paso is classified as a non-attainment area, because El Paso fails to meet the Environmental Protection Agency's (EPA) Air Quality Standards for one pollutant: Particulate Matter.
- Employment opportunities for individuals with higher education are limited.
- Employers typically pay less in El Paso than in other areas

Your Money Buys More in El Paso

For the most part, the economy in El Paso means that household income goes farther than in many other retirement destination area communities in the region and in the US. In some instances, if someone preferred to work, it is possible that they would not have an economic gain in El Paso compared to places such as Riverside, California or San Antonio, Texas (two areas with military-focused retirement communities) because of the lower wages paid in El Paso.

Comparison of Cost of Living in El Paso, Texas with Cost of Living in Selected Competitive Locations Assume \$50,000 Annual Income in El Paso						
City	Cost of Living Compared to El Paso More (+) Less (-)	Income Required to Equal \$50,000 Income in El Paso	Net Difference in Disposable Income if on Fixed Income In El Paso	Pay Scale Compared to El Paso – Employers Pay More (+) or Less (-)	Comparable Salary (if working) to \$50,000 Salary in El Paso	Net Difference in Disposable Income if Working In El Paso
Tucson, AZ	+16.4 %	\$58,179	\$8,179	+6.1%	\$53,049	\$5,130
Riverside, CA	+16.0%	\$58,017	\$8,017	+22.6%	\$61,277	(\$-3,259)
Ft. Myers, FL	+14.4%	\$57,204	\$7,204	+6.4%	\$53,222	\$3,982
Baton Rouge, LA	+11.1%	\$55,525	\$5,525	+7.6%	\$53,797	\$1,727
Reno, NV	+17.9%	\$58,938	\$8,938	+19.1%	\$59,551	(\$-612)
Las Cruces, NM	+13.0%	\$56,500	\$6,500	-2.6%	\$48,676	\$7,823
Santa Fe, NM	+23.4%	\$61,700	\$1,700	+8.4%	\$54,200	\$7,500
Albuquerque, NM	+11.8%	\$55,904	\$5,904	+7.8%	\$53,912	\$1,992
San Antonio, TX	+2.1%	\$51,029	\$1,029	+5.4%	\$52,704	(\$-1,675)

Source: <http://swz.salary.com>

SWOT Analysis: Opportunities

- El Paso Downtown Revitalization Plan
- Collaboration among government, civic, business and military entities
- New Medical School
- Expansion of Ft. Bliss
- Old Beaumont Hospital site – this site is a perfect size, has significant views of the mountains and is a perfect location for a military retirement community. Given the significant number of veterans and military retirees in the region – this is an opportunity that should be exploited immediately.
- Military Retirees and Veterans
- UTEP Alumni

SWOT Analysis: Threats

- Coming out of the shoot too soon – the region needs to develop its “product” and put its program together carefully before launching into marketing. It is the experience that people have when they arrive that dictates whether or not they will move.
- Not implementing the plan
- Backlash of illegal immigrant controversy
- Threats from other retirement destination locations (the competition)
 - Markets that have developed retirement destination active adult communities will have a built-in, word-of-mouth migration stream developed that will be challenging.



Competition Other Retirement Destinations

Retirement Destination Ratings

Ranking among the top retirement destinations or cities is a coveted position because it brings visibility and web-site traffic to the towns that make the grade. There are no specific criteria to be identified as a retirement destination and part of the trick of being listed is catching the attention of the organization's editors writing the articles and preparing the list of top retirement destinations. *Money Magazine* and *US News and World Report* are three organizations that rank top retirement destinations each year. AARP has listed communities in the past (2003), but does not provide an annual ranking.

The rankings are usually based on the weather, healthcare services, cost of housing, recreational and cultural activities, size of the community, and crime statistics.

- US News and World Report
 - Weather
 - Temperature
 - Humidity
 - Healthcare (ease of access to healthcare)
 - Cost of housing
 - Social environment
 - City or rural living
 - Age group
 - Near college or university
 - Recreational & cultural activities
 - Recreational (golf, sailing and boating, fishing, swimming, physical fitness and exercise)
 - Adult/continuing education, charity and volunteer, religious worship, cultural & arts events
 - Crime

Towns in Three States Listed in US News & World Reports Best Places to Retire in 2007

US News & World Reports identified 1,000 cities, towns and neighborhoods as retiree friendly. Fifty-seven communities in Texas, five communities in New Mexico and twenty-two communities in Arizona made the list.

The common attribute among most of the communities that were identified as best places to retire is the cost of housing.

	Texas		New Mexico	Arizona
	Alvin	Lewisville	Alamogordo	Casas Adobes
	Amarillo	Longview	Carlsbad	Catalina
	Angleton	Lubbock	Las Cruces	Foothills
	Arlington	Mansfield	Rio Rancho	Chandler
	Atascocita	McKinney	Santa Fe	Flagstaff
	Austin	Midland		Fountain Hills
	Bedford	Nederland		Glendale
	Benbrook	North Richland Hills		Green Valley
	Burleson	Pearland		Lake Havasu City
	Canyon Lake	Plano		Marana
	Carrollton	Portland		Mesa
	Deer Park	Richardson		Oro Valley
	Denton	Rockwall		Peoria
	Dickinson	Rowlett		Prescott
	El Paso	Saginaw		Prescott Valley
	Euless	San Angelo		Scottsdale
	Farmers Branch	Schertz		Sierra Vista
	Friendswood	Spring		Sun City
	Georgetown	Stafford		Sun Lakes
	Grand Prairie	Sugar Land		Tanque Verde
	Grapevine	Temple		Tempe
	Groves	The Woodlands		Yuma
	Huntsville	Tyler		
	Hurst	Universal City		
	Irving	Victoria		
	Keller	Watauga		
	Lake Jackson	Waxahachie		
	La Porte	Weatherford		
	League City	Wichita Falls		

El Paso's Listing in US News & World Report

El Paso, Texas

This city is the site of the world's largest equestrian bronze statue.

Climate

Desert weather and over 305 days of sunshine per year are typical in "Sun City."

Cultural Attractions

The city boasts the University of Texas-El Paso as well as many historical sites, including the Mission Ysleta, Camino Real, and Concordia Cemetery.

Geography

El Paso sits in the Franklin Mountains, along the Rio Grande and the Mexican border.

Historical

The Mission Ysleta was used as a Pueblo Indian refugee camp in 1675 and is the oldest continuously used church in the United States.

Recreation

El Paso's Franklin Mountains State Park is the nation's largest urban park, while Juarez, Mexico, is just across the border.

Location Details

Weather : Average January high/low temperature 57.2° / 32.9°. Average July high/low temperature 94.5° / 72°. Precipitation 9.43 in./yr. Index score for various storm types: 13.

Cost of Living: Median home price \$140,980; Median household income \$32,655. Maximum state income tax N/A. State sales tax is 8.25%.

Recreational & Cultural Activities: Area of square miles of parkland/greenspace is 22.03 mi.². Number of public golf courses within the county 4. Number of private golf courses within the county 5. Number of sports teams within the county 0. Number of movie theaters within the county 14. Number of libraries within the county 16. Number of museums within the county 11. Number of college and universities that reside within the county 1.

Population & Demographics: Total population 598,590. Population density 2,347 people/mi.². Population trends (Percentage growth/decline of the 55+ population) 41.2% growth. Population over 55 is 119,829. Education 20 % have a college degree.

Health: Number of hospitals within the county 31. Number of clinics within the county 187. Number of elder care facilities within the county 19.

Las Cruces, New Mexico Listing in US News & World Report

Las Cruces, New Mexico

This city is home to New Mexico State University.

Climate

Las Cruces enjoys hot summers and mild winters, with 350 days of sunshine.

Cultural Attractions

Las Cruces and the surrounding area is home to over 40 art galleries and a number of museums that focus on the Mesilla Valley.

Geography

The city sits in the Mesilla Valley on the edge of the Chihuahuan Desert along the Rio Grande River.

Historical

The Smithsonian Institution declared "the world's best-fossilized footprints from the Permian Period" to be those found in town in the late 1980s by a local paleontologist.

Recreation

The city hosts the annual Southern New Mexico Wine Festival, celebrating the many wineries in the area.

Location Details

Weather: Average January high/low temperature: 56.8° / 21.1°. Average July high/low temperature: 94.9° / 62.5°. Precipitation: 11.44 in. /yr. Index score for various storm types: 9.

Cost of Living: Median home price \$184,870; Median household income \$37,263. Maximum state income tax 5.3%; State sales tax 7.13% .

Recreational & Cultural Activities: Area of square miles of parkland/greenspace N/A. Number of public golf courses within the county 4. Number of private golf courses within the county 3. Number of sports teams within the county 0. Number of movie theaters within the county 4. Number of libraries within the county 7. Number of museums within the county 12. Number of college and universities that reside within the county 1.

Population & Demographics : Total population 82,671. Population density 996 people/mi.². Population trends (Percentage growth/decline of the 55+ population) 53.8% growth. Population over 55 18,500 people. Education 24% have a college degree.

Health: Number of hospitals within the county 6; Number of clinics within the county 38; Number of elder care facilities within the county 9.

Top 25 Places to Retire Based on Home Sale Price Money Magazine 2007

Rank	Town	Median home sale price in 2006
1	Northbrook, OH	\$ 83,760
2	Blacklick Estates, OH	\$ 83,480
3	Tonawanda, NY	\$ 74,878
4	Shiloh, OH	\$ 79,722
5	West Mifflin, PA	\$ 81,113
6	North College Hill, OH	\$ 80,761
7	Maple Heights, OH	\$ 84,597
8	Kenmore, NY	\$ 93,413
9	Penn Hills, PA	\$ 84,915
10	Brentwood, PA	\$ 86,878
11	Depew, NY	\$ 90,149
12	Irmo, SC	\$119,000
13	Corning, NY	\$ 83,198
14	Lancaster, NY	\$ 98,883
15	Bellevue, OH	\$ 91,322
16	Gates-North Gates, NY	\$ 99,612
17	Cheektowaga, NY	\$ 88,239
18	Cheviot, OH	\$ 92,038
19	Boardman, OH	\$103,175
20	Lincoln Park, MI	\$ 96,579
21	Melvindale, MI	\$ 90,302
22	Storm Lake, IA	\$ 85,830
23	Garfield Heights, OH	\$ 93,116
24	Kokomo, IN	\$ 87,148
25	Harper Woods, MI	\$110,486

Money magazine provides a web-site with a search capability. Prospective movers can search for their ideal retirement destination by any of the criteria. This listing demonstrates that if the household focuses solely on cost of housing, the search will not identify El Paso as one of the top 25 municipalities.

The following six pages list municipalities by ascending home sales price. These results reveal that 43 out of the 79 municipalities with the lowest home prices are in the northern tier of the US. Fifteen of the 79 municipalities with the lowest home prices are in Texas.

El Paso is listed as 62nd relative to the home sales price, but it is 157th relative to the affordability of the homes. Affordability takes into consideration the median household income and the proportion of the population who would be able to afford the homes being sold at the median homes sales price. Because wages in El Paso are low, El Paso has a relatively low ranking in the Housing Opportunity Index.

What this means. El Paso and the Paso del Norte region will have to compete as much on the other merits of the area as on the cost of housing.