



# Overview of the Texas Economy

Current state economic and demographic trends

## Employment

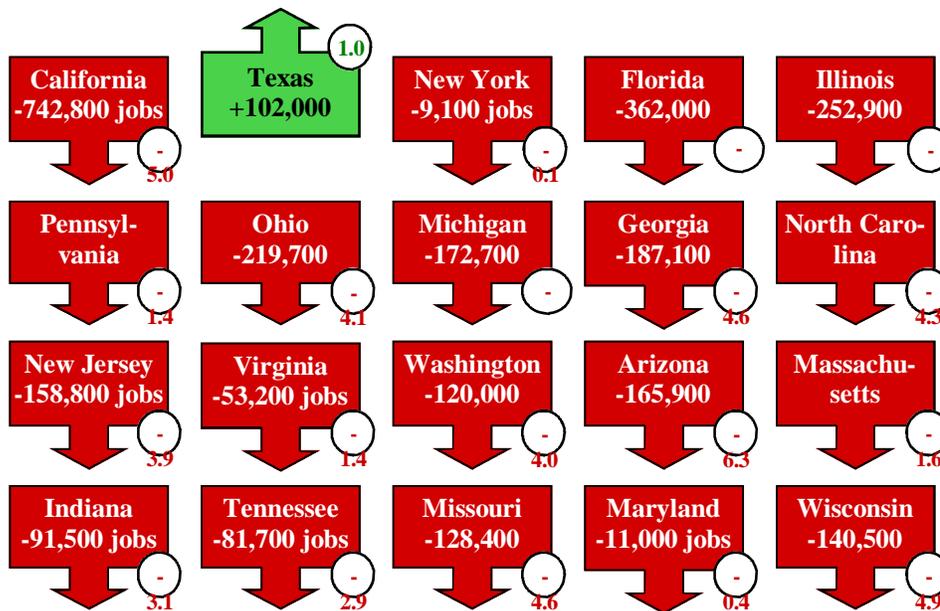
Texas saw an increase in employment in 2011, gaining 205,100 seasonally adjusted nonfarm jobs from December 2010 to December 2011. This represents an annual growth of 2%, according to data published in the **January 2012 Monthly Review of the Texas Economy**. Over the same period, U.S. nonfarm employment only rose 1.3%, gaining 1,671,000 jobs. From Dec. 2008 to Dec. 2011, Texas was the only Top 20 state to add jobs, as the chart below indicates.

In 2011, all Texas industries except the information and construction industries and the government sector saw job increases. The state's mining and logging industry ranked first in job creation, adding 41,100 jobs for an annual employment growth rate of 18.8% in 2011. The professional and business services industry ranked second in job creation in 2011, adding 53,000 jobs for a 4.1% rate increase.

The Federal Reserve Bank of Dallas monthly data also indicate increases in many of **Texas' major industry sectors** throughout 2011, although the **construction sector** had an end of the year reversal.

Texas' unemployment rate remained below the national unemployment rate in 2011, according to the **Texas Workforce Commission**. Both the nation and state of Texas enjoyed unemployment decreases in the last half of 2011.

For more current employment information, the state's monthly updates are charted and tracked at the **Federal Reserve Bank of Dallas**, the **Texas Workforce Commission**, the **Texas Comptroller of Public Accounts**, as well as the **Bureau of Labor Statistics**.



## Job Creation

At the beginning of 2012, Texas was the only Top 20 state with more jobs than 3 years ago. (Aug. 2008 - Mar. 2012)

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## Population

**2010 Census** data indicate that Texas added 4,293,741 residents in the last decade, a 20.6% increase to a new population total of 25,145,561. Texas nationally ranked No 1 for the highest numeric increase in population and No. 2 as the most populous state, behind California, which grew by 10% to 37,253,956. The nation's regional population in the South, which includes Texas, grew the most at 14.3%. Texas' population growth from 2000 to 2010 was double that of the United States as a whole. The U.S. population grew only 9.7% to 308,745,538 residents; the slowest growth rate in decades.

The Lone Star State's rapid growth over the past decade was almost entirely concentrated in its major urban areas, according to **2010 Census population distribution data**. The Dallas-Fort Worth and Houston metro areas together accounted for almost half of the population of Texas and over half of the state's growth. Austin-Round Rock-San Marcos ranked No. 9 of the nation's 10 fastest growing metropolitan statistical areas (MSAs) with a 37.3% increase of population between 2000 and 2010.

Texas cities showed healthy growth from 2000 to 2010. Of the nation's most populous cities, Houston ranked No. 4, San Antonio No. 7, and Dallas No. 9. Houston remained the state's biggest city, with a 7.5% increase to 2,099,451. At No. 2 statewide, San Antonio's population grew 16% to 1,327,407, while Dallas gained 0.8% to grow to 1,197,816. Austin was the fourth-largest city in Texas, while Fort Worth, with 741,206 people, and El Paso, with 649,121, ranked next in population. Of the nation's fastest growing cities, Frisco ranked No. 3 with 247% growth and Pflugerville ranked No. 8 with 187.3% growth

Texas had eight of the nation's 15 fastest growing large cities, according to **Census population estimates data** from Apr. 1, 2010 through July 1, 2011. Round Rock led with the No. 2 national ranking and 4.8% growth, followed by Austin at No. 3 and 3.8% growth. Census data also indicated Texas had six of the nation's 15 cities ranked by numeric increases, led by

Houston at No. 2 with an additional 45,716 residents.

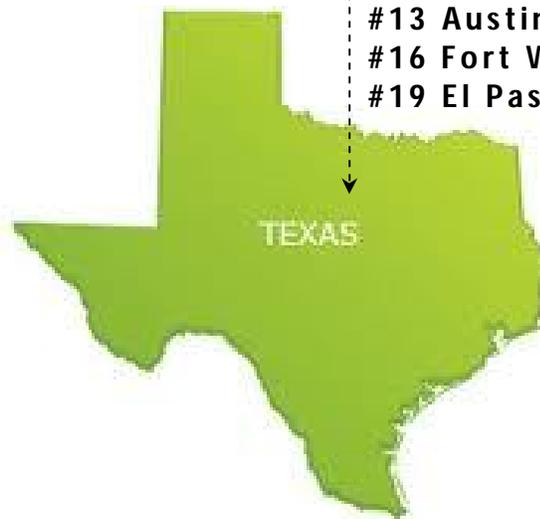
**2010 Census population diversity data** confirm that Hispanics are on pace to become the biggest ethnic group in Texas by 2015. The data show that 37.6 % of Texans were Hispanic, up from 32% in 2000, and 45.3% were non-Hispanic whites, down from 52.4% in 2000. Non-Hispanic whites remain the biggest demographic group in Texas and have greater income than Hispanics. The annual income per capita for non-Hispanic whites was \$27,461 in 2009 compared with \$14,646 for Hispanics.

Between April 1, 2010 and July 1, 2011, Texas gained 529,000 new residents, more than any other state in the nation, according to **Dec. 2011 Census estimates**. It estimated that Texas' population grew to 25.7 million.

In 2005, Texas became the fourth "majority-minority" state, with a minority population comprising 50.2% of its total population, according to **U.S. Census Bureau population estimates**.

Texas is home to 6 of the 25 largest U.S. cities:

- #4 Houston
- #7 San Antonio
- #9 Dallas
- #13 Austin
- #16 Fort Worth
- #19 El Paso



## Income

According to a March 2012 [U.S. Bureau of Economic Analysis \(BEA\) news release](#), Texas ranked No. 1 for personal income growth by state between 2010 and 2011. Texas ranked No. 4 for total state personal income in 2011Q4 at \$1.0 trillion.

Preliminary BEA data indicate that in 2011, Texas ranked No. 26 nationally for per capita personal income at \$39,593, up from \$37,747 in 2010.

The latest [Texas Comptroller income data](#) available indicate 2011Q1 personal income at \$1,018.887 and real personal income at \$795.762.

## Research & Development

Texas universities and research institutions are national and global leaders in research and development (R&D) in many industries - including electronics, medical, biotechnology, aerospace, advanced materials, and energy.

According to the National Science Foundation's [Science and Engineering State Profiles](#), Texas nationally ranks No. 3 for science and engineering doctorates with 2,208 awarded in 2008; No. 4 for total R&D performance with over \$17.8 billion spent in 2008; No. 5 for industry R&D expenditures with \$13.8 billion spent in 2007; No. 3 for academic R&D expenditures with \$3.9 billion spent in 2009; and No. 8 for SBIR awards with \$208 million awarded in 2008.

Data from the U.S. Patent & Trademark Office indicate that in fiscal year 2011, Texas residents were

issued 8,054 [patents](#), ranking second nationally. In fiscal year 2010, data indicate that Texas residents filed 16,568 [patent applications](#), ranking second nationally.



## Industry Trends



The [Texas Industry Portfolio](#) area has detailed information about Texas industry breakouts.

Information and data resources on Governor Rick Perry's six Texas Industry Clusters, including some industry reports and industry-related company directories, are available at [Advanced Technology & Manufacturing; Aerospace, Aviation &](#)

[Defense; Biotechnology & Life Sciences; Information & Computer Technology; Petroleum Refining & Chemical Products; and Energy.](#)

There are also [Texas industry overviews](#) available, including renewable energy breakouts for [solar](#) and [wind](#), as well as a [Manufacturing in Texas](#) overview.

For the fourth quarter of 2011, [venture capitalists](#) invested primarily in the Texas consumer products, industrial/energy, software, and medical devices and equipment sectors.

## Real Estate

Texas has weathered the national real estate crunch without significant damage to property values, while sales and construction activity have slowed. Despite its continuing resiliency, Texas is not immune from the national real estate crunch.

The most recent month's high level Texas housing review with statistics on housing sales, single home median prices, foreclosures, and building permits is available in the [Texas Comptroller's Economic Outlook](#).

In 2011, Texas MSAs saw a 1% gain in home sales and a 7% decrease in total real estate listings, according to the Real Estate Center (REC) at Texas A&M University's [REC Current Trends](#) area. Texas MLS homes had a median price of \$148,700 and an average price of \$195,700 in 2011. Texas average

home price data indicate that the state's most affordable MLS areas in 2011 were Paris, Wichita Falls, and Lufkin. Median home price data indicate the state's most affordable MSL areas were South Padre Island, Paris, and Lufkin.

### [Texas residential housing permits](#)

monthly data from the Federal Reserve Bank of Dallas indicate a 2011 annual average of 7,832.17, up 12.29% from the year previous. 2011 monthly data trends to date indicate some swings with overall increases.

The Texas A&M REC [Building Permit Activity](#) website

provides detailed information about Texas county, MSA, single family, and multi-family permits. The Texas A&M REC's [Texas Housing Activity for Areas Reports](#) provide detailed information about the 25 Texas MSAs and more.



## Tourism

Travel is an important industry in Texas, and the state is a favorite destination for both domestic and international visitors. Tourism revenues provide significant economic benefits for the Texas economy.

In 2010, total direct travel earnings in Texas were \$57.5 billion and travel spending directly supported 529,400 jobs with earnings of \$16.5 billion. Texas had an estimated 198 million visitors at tourism destinations in 2010. The state travel industry's Gross Domestic Product (GDP) was \$22.4 billion in 2009, the latest annual data available.

Information on the [economic impact of travel in Texas](#), a [Texas Tourism FAQ](#), [travel facts](#), [hotel](#)



[reports](#), [international visitation reports](#), and much more are available. [Texas tourist information](#) is also accessible online, including free travel guides, state maps, and

emailed newsletters; trip planners; podcasts and videos; lodging; activity and events; cities and regions; and even customized itineraries.

## Gross State Product

The [Texas gross state product](#) (GSP) for 2011Q1 was estimated at \$1,321.6 billion in current dollars and continues to show [diversification in goods and services](#), according to the Texas Comptroller of Public Accounts (CPA). Both these CPA tables show forecasts through 2040 and go back to 1990. Also see the CPA's [Key Texas Economic Indicators](#) for related data.

The Texas CPA's latest [State Economic Forecast](#) indicates that the 2011 Texas GSP was \$1,339.9 billion (current dollars).

If Texas were a nation, its economy would rank as the 14<sup>th</sup>-largest in the world by Gross Domestic Product (GDP), according to the [Texas Comptroller's 2011 estimates](#).

## Transportation

Texas' central location facilitates in providing timely access to national and international markets via air, rail, roads, and water.

Texas has 310,850 miles of highways and 14,361 miles of freight transport railroad, more than any other state according to 2009 data from the **U.S. Bureau of Transportation Statistics**. The **Association of American Railroads' 2010 state rankings data** indicate that Texas' had 47 railroads (No. 2) operating on 10,384 rail miles (No. 1), carrying over 365.4 million rail tons (No. 5) on 8,808,100 rail carloads (No. 2), and employing 15,534 (No. 1). Texas has **eleven deep water ports** with channels at least 30 feet deep along the Gulf Coast. They include **The Port of Houston**, which in 2010 ranked No. 2 nationally for total trade and No. 12 globally for total cargo volume while in 2011 it ranked No. 9 for North American total port container traffic. The state's two largest airports, Dallas-Fort Worth International (DFW) and George Bush Intercontinental in Houston (IAH), serve as major hubs for connecting flights within the domestic and international air systems. The Fort Worth Alliance Airport (AFW) was the first national airport built strictly to serve the intermodal distribution business needs.

2010 **International airport data** indicate that DFW ranked No. 8 and IAH in Houston ranked No. 21 on the world's 30 busiest airports list by total passengers served while DFW ranked No. 4 and Houston ranked No. 6 on the world's 30 busiest airports lists by aircraft movements.

**International border crossings** in Texas rank among the busiest in the nation. For incoming U.S. border crossings in 2011, Texas nationally ranked No. 1 with over 3.3 million trucks, 7,176 trains, and over 29 million personal vehicles, and No. 2 with over 15.3 million pedestrians. Looking at incoming U.S. border crossing within Texas in 2011, Laredo ranked No. 1 for trucks with almost 1.7 million, trains with 3,413, and buses with 44,121 while Hidalgo ranked No. 1 for personal vehicles with over 4.8 million and El Paso ranked No. 1 for pedestrians with over 6.1 million.

2011 data indicate that overall, northbound (incoming) and southbound (outgoing) vehicular, pedestrian, truck, and rail crossings decreased from 2010.

For more detailed Texas information, the **Texas Center for Border Economic and Enterprise Development (Border Trade Institute)** provides north- and southbound crossing data for land ports in Texas collected from bridge operators and the Mexican government.



## International Trade

Texas is a leader in the global marketplace. In 2011, for the tenth year in a row, Texas was ranked as the number one state by export revenues. **Texas exports** for 2011 totaled over \$251 billion, up 21.2% from \$206.96 billion in 2010. The state's exports outperformed overall U.S. exports, which only grew by 15.8% in 2011 to \$1.48 trillion.

Products from the State of Texas are shipped around the globe each year. The state's top value-added Texas exports in 2011 were Petroleum & Coal Products, Chemicals, Computer & Electronic Products, Machinery (not electrical), and Transportation Equipment. Texas' largest export market continued to be its NAFTA trading partners, which accounted for \$109.5 billion or 43.6% of total state exports during 2011. Mexico continued as the top export destination with

\$87.39 billion in Texas exports. Canada ranked second with \$22.12 billion; China ranked third at \$10.93 billion; Brazil ranked fourth at \$10.05 billion; and the Netherlands ranked fifth at \$8.79 billion.

In 2011, **Port Level data** from the U.S. Bureau of Economic Analysis indicated that overall Texas Port Level imports totaled over \$360.01 billion, an increase of approximately 18.9% from \$302.66 billion in 2010.

**The 2011 Texas imports by the top ranked commodities** were oil and petroleum products (\$131.13 billion or approximately 25%); electric machinery, including TVs (\$65 billion); and industrial machinery, including computers (\$40 billion).

## International Trade *continued from Page 5*

**2011 Texas imports for the top 10 countries of origin** accounted for \$280.7 billion – or almost 78% of Texas imports. NAFTA trading partner, Mexico, was the top country of origin for Texas imports with \$175.11 billion or over 48.6% of Texas imports. NAFTA trading partner, Canada, does not rank in the top 10 for Texas imports, in striking contrast to its number two ranking for Texas exports in 2011. China (Mainland) ranked No. 2 for Texas imports (\$21.50 billion), followed by Venezuela (\$18.54 billion), Saudi Arabia (\$15.24 billion), and Nigeria (\$10.77 billion).

Texas is a top-ranked destination for foreign direct investment (FDI). Texas ranks No. 2 nationally for the number of jobs at U.S. subsidiaries of global companies and the number of manufacturing industry jobs at U.S. subsidiaries, according to the Organization for International Investment.

The Texas FDI Overview and Foreign Investment in Texas 2011 provide further information on this area. FDI data are also available from the U.S. Bureau of Economic Analysis.



## Labor and Management Diversity

**2007 Survey of Business Owners data** indicate there were 2,164,852 total Texas firms, up from 1,734,648 in 2002. Of these, 723,057 were minority-owned firms, representing 12.6% of the nation's minority-owned firms. The value of sales and receipts of all firms in Texas reached \$2.53 trillion in 2007, up from \$1.81 trillion in 2002. Texas firms employed 8,712,639 in 2007, up from 8,059,889 in 2002. Major breakouts follow.

In 2007, there were 610,162 **Women-owned firms in Texas** employing 592,308, up 23.1% from 469,049 firms in 2002. Sales and receipts increased from \$66.7 billion in 2002 to \$97.09 billion in 2007. Women-owned firms accounted for 28.2% of all Texas firms. Texas ranked second nationally for the number of firms and sales and receipts of women-owned firms.

In 2007, there were 447,566 **Hispanic-owned firms in Texas** employing 397,900, up 28.6% from 319,340 firms in 2002. Receipts

rose from \$42.21 billion in 2002 to \$61.99 billion in 2007. Texas ranked third nationally for the number and receipts of Hispanic-owned firms. Texas had 356,785 **Mexican-owned firms** (34.4%), with receipts of \$48.98 billion. The Lone Star State ranked second nationally for the number and receipts of Mexican-owned firms.

In 2007, there were 154,281 **Black-owned firms in Texas** employing 73,330, up 42.4% from 88,769 firms in 2002. Sales and receipts increased from \$6.69 billion in 2002 to \$9.28 billion in 2007. Texas ranked fourth nationally for sales and receipts and for the number of firms of Black-owned firms.

In 2007, there were 19,057 **Native American- and Alaska Native-owned firms in Texas**, up 17.6% from 16,204 firms in 2002. Sales and receipts rose 17.4 from \$3.13 billion in 2002 to \$3.68 billion in 2007. Texas ranked third nationally for the number of firms and receipts of Native American- and Alaska Native-owned firms.

In 2007, there were 1,197 **Native Hawaiian and other Pacific Islander-owned firms in Texas**, down 13.9% from 1,391 firms in 2002. Sales and receipts increased 382.5% from \$78.2 million in 2002 to \$377.6 million in 2007. Texas ranked sixth nationally for the number of firms and third nationally for sales and receipts of Pacific Islander-owned firms.

In 2007, there were 114,593 **Asian-owned firms in Texas**, up 47.2% from 77,834 firms in 2002. Sales and receipts rose 104.7% from \$20.72 billion in 2002 to \$42.44 billion in 2007. Texas ranked third nationally for the number of firms and sales and receipts of Asian-owned firms.

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