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TROOP DEPLOYMENT COSTS THOUSANDS OF JOBS

New Study by The Perryman Group Quantifies the Adverse Economic Effects of National Guard Troop Deployment on the Lower Rio Grande Valley and Texas

In July, National Guard troops in Texas were deployed to the US-Mexico border as a response to the influx of immigrants (mostly children) from Honduras, Guatemala, and El Salvador. While troops have been sent to the area on various occasions in the past, the deployment has raised concern among some area residents and community leaders who fear that it could take a toll on the regional economy.

“If the deployment increases feelings of uncertainty about the area’s stability,” said Dr. Ray Perryman, President of The Perryman Group, “it could discourage business investment, tourism, and other desirable economic activity. The presence of troops has historically impacted shoppers and employees in a variety of sectors, discouraging them from full participation in their normal activities.”

In order to provide a perspective on the potential economic effects of the presence of the National Guard troops, The Perryman Group (TPG) analyzed the historic patterns in the regional economy during prior periods when troops were sent to the area and found that, even after adjusting for other factors, the regional economy tends to be adversely affected during periods of deployment.

Results of this assessment, which was conducted as a public service, are summarized in a report available for download as noted below and will be discussed by Dr. Perryman in Harlingen on September 5.

“Even after accounting for various external factors, economic performance observed during deployments is significantly worse,” said Dr. Perryman.

The Perryman Group found that the total **losses in business activity stemming from this weaker performance include more than \$541.9 million in gross product in the Lower Rio Grande Valley each year as well as 7,830 jobs. For Texas as a whole (including losses within the Lower Rio Grande Valley), costs were found to be \$650.0 million in annual gross product and 8,680 jobs.** These amounts represent approximately 2.5% of total local activity.

According to Dr. Perryman, “While border security is an important issue, it should be recognized that economic performance is dampened during times when troops are deployed. Less intrusive and more effective measures are worthy of consideration.”

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The Perryman Group (TPG) is an economic research and analysis firm based in Waco, Texas. The firm has more than 30 years of experience in assessing the economic impact of corporate expansions, regulatory changes, real estate developments, public policy initiatives, and myriad other factors affecting business activity. TPG has conducted hundreds of impact analyses for local areas, regions, and states throughout the U.S. Impact studies have been performed for hundreds of clients including many of the largest corporations in the world, governmental entities at all levels, educational institutions, major health care systems, utilities, and economic development organizations.

NOTE:

The Perryman Group's report containing additional information regarding the economic cost of National Guard troop deployment is available to download at www.perrymangroup.com.