

Our Border & the Economy

The U.S.-Mexico border offers unparalleled economic opportunities for Americans who live near the border as well as for workers and their employers throughout the United States. With the House of Representatives looking at various approaches to immigration reform—in which increased border security is a top priority—it is also critical to look at how the border improves competitiveness and brings direct and indirect prosperity to communities across the country.

This fact sheet—the fifth in our series on immigrants and the economy—details five reasons why the U.S.-Mexico border is critical for the U.S. economy. A secure border is vital, but so is a border that provides security in a way that does not result in the unintended consequence of unnecessarily stifling commerce. Access AS/COA's Get the Facts series at: www.as-coa.org/immigration-facts.

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Five Reasons Why the U.S.-Mexico Border is Critical for the U.S. Economy



1 U.S.-Mexico trade surpasses \$1 billion every day, with the vast majority of bilateral commerce crossing our land border.

- Mexico is the second largest destination of U.S. goods and services after Canada. In 2012, U.S. exports to Mexico totaled \$216 billion—more than U.S. exports to Japan and China combined.¹
- Mexico is the United States' third largest trading partner. Since NAFTA was signed in 1994, bilateral trade levels have quintupled, reaching \$494 billion in 2012.²
- Close to 80 percent of bilateral trade crosses the U.S.-Mexico land border every day.³



2 Millions of U.S. jobs depend on U.S. trade with Mexico—and on efficient cross-border commerce facilitation.

- Six million U.S. jobs are supported by bilateral trade with Mexico, which means that one in 24 workers depend on U.S.-Mexico trade.⁴
- More than 20 percent of U.S. jobs are linked to trade along the border.⁵
- NAFTA-related trade between the U.S. and Mexico has added 1.7 million U.S. jobs.⁶
- Trade with Mexico has created 692,000 jobs in California alone. U.S.-Mexico trade generated over 200,000 jobs in New York, Florida, Illinois, Pennsylvania, and Ohio, and more than 100,000 jobs in 22 other states.⁷



3 Key U.S. industries vital to our national economy depend on Mexico.

In 2012, the top U.S. export categories to Mexico—machinery, mineral fuel and oil, vehicles, and plastic—added \$128 billion to the U.S. economy.⁸

- The U.S. and Mexico traded \$70 billion in machinery, tools and equipment in 2009, which were then used to produce other goods to be consumed locally or sold to foreign markets.⁹
- The production sharing model of U.S.-Mexico trade means that cars built in North America cross the U.S. borders—both with Canada and Mexico—at least eight times during production.¹⁰
- Even imports from Mexico support U.S. industries, with imported goods comprised of 40 percent U.S. content on average.¹¹



4 Mexico is on the rise, with a growing middle class looking to legally cross our southern border to spend tourism dollars in the United States.

- Over 13 million Mexicans traveled to the United States in 2010, spending \$8.7 billion—second only to Canadians.¹²
- Mexico may become the world's fifth largest economy by 2050, with a higher GDP per capita than all but three European countries.¹³ The border is an important gateway for welcoming Mexican tourists ready to spend their disposable income.
- From 2007 to 2008, Mexican tourists who entered the United States through land ports of entry spent \$2.7 billion in Arizona alone,¹⁴ creating 23,400 direct jobs and 7,000 indirect jobs for Arizonans.¹⁵



5 Border communities throughout the U.S. southwest depend on Mexico to keep their economies growing.

- In 2012, Mexico was the main export destination for three out of four border states: Arizona, California, and Texas.¹⁶
- Twenty-three states count Mexico as their number one or number two export market. In 2012, 36 states counted Mexico as a top-five market.¹⁷
- The San Diego-Tijuana border area, or the Cali Baja Bi-National Mega-Region, is a leading manufacturing and high-technology hub that spans both sides of the border, representing \$202 billion in GDP in 2011 and a labor force of 3.1 million people.¹⁸

This fact sheet is a product of the AS/COA Integration and Immigration Initiative, which advances the integration of immigrants and promotes positive dialogue around the economic contributions of immigrants and Latinos overall across the United States. It was produced by Jason Marczak, AS/COA Director of Policy, together with Andreina Seijas, AS/COA Policy Associate and Leani García. COA's North American Border and Competitiveness Initiative seeks to foster a public-private dialogue on deepening economic integration within North America and on improving management of our common borders. For more information, visit AS/COA Online at: www.as-coa.org. For media inquiries or to speak with an expert on this topic, please contact Adriana La Rotta in our communications office at: alarotta@as-coa.org.

Endnotes

- 1 Secretaría de Relaciones Exteriores “Our Common Border: An Area of Prosperity and Competitiveness” <http://consulmex.sre.gob.mx/mcallen/images/stories/2013/commonborder.pdf>
- 2 Office of the United States Trade Representative. <http://www.ustr.gov/countries-regions/americas/mexico>
- 3 Alejandro Figueroa, Erik lee and Rick Van Schoik, “Realizing the Full Value of Crossborder Trade with Mexico,” New Policy Institute and the North American Center for Transborder Studies, Arizona State University, 2012, p.16.
- 4 Christopher Wilson and Erik Lee, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Wilson Center Mexican Institute, 2012, p.5. http://www.wilsoncenter.org/sites/default/files/State_of_Border_Trade_Economy_0.pdf
- 5 U.S. Chamber of Commerce “Steps to a 21st Century U.S.-Mexico Border,” 2010, p.1. http://www.us-chamber.com/sites/default/files/reports/2011_us_mexico_report.pdf
- 6 Idem, p. 1.
- 7 Christopher E. Wilson, “Working Together: Economic Ties Between the United States and Mexico,” Woodrow Wilson International Center for Scholars, 2011, p. 21. <http://www.wilsoncenter.org/sites/default/files/Working%20Together%20Full%20Document.pdf>
- 8 U.S. Embassy Mexico City, “NAFTA Factsheet,” 2013. <http://photos.state.gov/libraries/mexico/310329/docs/NAFTA.pdf>
- 9 Alejandro Figueroa, Erik lee and Rick Van Schoik, “Realizing the Full Value of Crossborder Trade with Mexico,” New Policy Institute and the North American Center for Transborder Studies, Arizona State University, 2012, p.12.
- 10 Christopher E. Wilson, “Working Together: Economic Ties Between the United States and Mexico,” Woodrow Wilson International Center for Scholars, 2011, p.1. <http://www.wilsoncenter.org/sites/default/files/Working%20Together%20Full%20Document.pdf>
- 11 Christopher Wilson and Erik Lee, “The State of Trade, Competitiveness and Economic Well-being in the U.S.-Mexico Border Region,” Wilson Center Mexican Institute, 2012, p.5. http://www.wilsoncenter.org/sites/default/files/State_of_Border_Trade_Economy_0.pdf
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- 13 Idem, p. 4-5.
- 14 Vera Pavlakovich-Kochi and Alberta H. Charney, “Mexican Visitors to Arizona: Visitor Characteristics and Economic Impacts, 2007-2008,” 2008, p.48. http://ebr.eller.arizona.edu/research/mexican_visitors_to_arizona_2007_08.pdf
- 15 Idem, p. v.
- 16 Secretaría de Relaciones Exteriores “Our Common Border: An Area of Prosperity and Competitiveness” <http://consulmex.sre.gob.mx/mcallen/images/stories/2013/commonborder.pdf>
- 17 Alejandro Figueroa, Erik lee and Rick Van Schoik, “Realizing the Full Value of Crossborder Trade with Mexico,” New Policy Institute and the North American Center for Transborder Studies, Arizona State University, 2012, p.3. http://www.wilsoncenter.org/sites/default/files/State_of_Border_Trade_Economy_0.pdf
- 18 CaliBaja Binational Mega Region “CaliBaja By The Numbers,” 2011 <http://www.calibaja.net/cbdb/p/>