

TEXAS REGIONAL OUTLOOK

The Coastal Bend Region

JUNE 2002

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Fellow Texans:

I am pleased to share with you the *Texas Regional Outlook* for the Coastal Bend Region. This report presents my latest economic forecast for the state as a whole and the outlook for this unique 19-county region surrounding the Corpus Christi and Victoria metropolitan areas.

This report is one in a series of regional outlooks that I have asked my staff economists to prepare for all 13 regions of Texas. In addition to these reports, I will be traveling throughout the state to listen to what you and other fellow Texans have to say about the challenges facing your region and to get ideas on what the state can do to bring more jobs and economic growth to your area.

After these open forums, I plan to take your ideas and consult with the finest minds I can find—a blue-ribbon panel of experts who will work with me to produce a list of recommendations that I can present to the 78th Texas Legislature. With your help, we can identify opportunities for growth in your region and recommend changes to remove any obstacles that may stand in the way of building local economies and to provide for sound economic policies in the years to come.

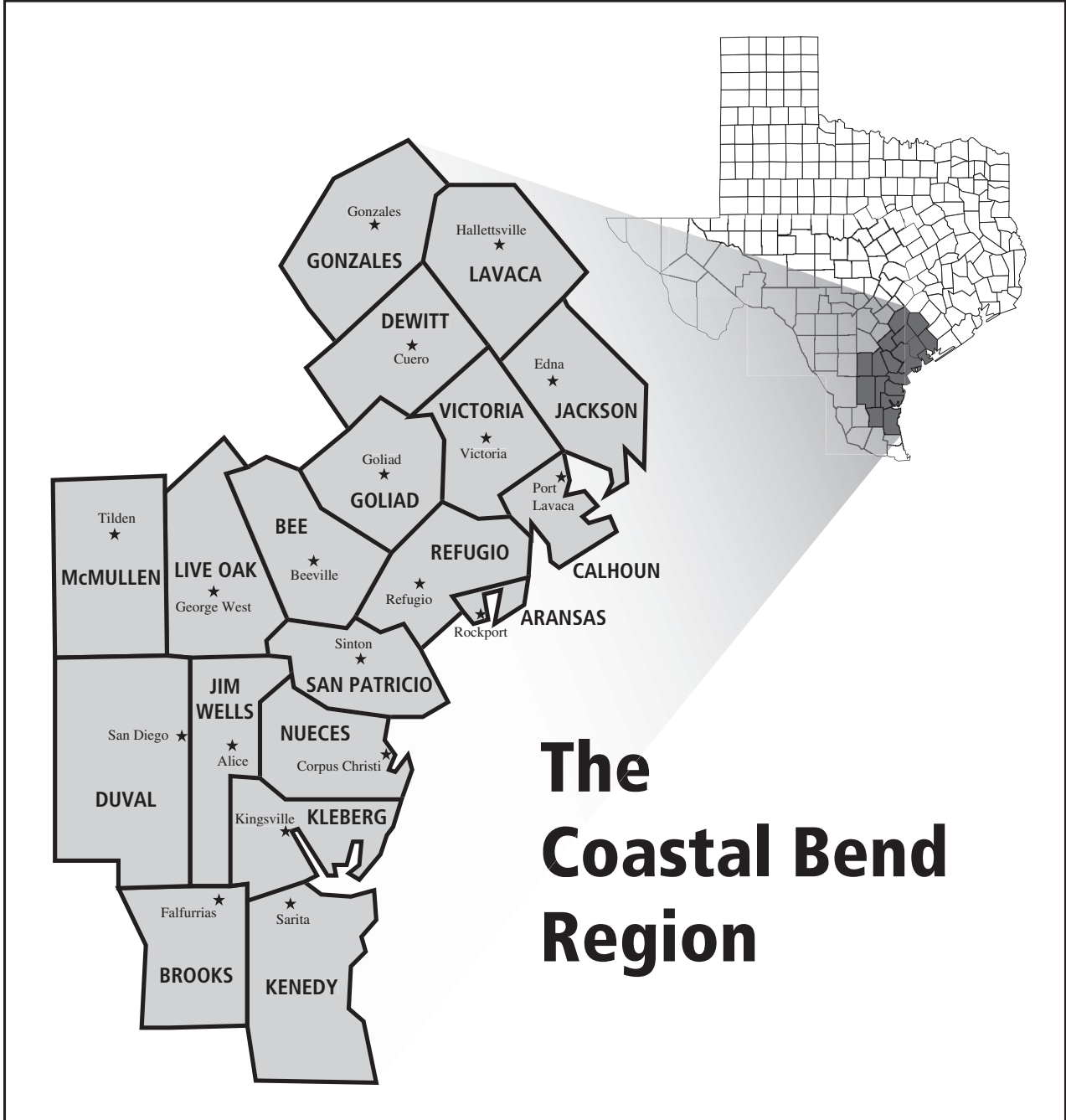
For information regarding our regional meetings, please call Ann Quirk at 1-800-531-5441, extension 6-4159, or visit my Web site at www.window.state.tx.us/ecodata/regional/forums/. If you are unable to attend one of our meetings, you may still submit your comments and suggestions by e-mail to regional.forums@cpa.state.tx.us, or write to:

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I look forward to hearing from you. Thanks for all that you do for Texas.

Sincerely,

Carole Keeton Rylander
Texas Comptroller



The Coastal Bend Region

★ = County Seat



Texas Regional Outlook

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National Recession Slows Texas Economic Growth

The economy in Texas has been adversely affected by the national recession. From April 2001 to April 2002, overall nonfarm employment in the state fell by 89,500, or 0.9 percent, compared with 1.9 percent growth during the same period a year earlier and an average annual growth rate of 4 percent during the economic boom of 1997 and 1998.

More than ever, the economy of Texas has become tied to the health of the national economy. This is evidenced by the nearly identical job loss rates of approximately 1 percent in Texas and the U.S. over the past year. The breadth of the national downturn was such that 38 states lost jobs. Although relatively high energy prices allowed the oil and gas industry to benefit during most of 2001, other facets of the Texas economy directly affected by the national economy—especially manufacturing and, to a lesser extent, consumer spending—suffered.

Unlike the U.S., however, the Texas economy did not fall into recession. This is largely attributable to strong productivity growth and is enhanced by a central Sunbelt location, relatively low business and housing costs, and the continued flood of new residents into the state.

Wary of the threat of a national recession, the Federal Reserve Board reduced short-term

interest rates 11 times in 2001. Despite lower borrowing costs, the National Bureau of Economic Research declared that the national economy had fallen into recession in March. The downturn accelerated after the September 11 terrorist attacks. The national economy now appears to have bottomed out and has begun a slow upswing.

The Texas economy continued to display moderate growth during the first half of 2001. During the year, real (inflation-adjusted) gross state product increased an estimated 3.4 percent, personal income increased more than 3 percent faster than the inflation rate, and almost 150,000 more residents moved into the state than left. Even with slowing employment growth, the statewide unemployment rate averaged less than 5 percent for the fourth straight year, for its lowest rates since the late 1970s. Perhaps most importantly, Texas continued to outpace national economic growth.

The outlook for the Texas economy in 2002 and 2003 is mixed (see Table 1). On average, real gross state product growth will be lower in 2002 than in 2001, slipping from 3.4 percent to a projected 2.8 percent. In 2003, however, following a strong national economic recovery fueled by low interest rates, federal tax cuts, and

This discussion presents the results of the Comptroller's fall 2001 state economic forecast. After this forecast was completed, the Texas Workforce Commission (TWC) released its regular annual revision of state and metropolitan area monthly nonagricultural wage and salary employment estimates for the past two years. In general, these new figures indicate that in 2001 Texas' economic performance was weaker than previous estimates indicated. TWC's revised employment estimates will be incorporated into the spring 2002 state economic forecast, which will be presented in the summer 2002 *Texas Economic Update*.



stimulative federal spending in response to September 11, Texas' economic growth will rebound at a relatively robust 4.4 percent rate. Nonfarm employment and personal income growth should follow a similar trend.

Still, with continued population and labor force growth accompanied by fewer job opportunities than in recent years, the statewide unemployment rate will rise from an average of 4.6 percent in 2001 to 5.5 percent in 2002—the highest rate in six years. As the national and

state economies rebound, however, the state jobless rate will drop slightly to 5.2 percent in 2003, falling below 5 percent again by the middle of 2004.

Manufacturing Hits the Wall

2001 was a year that most Texas manufacturers will want to forget. Faced with weighty inventories and faltering personal computer sales worldwide, Dell Computer Corporation and Compaq Computer Corporation both

TABLE 1
Fall 2001 State Economic Forecast
Texas Economic Outlook, for Calendar Years: 2002 to 2008

	2002	2003	2004	2005	2006	2007	2008
TEXAS ECONOMY							
Gross State Product (Billion 1996 Dollars)	755.4	788.7	825.3	858.6	890.4	925.8	970.5
<i>Annual % Change</i>	2.8	4.4	4.6	4.0	3.7	4.0	4.8
Personal Income (Billion Dollars)	652.2	699.7	747.1	796.3	848.2	893.8	944.7
<i>Annual % Change</i>	5.4	7.3	6.8	6.6	6.5	5.4	5.7
Nonfarm Employment (Thousands)	9,813.9	10,042.1	10,330.1	10,599.6	10,825.5	11,044.8	11,277.9
<i>Annual % Change</i>	1.6	2.3	2.9	2.6	2.1	2.0	2.1
Resident Population (Thousands)	21,685.9	22,056.4	22,409.4	22,756.1	23,093.0	23,414.1	23,739.7
<i>Annual % Change</i>	1.8	1.7	1.6	1.5	1.5	1.4	1.4
Unemployment Rate (%)	5.5	5.2	5.0	4.8	4.7	4.6	4.8
Oil Price, Taxable (Dollars per Barrel)	\$23.52	\$22.73	\$23.24	\$23.74	\$24.28	\$24.67	\$24.91
Natural Gas Price (Dollars per MCF)	\$2.65	\$2.55	\$2.61	\$2.66	\$2.72	\$2.77	\$2.79
U. S. ECONOMY							
Gross Domestic Product (Billion 1996 Dollars)	9,473.0	9,854.5	10,132.0	10,459.7	10,780.9	11,420.5	11,819.9
<i>Annual % Change</i>	1.6	4.0	2.8	3.2	3.1	5.9	3.5
Consumer Price Index (1982-84=100)	181.7	186.1	190.7	195.5	200.5	205.6	210.7
<i>Annual % Change</i>	2.3	2.4	2.5	2.5	2.6	2.5	2.5
Prime Interest Rate (%)	6.0	7.4	8.0	8.0	8.0	7.9	7.8

SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and DRI-WEFA.



announced extensive job layoffs during the year. Largely because of the weak personal computer market, the state's semiconductor and electronic component producers also fared poorly.

Outside of high-tech, the news was not much happier. Apparel manufacturers, largely concentrated along the Texas-Mexico border, continued to be hit hard by international competition, and they significantly reduced their work forces in response. Even so, the news could have been much worse had consumers not remained willing to spend, often in response to promotional offers. From April 2001 to April 2002, statewide manufacturing employment declined by 5.8 percent, or 62,500, which was still relatively better than the 6.6 percent loss in manufacturing employment nationwide.

Productivity was hurt temporarily by the terrorist attacks, partly because of increased security at airports and border checkpoints. The increased travel and waiting times and the unpredictability of delays have hindered trade at the border and increased transportation costs. Productivity growth typically slows in a national recession in any event, because output falls faster than companies' ability to adjust their work forces. In 2001, however, strong drivers of productivity growth have kept the productivity of American workers rising at a 2 percent annual rate.¹ If the recovery follows historical patterns, productivity will shoot up even more with renewed demand for services and goods.

Over the next two years, the state's manufacturing sector should improve as national and worldwide demand for computers, semiconductors and other high-tech products rebuilds, and excess inventories diminish. In 2002, manufacturing employment will increase by only 0.6 percent because manufacturers will be hesitant to hire new employees until they are sure that the increased demand for their products will last. But in 2003, the Comptroller's forecast expects 1.8 percent job growth, which would be Texas' best manufacturing growth for a year since 1998.

Oil and Gas Counter the Trend

In 2001, the resurgence of the state's long-suffering oil and gas sector partially countered the losses borne by the state's battered manufacturers. Because of tight worldwide markets, Texas wellhead oil prices moved above \$30 per barrel in fall 2000, and a cold winter in the Northeast and Midwest pushed the taxable price of natural gas to a record \$8 per thousand cubic feet in January 2001. Although oil and gas prices subsequently declined, they remained relatively high, spurring statewide and national drilling activity. By spring 2001, the Texas rotary rig count surged past 500, its highest level in 15 years.

By summer 2001, however, the slowing world economy and excess supplies began to push energy prices downward, slowing drilling activity in Texas. By November 2001, the drilling rig count of 407 had fallen to the November 2000 level; by April 2002, the rig count of 306 was down 36 percent from its April 2001 level. Nevertheless, because of the lag between drilling activity and hiring plans, year-over-year mining employment was up as recently as March of this year, but by April sector jobs slipped slightly below the previous year's level.

Over the next two years, the outlook for the state's oil and gas sector is not favorable. As worldwide energy prices flatten again over the next two to three years, Texas mining employment will fall 5.7 percent in 2002 and another 0.7 percent in 2003.

Construction Points Downward

From an historical perspective, Texas' construction sector benefited in past years more than most industries from the national and state economic boom. Rapid job and income growth, combined with the influx of new residents, kept home sales and new housing construction brisk, while strong industrial and commercial growth spurred nonresidential construction activity.

Compared to the gains in 1997 and 1998, statewide construction growth clearly has been slowing over the past few years, culminating in



small job losses in the early months of 2002. Construction growth continued through most of 2001 because of the backlog of active projects, but ended with year-to-year job losses. Growth slowed from a 9.2 percent annual rate at the end of 1998, to 5.2 percent at the end of 1999, to 3.8 percent at the end of 2000 and to a loss of 1.5 percent, or 8,500 jobs, from April 2001 to April 2002.

Even considering relatively low mortgage rates and the revival of residential construction activity, the state's weaker economy and higher office vacancy rates point to a further deceleration in statewide construction employment growth over the short term, thereby dampening the demand for new construction projects. In 2002, statewide construction employment is expected to decline 2.2 percent and then stabilize, with essentially no growth in 2003.

Transportation, Communications and Public Utilities: September 11 Hits Hard

Perhaps more than any other sector, transportation, communications and public utilities (TPU) has been adversely affected by the events of September 11. After the September 11 attacks, U.S. air traffic dropped and layoffs were announced at most major U.S. air carriers, including Texas-based American and Continental Airlines. Consequently, job growth in the states air transportation industry fell from a year-to-year gain of 4,400 in April 2001 to a year-to-year loss of 8,800 in April 2002. Largely because of these losses, TPU lost 24,200 jobs from April 2001 to April 2002, a 4.0 percent drop.

Although national air traffic is showing some signs of recovery, it will take a long time for it to recover to pre-September 11 levels. After peaking at 695 million U.S. passenger enplanements in fiscal 2000, enplanements are expected to reach only 600 million in 2002.

In recent years, Texas' trucking, warehousing and a number of other transportation services have benefited from the expanding national and state economies, as well as from increasing

trade with Mexico. In 2001, while the U.S. and Texas economies were stumbling, trade with Mexico remained fairly resilient through much of the year. But the U.S. recession eventually started taking a toll out of this trade as well, and employment in trucking and warehousing was down 2.6 percent, or 3,700 jobs, by April 2002.

With the rapidly growing popularity of the Internet and cellular communications, Texas communications employment boomed at a 7 percent average annual rate from 1999 to 2001. The weakened economy and national recession took hold and intensified here as well, so that by April 2002, employment in this sector had fallen by 8,500 jobs statewide, or 5.5 percent, largely because of layoffs at the state's major telephone providers.

Finally, utilities employment—until the collapse of Enron—had enjoyed a trend-bucking year, growing by 4,000 jobs, or 5.4 percent, from October 2000 to October 2001, largely because of the deregulation of the state's electric utility sector. The construction of gas-fired electricity generation facilities in Texas has boomed in recent years, as the prospect of selling power at a reasonable return to the state's rapidly growing residential, industrial and commercial sectors emerged. However, with Enron's bankruptcy and ensuing layoffs, the utilities sector quickly lost the 4,000 jobs it had gained the previous year. Even with job gains in electric utilities, by April 2002 the utilities sector overall had 1,300 fewer employees than in April 2001, a loss of 1.7 percent.

Over the next two years, Texas TPU employment will gain strength as the air transportation sector shows renewed vigor and the U.S. and Mexican economies improve. Overall in 2002, net TPU job growth of 2.6 percent is expected. As the share of the TPU industry represented by sectors such as Internet communications, air transportation and trucking has increased, the industry has become more sensitive to economic upturns than in previous decades. Industry growth will accelerate to 4 percent in 2003.



Finance, Insurance and Real Estate Eke Out a Gain

Finance, insurance and real estate (FIRE) turned in a relatively flat year, with a relatively small 0.4 percent loss of 1,900 jobs from April 2001 to April 2002. During this period, employment in banks and other financial institutions increased by 0.9 percent, in keeping with the state's growing population and moderate demand for new home financing, while jobs among the state's insurance providers increased a slight 0.3 percent. Real estate, securities, and investment industries, which were boosted by increasing home sales but hurt by weaknesses in the U.S. stock market and Texas nonresidential construction, on the other hand, experienced a job loss of 1.9 percent from April 2001 to April 2002.

As business loan demand remains weak and real estate demand remains fragmented, the outlook for the state's FIRE sector does not appear promising. Statewide FIRE employment will fall 2.1 percent in 2002, followed by a more modest 0.9 percent drop in 2003.

Trade Softens

Despite a rocky manufacturing sector, relatively strong consumer expenditures have managed, until recently, to keep the U.S. and Texas economies afloat. Throughout most of 2001, however, a steady stream of major job layoff announcements eroded consumer confidence and took a bite out of incomes, eventually causing consumer spending to falter. Consumer confidence and spending plunged further following the September 11 attacks, but U.S. and Texas confidence started to rebound at the end of the year.

During the first eight months of fiscal 2002 (September through April), state sales tax receipts—of which just more than 50 percent come from household expenditures—fell by 0.4 percent, compared with a gain of almost 5 percent in all of fiscal 2001. Spurred by dealer incentives, motor vehicle sales tax collections increased 6.1 percent during the same period.

This trend, however, is not expected to last through the remainder of fiscal 2002.

Even though Texas consumer confidence has returned to pre-attack levels, flagging expenditures have reduced the wholesale and retail trade job count by 1.1 percent from April 2001 to April 2002, compared with annual average gains of more than 3 percent in fiscal 1999 to 2001. Just over half of this loss was in wholesale trade, which has been hurt by a decreased demand for manufactured products. Net job losses in wholesale trade totaled 12,500 over the past year, a 2.3 percent loss. Retail trade—including building materials, restaurants, automobile dealers and service stations, food, furniture, clothing, general merchandise stores and other miscellaneous retailers—cut back 11,800 jobs, a 0.7 percent decline. Bucking the trend, a few sectors—sellers of building materials, automobile dealers/service stations, and eating and drinking places—added jobs.

Over the next two years, statewide trade employment growth should slowly improve as consumer confidence and spending is buoyed by renewed state and national economic growth. In 2002, employment is expected to rise 1.5 percent, as the national economic recovery gains strength in the second half of the year. In 2003, a more robust 2.4 percent job gain is likely.

Services Also Suffer

Because of the breadth of the national recession, in 2001 the Texas service sector lost jobs for the first time in more than 30 years. From April 2001 to April 2002, services lost 5,000 jobs, a decrease of 0.2 percent.

Not all service sector industries lost jobs. Most notably, health services employment rose by 25,400 jobs, a 3.6 percent increase. This growth was influenced by the aging of the population, the availability and use of new medical procedures and rapidly increasing spending on prescription drugs and other medical services. Jobs at establishments providing social and rehabilitation services increased 3.3 percent and accounted for 6,600 new jobs. Private education-



al services added 2,500 jobs, a 2.1 percent increase, and agricultural services took advantage of a particularly strong demand for veterinary and landscape/horticultural services to add 1,700 jobs, a 2.8 percent increase.

Most of the state's service sectors added jobs, or at least remained relatively even, over the past year—with two notable exceptions. First, motion pictures lost 2,700 jobs, a 8.5 percent decrease, as terrorism concerns and economic weakness cut into discretionary consumer expenditures. Second, and much more significant, business services, owing mostly to a disturbingly large downturn in the once-booming personnel supply sector, lost 41,200 jobs over the year, a 5.7 percent cut in its work force and almost half of all jobs lost statewide from April 2001 to April 2002. The silver lining in this otherwise bleak statistic is that these were largely part-time jobs, so the state's loss of full-time jobs was a smaller share of the losses than the bottom-line number might indicate.

Service jobs are sometimes mischaracterized as requiring relatively low skills, being poorly paid and contributing little to overall economic growth. Many jobs in business, health, engineering and other professional services require extensive advanced education and training, and generate significant economic returns to the community and the state. Some of these high-wage sectors are the ones faring the best; over the long term, much of the growth of the Texas economy will continue to be generated by this sector.

Over the next two years, the outlook for the state's service sector should improve greatly as the demand for business-related services returns with the improving overall economy. In 2002, service sector employment will increase 3.7 percent, and in 2003, 4 percent growth is expected.

Local Public Schools Propel Government Sector Job Growth

Federal, state and local government employment growth continues at a moderate and steady rate. Overall, from April 2001 to April

2002, public sector employment was up 2.4 percent, or 37,300 jobs, with most of these gains coming from increased hiring at public schools and other local governments.

Texas' civilian federal government employment rose 2.1 percent in this period. The number of jobs in state government increased by 6,800 or 2.1 percent. Federal and state jobs are typically added faster than other industries when the economy is weak and grow more slowly when the economy is strong. When the economy slows, there is increased demand for government services, such as public assistance, health care and other economic support programs. Local government employment, about half of which is fueled by public schools, increased by 26,800 jobs, or 2.5 percent, over the past year. The rest of the growth was in various other programs at the city, county and special district level. A relatively high birth rate and influx of new students from other states and countries continues to keep the state's school-age population growing.

As the economy picks up, the outlook calls for a gradual slowdown of Texas' public sector job growth over the next two years. In 2002, government employment growth is expected to continue to increase at a moderate 1.8 percent rate, but in 2003, growth will slow to 0.9 percent as tight budgets prevail and as school hiring needs at local public schools become, at least temporarily, satisfied.

Even With the Economic Slowdown, People Keep Moving to Texas

Despite the economic doldrums, new residents continue to move to Texas. Because the Texas economy slowed less quickly than the U.S. economy, net migration to Texas has increased. Migration in general responds to the economic opportunities in one region relative to the opportunities in other parts of the U.S. and the world. In 2000, an estimated 134,000 more people moved into the state than moved out. The number will likely increase to 175,000 in 2002 before falling back to 168,000 in 2003. With nat-



ural increase—Texas births minus deaths—averaging a little more than 200,000 per year, the state’s population is expected to increase at an average of 1.7 percent annually, from 21 million in July 2000 to 22.1 million in July 2003. Because population growth helps support the demand for retail trade, services and government output, Texas’ continued population gains will help stabilize the state economy over the next two years.

Endnote

- ¹ According to Economy.com, Inc., a provider of economic, financial and industry research, the productivity drivers are: 1) better information flows; 2) closer real estate industry ties to capital markets, limiting overbuilding; 3) improved technology providing better information on lending risks; and 4) the rapid growth of securitization and computerization of trading technology, which makes for more efficient stock and commodity trading.

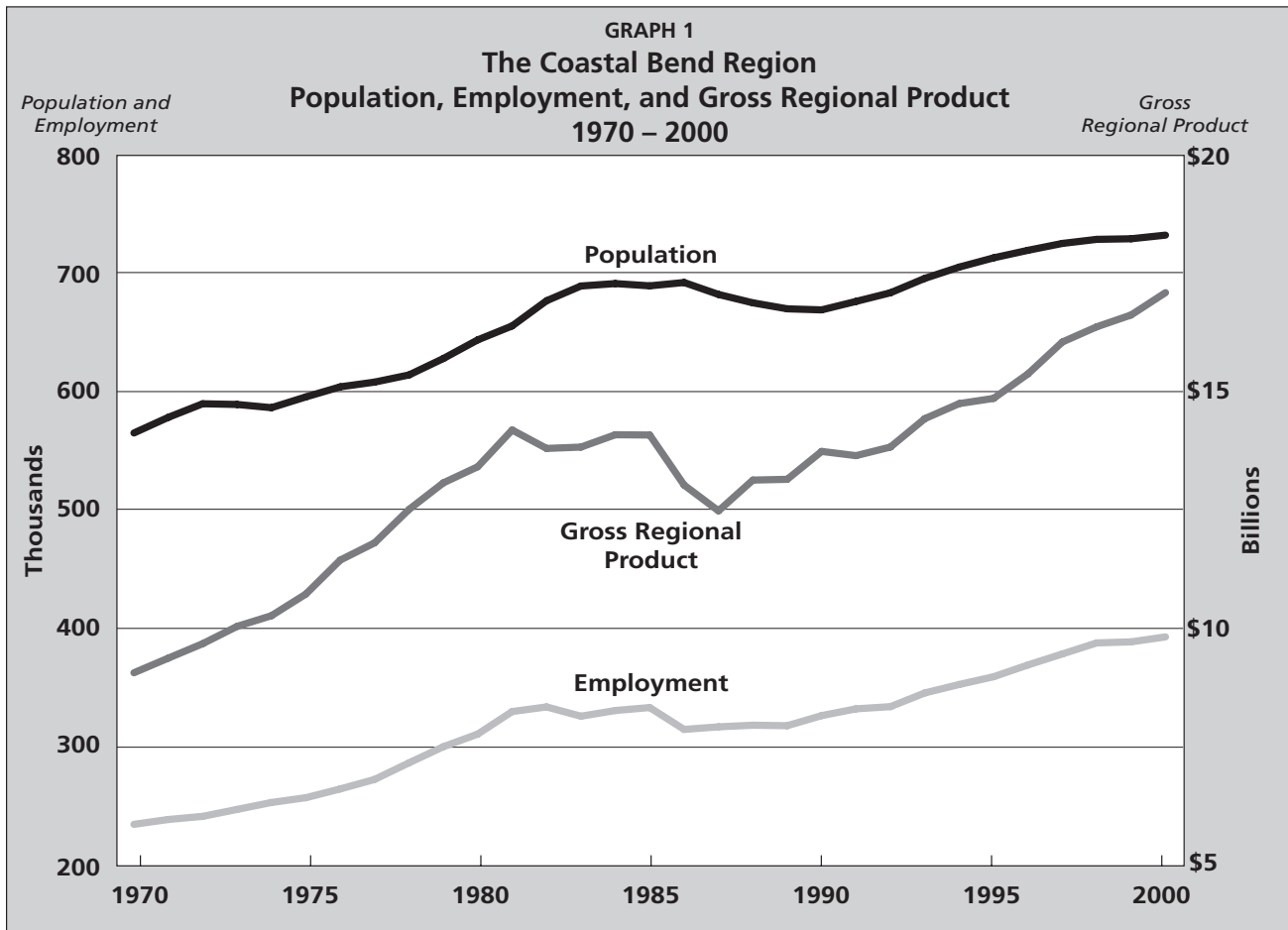




Coastal Bend Region Economic Trends and Outlook

Based on the Comptroller's new 13-region economic model of Texas, employment in the Coastal Bend region (covering a 19-county area surrounding the Corpus Christi and Victoria metropolitan areas) is projected to grow at a 1.7 percent annual rate, about the same rate seen over the last 30 years, but slightly slower than the 1.9 percent growth rate expected for the state as a whole. By 2005, total employment in the Coastal Bend region should reach more than 426,500.

Based on historical data since 1970, the Comptroller projects stable economic growth for the region. Although Coastal Bend region has seen some flux during the last 2 years of the 20th century, the next five years should see growth in line with that seen during the late 1990s. The primary challenge for this region is providing the educational skills needed to train the work force to meet the changing needs of business in an Internet economy.



SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and REMI.



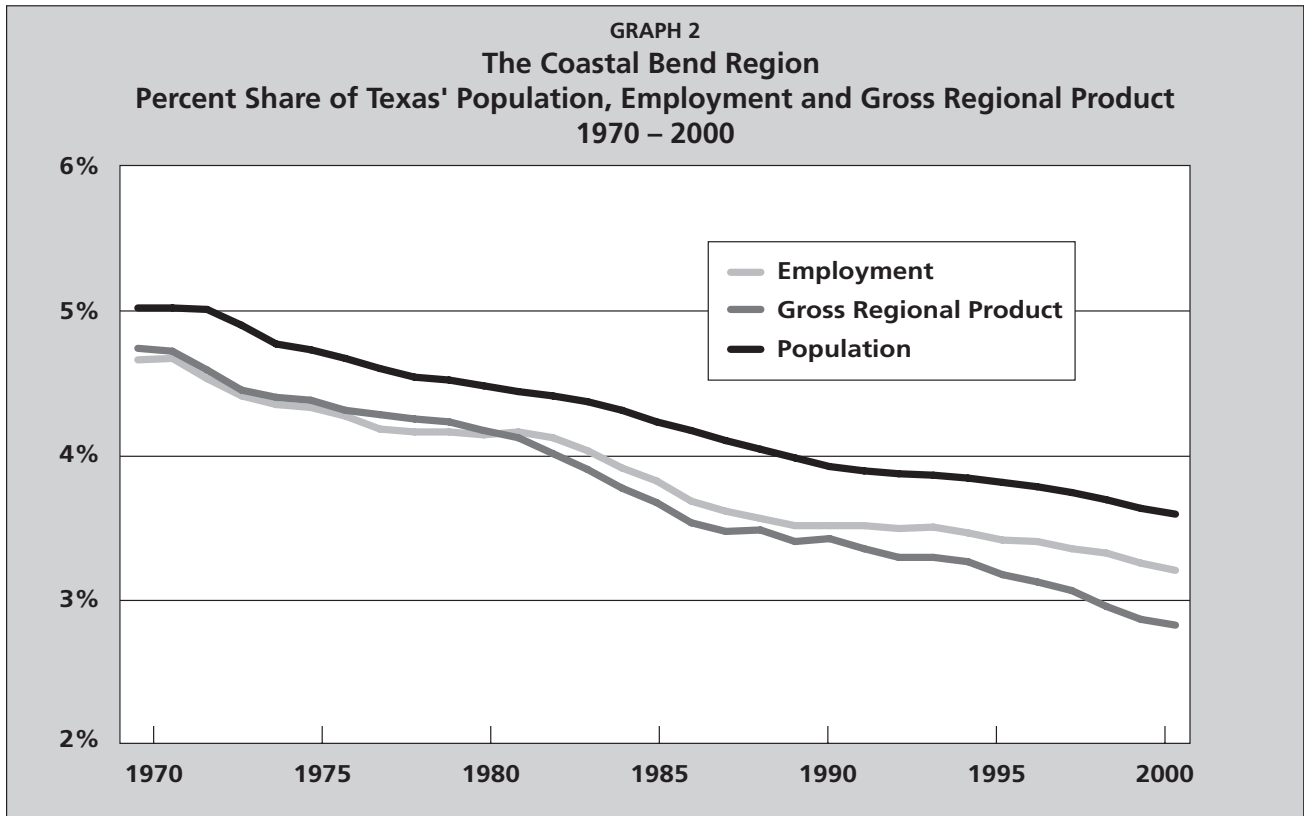
This report details recent economic changes in the Coastal Bend region, presents “baseline” economic forecasts for key indicators through 2005, discusses the structural changes that have led and will lead to economic growth in the region, presents a forecast for occupational changes likely in the region over the next five years and identifies possible target industries for future development. Economic development leaders within the region may wish to use this report to guide development of the region’s economy in upcoming years.

The Last 30 Years

The Coastal Bend region surrounding Corpus Christi and Victoria saw significant growth during the last 30 years of the 20th century. In real terms (1992 dollars), gross regional product in this region—the sum total of all value added within the region—nearly doubled from \$9.1 billion in 1970 to \$17.5 billion in 2000 (Graph 1). This is an average annual growth rate of 3.2 percent.

During this time, the population of the Coastal Bend region increased 29.5 percent, from 564,400 to 749,900. As a result of growth in the value of production in the region and somewhat slower population growth, per capita real incomes rose dramatically over the last 30 years. For example, in real terms (1992 dollars) disposable personal income—income not used to pay federal taxes—rose from \$10,600 in 1970 to \$19,000 in 2000. This means that the average person or household in the region has 80 percent more real purchasing power in 2000 than they did in 1970.

In terms of jobs, growth in this region was good during much of the 1970s and early 1980s. From about 1982 to 1990, the region was buffeted with many of the same economic storms that hit much of Texas—oil boom and bust, real estate ups and downs, and a national recession in the early 1990s. Starting in 1990, employment growth in the region resumed an upward path and since that time has grown at a 1.9 percent



SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and REMI.



annual rate, compared with the 30-year annual growth rate of 1.7 percent.

These growth rates determine if the region is playing a larger role in the Texas economy. In terms of population, employment and regional product, the Coastal Bend region has seen less growth compared with the rest of Texas since 1970. In 1970, the region accounted for 5.0 percent of the state’s population, 4.7 percent of the state’s employment and 4.7 percent of the gross regional product (Graph 2). By the turn of the century, the region accounted for 3.6 percent of the state’s population, 3.2 percent of the state’s employment base and 2.8 percent of the value of production.

Shifting Growth Patterns

Even within slowly growing economies, important structural shifts occur over time. These shifts often result from regional and even nationwide changes in production, consumption and technology. Analyzing these shifts can help identify prospects for future growth within the region.

Table 2 presents the historical employment figures for the Coastal Bend region for 18 broad industries in 1980, 1990 and 2000.¹ These industries correspond to a functional classification of activities within the region rather than one more traditionally defined through Standard Industrial Classification (SIC) codes usually used to examine the economic structure of a region. The sectors in this table are ranked according to the average annual growth rate in employment over the last 20 years.

Topping this list is health care. Here, national trends are dominating regional growth. As incomes grow, more and more is spent on health care. As populations age, more and more is spent on health care. The increasing technological sophistication of health care, while improving the effectiveness of health care also drives up costs. Since health care is a service that most often must be administered by trained professionals on a one-on-one basis, the movement of technological innovations to lower personnel requirements—a bi-product of technology seen in many other industries—has not been as broad-

TABLE 2
Coastal Bend Region Employment and Growth
1980-2000

	Employment in Region			Average Annual Growth Rate
	1980	1990	2000	
Healthcare	14,436	23,370	37,969	5.0%
Services to Business	11,978	20,348	24,483	3.6%
State Government	5,036	6,112	10,183	3.6%
Tourism and Entertainment	18,362	26,130	34,326	3.2%
Personal Services	9,862	11,895	16,934	2.7%
Finance, Insurance and Real Estate	18,421	19,762	24,870	1.5%
Other Services	13,973	14,698	18,399	1.4%
Other Non-Durable Goods Manufacturing	11,888	10,611	15,350	1.3%
Local Government	32,353	36,614	41,285	1.2%
High Tech, Communications, Aviation and Electronics	6,776	6,501	7,925	0.8%
Construction, Building Materials	27,792	22,555	31,065	0.6%
Other Durable Goods Manufacturing	5,132	5,086	5,506	0.4%
Wholesale and Retail Trade	49,780	49,056	51,823	0.2%
Agriculture, Agr-related, Ag Processing	30,000	28,421	29,669	(0.1)%
Other Transportation and Public Utilities	9,601	7,762	9,304	(0.2)%
Federal Government	8,129	9,447	7,769	(0.2)%
Other	2,954	2,308	1,832	(2.4)%
Oil and Gas Production, Refining and Petrochemicals	25,892	19,055	15,264	(2.6)%

SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and REMI.



ly felt in health care. As a result, the demand for health care services has risen rapidly over the past 20 years.

The second fastest growing industry is business services. This is largely the result of a long-term reorganization of many existing businesses that increasingly rely on outsourcing. The post-World War II model of industrial organization continues to break down as more and more responsibilities that were previously held within the structure of the parent firm are now outsourced to other companies. In the case of responsibilities such as janitorial services, this is a trend towards specialization. In the case of copy machine repair, or training personnel to use new computer programs, outsourcing is driven by increasing technological sophistication as specially trained workers are needed to operate equipment. Increased use of contract workers that may replace full-time employees is direct outsourcing and drives the growth of business services employment because some of these contract workers are provided through temporary help agencies.

To a large extent the increasing use of contract labor is merely a reshuffling of employment opportunities from other sectors (manufacturing in particular) to this sector. As such, this shift represents a positive change in the productivity and competitiveness of these businesses rather than degradation of manufacturing capacity.

The third fastest growing sector has been state government employment. This largely reflects the growing prison facilities in the region, state tourism facilities and growth at state institutions of higher education.

The third and fourth fastest growing sectors both reflect the same influence-increasing wealth. With rising incomes consumers can spend more on personal services and have more leisure time—or at least more money to spend on leisure and entertainment. Rising real incomes are behind many of the gains in the entertainment, tourism and personal services industries.

At the other end of the growth spectrum are the areas in which the region has not seen the same growth rate. In some cases, such as in the oil and gas industry, this is part of a much wider trend brought on by the distribution of natural resources and industry consolidation. But the appearance of some industries nearer the bottom of this list than the top, such as high tech, communication, aviation and electronics, may seem puzzling in light to the focus on the growth of these technologically-based industries. In part, these industries have been recovering in the region in the later 1990s after absorbing some job losses in the manufacture of electronic components during the late 1980s. Some parts of this sector, such as computer programming and data processing, have been strong employment growth sectors throughout the last 20 years and will likely continue to be strong sources of growth.

Identifying Regional Comparative Advantage

One key to understanding how a region's economy grows and evolves is by appreciating what unique advantages the region provides to certain industries, and how those industries have fared over time.

One device for identifying and summarizing the industries in which a region specializes is through a "location quotient." This descriptive statistic identifies which industries are unique to a region by comparing the percentage of employment in each industry in the region to the percentage of employment that the same industry accounts for in the nation as a whole. If an industry accounts for more of the region's total employment than it does of the nation's, the region is seen as specializing in that industry. Moreover, because the industry has flourished in the region, the region is said to have demonstrated a comparative advantage for that industry. In practice, because of measurement issues, the percentage of an industry in the region's employment base must usually greatly exceed the national percentage for the industry to be truly considered unique to the region.



The industries with location quotients greater than 1.5 in 2000 in the Coastal Bend region are identified in Table 3 along with the national employment growth rates from 1990 to 2000 of these industries. This list contains industries that are typically found in any list of industries unique to Texas as well as many industries that are unique to the Coastal Bend region.

Prominent in this list, of course, are various components of the oil and gas industry—refining, plastics, to pipelines, to chemicals. All together eight of the twenty-one industries listed in Table 3 are somehow related to the oil and gas industry and include seven of the top eight industries in Table 3. The employment growth experience of these industries in the nation over the last decade has declined; only one of the eight oil and gas-related industries listed in the table has seen employment growth from 1990 to 2000

One growth industry appearing on Table 3 indicates that the region is demonstrating some

strength in activities related to white-collar employment: health care. The Coastal Bend region is home to a significant concentration of activities related to health care and this industry is expanding nationally.

As seen in Table 3, many of the industries in the Coastal Bend region that have grown there due to the region’s unique attributes are unlikely to be able to carry the region further into the next millennium. In particular, the oil and gas industry including related facilities for refining, plastics and chemicals have created fewer new jobs over the past decade.

But while the location quotient is a useful measure to summarize the industries in which the region specialized in the past, it is a static measure. A more dynamic approach looks at the growth of industries in the region and compares that to the growth that might have been expected had they followed the same growth pattern of these industries in other parts of the nation. This dynamic approach to looking at the region’s

TABLE 3
Location Quotients for Key Industries
in the Coastal Bend Region

	Location Quotient	National Employment Average Annual Growth Rate 1990-2000
Petroleum Refining	15.4	(3.0)%
Oil and Gas Field Services	14.8	(0.8)%
Industrial Chemicals	12.4	(1.7)%
Pipelines, Except Natural Gas	7.9	(2.8)%
Luggage, Handbags and Leather Products	7.0	(2.3)%
Crude Petroleum, Natural Gas and Gas Liquids	5.3	(4.9)%
Plastics, Materials and Synthetics	5.2	(1.7)%
Metal Mining	3.8	(2.8)%
Miscellaneous Equipment Rental and Leasing	3.2	2.4%
Converted Paper Products, Except Containers	3.1	0.0%
Health Services	3.0	5.8%
Farm	2.9	(0.1)%
Metal Cans and Shipping Containers	2.4	(3.3)%
Nonmetallic Minerals, Except Fuels	2.3	(1.3)%
Fabricated Structural Metal Products	2.2	1.3%
Miscellaneous Petroleum and Coal Products	2.1	0.7%
Funeral Service and Crematories	1.9	2.3%
Miscellaneous Repair Services	1.9	1.7%
Gas Utilities	1.8	(2.2)%
Concrete, Gypsum and Plaster Products	1.8	0.9%
Laundry, Cleaning and Shoe Repair	1.5	1.6%

SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and REMI.



economic structure is known as shift-share analysis.

Like the location quotient, the approach in shift-share analysis is to develop a standard through which to assess if the currently observed level of industry concentration in a region is higher than expected, about what should be expected, or less than expected. If local employment is greater than might otherwise be expected, then the region has demonstrated some strength in attracting the growth of that industry. In practice, the yardstick usually employed is changes in each industry in the national economy, modified somewhat for local conditions.

One result of shift-share analysis is the “regional industry growth differential.” This measure is the ratio of what employment in an industry in the region actually was in the most recent period divided by what industry employment would have been if it had historically grown at the same rate as the industry did across the nation. The interpretation of this measure of

dynamic growth potential is that it represents the number of times larger (or smaller) actual employment is in the most recent time period compared to what it would have been if the industry had grown at the same rate as the industry did across the nation. In practice, industries identified as unique in the region through the location quotient measure tend to be those that have demonstrated a sustained period of economic strength in the region, whereas those identified by the growth differential measure can be those starting to show some emerging strength.

Table 4 presents the industries in the Coastal Bend region that have a regional industry growth differential greater than 1.25 and employed at least 200 workers in 2000. The average annual rate of employment growth in the industry from 1980 to 2000 in the Coastal Bend region is also shown. The 1.25 cut-off point indicates that industry employment in 2000 in the region was 25 percent larger than would have been expected

TABLE 4
Industry Growth Differentials in the Coastal Bend Region
for Industries with at least 200 Employees in 2000

Industry	Regional Industry Growth Differential	Average Annual Employment Growth 1980-2000
Miscellaneous Plastics Products	4.58	9.8%
Ship and Boat Building and Repairing	3.44	4.2%
Fabricated Structural Metal Products	2.75	4.2%
Educational Services	2.41	7.3%
Petroleum Refining	2.36	0.6%
Industrial Chemicals	2.10	1.4%
Plastics Materials and Synthetics	2.10	1.5%
Air Transportation	2.01	8.2%
Luggage, Handbags and Leather Products	1.85	(0.9)%
State Government	1.77	3.6%
Local and Interurban Passenger Transit	1.64	5.2%
Individual and Miscellaneous Social Services	1.46	5.6%
Child Day Care Services	1.46	5.5%
Job Training and Related Services	1.46	4.8%
Membership Organizations	1.46	3.5%
Residential Care	1.46	8.2%
Nursing and Personal Care Facilities	1.42	4.2%
Health Services	1.42	8.6%
Hospitals	1.42	3.2%
Offices of Health Practitioners	1.42	5.2%
Farm	1.33	(0.3)%

SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and REMI.



based on the industry’s employment in 1980 and the growth of the region and industry nationwide from 1980 to 2000. In the same sense as with the static location quotient, these industries have demonstrated a significant level of concentration over time in the Coastal Bend region and by this growth show that this region has some comparative advantage in their development.

There is some overlap between this list and Table 3, but it is far from complete. The region continues to show strength in attracting parts of the oil and gas industry, particularly the processing of oil and gas products. The coastal location provides the environment for the development of activities related to ship and boat building. The region has demonstrated some competitive strength in attracting and developing parts of the health care industry including residential care,

nursing and personal care, miscellaneous health care specialties, hospitals and general health practitioners.

Overall, analysis indicates there are significant trends toward diversification of the industrial base of the Coastal Bend region including industries that require more highly skilled workers. In addition to skilled trades needed in various parts of the industries related to oil and gas, the growth of health care fits this pattern as does growth in educational services.

Table 4 confirms some of the comparative advantages identified in the location quotient and helps identify others. The important point is that measures such as the location quotient or the industry growth differential identify industries for which the Coastal Bend region has demonstrated a comparative advantage. These indus-

TABLE 5
Coastal Bend Industries Adding the Most Jobs
Between 2000 and 2005
(Projected)

	Regional Employment		Jobs Added	Average Annual Growth Rate
	2000	2005		
1 Health Services	9,789	12,679	2,890	5.3%
2 Construction	29,778	31,839	2,061	1.3%
3 Retail Trade, Except Eating and Drinking Places	40,415	42,364	1,949	0.9%
4 Local Government	41,285	43,202	1,917	0.9%
5 Miscellaneous Business Services	7,507	9,113	1,606	4.0%
6 Eating and Drinking Places	22,602	24,195	1,593	1.4%
7 Oil and Gas Field Services	9,063	10,587	1,524	3.2%
8 Agricultural Services	6,336	7,854	1,518	4.4%
9 Offices of Health Practitioners	9,150	10,317	1,167	2.4%
10 Personnel Supply Services	5,490	6,652	1,162	3.9%
11 Communications	3,083	4,229	1,146	6.5%
12 Wholesale Trade	11,408	12,524	1,116	1.9%
13 Management and Public Relations	3,187	4,211	1,024	5.7%
14 Trucking and Warehousing	4,717	5,717	1,000	3.9%
15 Legal Services	3,809	4,608	799	3.9%
16 Real Estate	9,556	10,353	797	1.6%
17 Private Households	4,072	4,838	766	3.5%
18 Amusement and Recreation Services	3,424	4,135	711	3.8%
19 Miscellaneous Equipment Rental and Leasing	2,842	3,414	572	3.7%
20 Nursing and Personal Care Facilities	5,913	6,436	523	1.7%
21 State Government	10,183	10,656	473	0.9%
22 Research and Testing Services	1,329	1,791	462	6.1%
23 Services to Buildings	2,852	3,287	435	2.9%
24 Computer and Data Processing Services	721	1,109	388	9.0%
25 Local and Interurban Passenger Transit	833	1,219	386	7.9%

SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and REMI.



tries define the competitive character of the region, and these measures will be used in the last section of this report to help identify industries with strong potential to help the region grow in the future.

Growth Forecasts Through 2005

Forecasted changes in the statewide economy and the strong theoretical framework of the 13-region Texas model allow the estimation of baseline forecasts of growth for each region in Texas. Overall, the Coastal Bend region is expected to grow at about its long-term trend rate, but slightly slower than in the state as a whole. Through 2005, real gross regional product in the region—the total value added through production within the region—should expand at a 2.0 annual rate, from \$17.1 billion in 1992 dol-

lars in 2000 to \$18.8 billion in 2005. During the 1990s, this region saw its real gross regional product expand at a 2.2 percent annual rate, so in value terms this forecast is for just slightly slower growth over the next few years than was seen during the 1990s.

This pattern is likely to be repeated in terms of employment. Through 2005, employment growth in the Coastal Bend region should average 1.7 percent annually, down slightly from a 1.9 percent posted from 1990 to 2000 in the region. This growth rate matches the long-term employment growth rate established over the last 30 years of the 20th century. The region should add about 33,800 additional jobs from 2000 to 2005, rising from 392,700 in 2000 to 426,500 in 2005. As expected across the state, this rate of growth will be slowest during the

TABLE 6
25 Fastest Growing Industries in the Coastal Bend Region
2000 to 2005
(Projected)

	Regional Employment		Jobs Gained	Percentage Growth
	2000	2005		
1 Computer and Data Processing Services	721	1,109	388	9.0%
2 Miscellaneous Transportation Services	286	438	152	8.9%
3 Local and Interurban Passenger Transit	833	1,219	386	7.9%
4 Communications	3,083	4,229	1,146	6.5%
5 Research and Testing Services	1,329	1,791	462	6.1%
6 Water Transportation	584	784	200	6.1%
7 Management and Public Relations	3,187	4,211	1,024	5.7%
8 Health Services	9,789	12,679	2,890	5.3%
9 Residential Care	954	1,197	243	4.6%
10 Water and Sanitation	438	548	110	4.6%
11 Agricultural Services	6,336	7,854	1,518	4.4%
12 Educational Services	1,465	1,783	318	4.0%
13 Pipelines, Except Natural Gas	287	349	62	4.0%
14 Miscellaneous Business Services	7,507	9,113	1,606	4.0%
15 Trucking and Warehousing	4,717	5,717	1,000	3.9%
16 Personnel Supply Services	5,490	6,652	1,162	3.9%
17 Legal Services	3,809	4,608	799	3.9%
18 Amusement and Recreation Services	3,424	4,135	711	3.8%
19 Accounting, Auditing and Other Services	1,727	2,081	354	3.8%
20 Miscellaneous Equipment Rental and Leasing	2,842	3,414	572	3.7%
21 Private Households	4,072	4,838	766	3.5%
22 Commercial Sports	486	577	91	3.5%
23 Oil and Gas Field Services	9,063	10,587	1,524	3.2%
24 Engineering and Architectural Services	2,235	2,600	365	3.1%
25 Fabricated Structural Metal Products	2,439	2,816	377	2.9%

SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and REMI.



next couple of years but will accelerate into 2004 and 2005.

This level of economic growth will accompany reasonable population gains. Population in the region is expected to rise from 730,900 in 2000 to 749,900 in 2005.

The employment growth seen in the region are unlikely to fall evenly across all industries, but there are two ways to look at the distribution of this growth. Table 5 presents the 25 top growth industries in the region in terms of the number of new jobs they will generate between 2000 and 2005. Large industries dominate this list because increases in growth rates applied to a large employment base generate large numbers of new jobs. The second, third and fourth ranked industries in terms of jobs added to 2005 are also the largest three industries.

Many of the industries generating large numbers of new jobs in the Coastal Bend region through 2005 will be driven by changes in consumer expenditure patterns that have been seen over the past few years. For example, there is a continued shift toward expenditures on consumer services such as restaurants, health services, and amusement expenditures. Many of the industries supplying these services employ a large number of people, so even modest growth in the demand for these industries can result in some sizeable employment growth. But in the case of health services, an expected 5.3 percent annual growth applied to a sizeable employment base will generate a substantial number of new jobs in healthcare.

In other cases, employment of school teachers, police, sanitation workers and most other

TABLE 7
Occupations in the Coastal Bend Region Adding the Most Positions
2000-2005
(Projected)

	Occupations		Occupation Job Gain	Average Annual % Growth
	2000	2005		
1 Managerial and Administrative	25,306	27,698	2,392	1.8%
2 Other Clerical and Administrative Support Workers	22,766	24,621	1,855	1.6%
3 Computer Scientists, Mathematicians and Operations Researchers	4,132	5,777	1,645	6.9%
4 Motor Vehicle Operators	10,308	11,759	1,451	2.7%
5 Food Preparation and Service	24,097	25,388	1,291	1.0%
6 Protective Service	11,494	12,735	1,241	2.1%
7 Construction Trades	16,927	18,146	1,219	1.4%
8 Helpers, Laborers and Material Movers	15,199	16,377	1,178	1.5%
9 Gardeners, Nursery, Greenhouse and Lawn Services	7,570	8,677	1,107	2.8%
10 Personal Service	7,504	8,601	1,097	2.8%
11 Health Service	7,835	8,927	1,092	2.6%
12 Health Technicians and Technologists	8,265	9,331	1,066	2.5%
13 Health Assessment and Treating	9,204	10,228	1,024	2.1%
14 Management Support	12,673	13,689	1,016	1.6%
15 All Other Sales and Related Workers	7,763	8,752	989	2.4%
16 Teachers, Librarians and Counselors	10,377	11,227	850	1.6%
17 Information Clerks	5,854	6,580	726	2.4%
18 Private Household Workers	3,596	4,303	707	3.7%
19 Salespersons, Retail	10,684	11,378	694	1.3%
20 Social, Recreational and Religious Workers	5,276	5,957	681	2.5%
21 Cashiers	9,016	9,696	680	1.5%
22 Blue Collar Worker Supervisors	6,370	6,894	524	1.6%
23 Other Machine Setters and Operators and Tenders	6,307	6,813	506	1.6%
24 Hand Workers, Including Assembly and Fabricators	4,544	5,041	497	2.1%
25 Engineers	3,410	3,876	466	2.6%

SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and REMI.



local government employees will increase as population grows. Even moderate population and employment growth, plus the fact that local government is a significant employer in the region already, will likely generate more than 1,900 new jobs over the next few years. Construction is also expected to add more jobs with a forecasted growth rate of 1.3 percent annually in the Coastal Bend region.

Also fueling strong growth will be services provided to business, including personnel supply services, legal services, management and public relations and miscellaneous business services. This will serve to aid businesses involved in the growth of trade with Mexico and will also help existing firms continue a trend of outsourcing jobs, a strong trend seen in the business community over the past 20 years. Increased trade with

Mexico will also fuel growth in trucking and warehousing activity.

A ranking of industries by their likely growth rate from 2000 to 2005, detailed in Table 6, is more revealing of some of the developing forces driving changes in the Coastal Bend region. More technical, higher skilled workers are needed in these jobs. Topping this list of high-growth industries are computer and data processing services, followed closely by communications, research and testing services, management and public relations, health care, legal services, educational services and engineering services—all industries relying on a well-trained, highly educated work force.

The importance of education and the need for work force training is probably best seen when looking at how this projected industrial

TABLE 8
25 Fastest Growing Occupations in the Coastal Bend Region
2000-2005
(Projected)

	Occupations		Occupational Gain	Average Annual Percent Gain
	2000	2005		
1 Computer Programmers, Mathematicians and Operations Researchers	4,132	5,777	1,645	6.9%
2 Private Household Workers	3,596	4,303	707	3.7%
3 Gardeners, Nursery, Greenhouse and Lawn Services	7,570	8,677	1,107	2.8%
4 Personal Service	7,504	8,601	1,097	2.8%
5 Motor Vehicle Operators	10,308	11,759	1,451	2.7%
6 Health Service	7,835	8,927	1,092	2.6%
7 Engineers	3,410	3,866	456	2.5%
8 Social, Recreational and Religious Workers	5,276	5,957	681	2.5%
9 Health Technicians and Technologists	8,265	9,331	1,066	2.5%
10 All Other Sales and Related Workers	7,763	8,752	989	2.4%
11 Information Clerks	5,854	6,580	726	2.4%
12 Other Mechanics, Installers and Repairers	4,211	4,687	476	2.2%
13 Health Assessment and Treating	9,204	10,228	1,024	2.1%
14 Hand Workers, Including Assembly and Fabricators	4,544	5,041	497	2.1%
15 Protective Service	11,494	12,735	1,241	2.1%
16 Marketing and Sales Worker Supervisors	4,665	5,119	454	1.9%
17 Managerial and Administrative	25,306	27,698	2,392	1.8%
18 Blue Collar Worker Supervisors	6,370	6,894	524	1.6%
19 Teachers, Librarians and Counselors	10,377	11,227	850	1.6%
20 Other Clerical and Administrative Support Workers	22,766	24,621	1,855	1.6%
21 Other Machine Setters, Operators and Tenders	6,307	6,813	506	1.6%
22 Management Support	12,673	13,689	1,016	1.6%
23 Helpers, Laborers and Material Movers	15,199	16,377	1,178	1.5%
24 Cashiers	9,016	9,696	680	1.5%
25 Construction Trades	16,927	18,146	1,219	1.4%

SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and REMI.



growth translates into occupational change. Table 7 presents the forecast for the 25 occupations expected to add the most positions over the next five years. As in the case of the 25 industries adding the most jobs, this list tends to be dominated by occupations that employ a lot of people at the start of the forecast period, and grow moderately thereafter.

For example, the 13-region model breaks regional employment into 94 occupations. In the case of the Coastal Bend, this would mean each occupational category would contain an average of about 4,200 people. The 25 categories generating the most jobs in the region through 2005 typically have at least twice that number of jobs. Most of these large occupational categories will see moderate growth rates over the next few years, and because of their size generate a large number of new positions. In some cases expected rapid growth rates in smaller occupational

categories will drive large occupational growth, as is the case with computer scientists.

Table 8 presents the 25 occupational categories expected to grow at the fastest rates through 2005. In this list, the importance of future training and education is evident. It is led by the need for additional computer scientists, includes health service workers, engineers, health technicians, information clerks, health assessment workers, managerial and administrative workers as well as teachers. Nine of the top 25 occupations expected to grow the fastest during the next five years will require some advanced training beyond high school, and most of these will require either an associate's degree, a bachelor's degree or other advanced degrees.

Endnote

- ¹ State and Local government sectors were not defined separately until 1979.





Directions for Growth in the Coastal Bend Region

The preceding analysis of statewide and regional economic trends attests to a couple of concerns about the future direction of the region and the state. First, growth seems likely to slow in Texas and in the Coastal Bend region for the next few years. Second, although the region will experience a continuation of the level of growth seen in the last decade, future growth will focus in areas requiring a highly trained work force.

To help guide what is hoped to be a brighter economic future both in the number of wage earners and the amount of wages earned, this section of the report will examine likely growth prospects for various industries in the Coastal Bend region. In particular, this section examines both the traditional approach to seeking industries that have a *comparative* advantage in the region and the newer approach to identifying industry clusters as the driving force of economic development—industries that display a *competitive* advantage. Using both approaches and the advanced geographical concepts embedded in the Comptroller’s new 13-region economic model, this section identifies industries likely to be the cornerstones of future economic development in the region.

Comparative Advantage, Industry Clusters and Competitive Advantage

The traditional model of industrial development held that a region would tend to specialize in industries for which it held a comparative advantage. The source of this comparative advantage was usually access to some key raw material, transportation mode or a labor supply

with particularly scarce skills. Because the presence of this advantage allowed producers in the region to underbid other producers, the industry flourished.

More recently, in a much more interconnected world in which transportation costs are a much smaller component of production and workers and their skills are more mobile, industrial development experts have come to note another trend in the location of jobs.

The economic growth of regions now involves “clusters” of interrelated industries that reinforce each other and foster the development of competitive advantage rather than basing development targets on the older and less dynamic theory of comparative advantage.

Economic clusters are geographic concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries and associated institutions such as universities and trade associations, that compete but also cooperate.¹

Today’s economic landscape is littered with industry clusters, some with household names such as Silicon Valley, Hollywood or Wall Street. Other clusters may be more anonymous or more geographically diffuse—mutual-fund companies in Boston, the California wine industry, textile companies in North Carolina, fashion in northern Italy, insurance companies in Hartford, recreation in Florida.

Oddly, clusters are becoming more prevalent just when geographical location seems to be less of a business determinant because of worldwide outsourcing, just-in-time inventory and commerce over the Internet. In some important ways, however, things have changed.



In the old economy, in which production costs were heavily based on input costs, locations with some key attribute or endowment—a raw material, a natural harbor, cheap labor—often enjoyed a comparative advantage over other sites. This advantage persisted for long periods of time and encouraged the growth of industry capitalizing on the particular attribute.

For example, the development of the steel industry along the Great Lakes was the result of cheap transportation bringing together iron ore from the upper Great Lakes with the coal of Western Pennsylvania, Ohio and New York. Later, the low cost of labor led to the migration of New England’s textile industry to the South, and ultimately, overseas.

In the modern economy, competition is global, not local or regional. Transportation modes are more efficient and faster. And competitive advantage based on making more productive use of inputs through continual innovation many times outweighs comparative advantage based on costs of production.

This has not led to the death of geography as a factor in business success, but it has certainly changed how geography affects profitability. Harvard Business School professor Michael Porter notes, “The enduring competitive advantages in a global economy lie increasingly in local things, such as knowledge, relationships, motivation—things that distant rivals cannot match.”²

Competitive and Comparative Advantage

The idea that economic clusters support economic growth and development is best presented by Porter in his book, *The Competitive Advantage of Nations*.³ Porter argues what has long been appreciated by economists, that a region’s economic vitality is a direct product of the competitiveness of local industries. Porter’s contribution is to document that conditions affecting competitiveness are not always simply cost-related or attributable to the availability of natural resources, particularly in “new econo-

my” firms in which input costs are a small component of total costs. Instead, he notes that other conditions affecting a firm’s ability to compete in the international marketplace are related in the degree to which it has successfully faced competition locally, and the degree to which the local economic environment supports the firm.

Porter says that any intense competition a firm faces in its local market is desirable because companies that survive a tough local market become stronger international competitors. This is contrary to older, conventional wisdom that geographic isolation shields a producer from the unhealthy competition of a major rival, thus allowing the company to survive.

Porter sees the geographic concentration of competitors as a positive for long-term economic growth and innovation in the region instead of ruinous, cutthroat and ultimately destructive competition between major employers that undermines the region’s economy.

Porter’s second contribution—that local linkages between suppliers, purchasers and other organizations supporting an industry’s competitiveness can also be a source of increasing competitive strength—is largely a recasting of an older economic concept of agglomerative economies of scale or the reductions in costs enjoyed by firms that locate near suppliers, purchasers or labor markets. Clusters of competing and cooperative firms together strengthen the competitive abilities of the affected industries. And in strengthening the competitive advantage of local firms, these same forces strengthen the local economy.

Measuring Comparative and Competitive Advantage

This concept of the balancing of both competitive and cooperative factors in defining a healthy local business environment has greatly complicated efforts to use simplistic tools to identify industry clusters. Tools such as the location quotient or shift-share analysis discussed in the previous chapter help identify industries that have flourished in the region in the past or at



least are showing signs of relative strength. But such measures, while useful, are incomplete. Instead, a more unified approach is needed, taking into account not only what industries are found in the local area and in what concentrations, but also what industries are found in all other regions, in what concentrations, and how these concentrations interact.

One of the best tools available is the framework offered by Regional Economic Modules Inc. (REMI) in constructing their composite cost indexes for industries across the nation.⁴ These indexes summarize the relative cost of production for an industry located in a region based on access to material inputs, labor market condi-

tions, labor productivity and other important cost components such as the local cost of construction, electricity and other fuels. If a region contains an abundant supply of materials critical to production or occupational types used by the industry, then the industry's composite cost index in the region should be low.

In addition, REMI has an index that rates the various industries in the region relative to the national average based solely on labor costs. This index incorporates the agglomerative effects of having a readily available labor supply of key occupational needs. As such, it is a crucial rating of how the region compares to a national norm based on labor costs.

TABLE 9
Top 25 Potential Employment Growth Targets for the Coastal Bend Region
2000-2005
(Projected)

	Average Regional Applicability Rank (1)	Average Employment Growth Potential Rank During 2000 to 2005	Total Rank
1 Health Services	113	165	278
2 Offices of Health Practitioners	106	153	259
3 Luggage, Handbags and Leather Products	133	123	256
4 Communications	107	147	254
5 Nursing and Personal Care Facilities	110	139	248
6 Miscellaneous Petroleum and Coal Products	152	95	247
7 Security and Commodity Brokers	92	149	241
8 Residential Care	77	163	240
9 Museums, Botanical, Zoological Gardens	83	157	240
10 Watches, Clocks and Parts	73	166	239
11 Automobile Parking, Repair and Services	84	155	239
12 Research and Testing Services	75	163	237
13 Management and Public Relations	76	160	236
14 Agricultural Services	93	140	232
15 Oil and Gas Field Services	143	89	231
16 Nonmetallic Minerals, Except Fuels	140	91	231
17 Individual and Miscellaneous Social Services	80	149	229
18 Local and Interurban Passenger Transit	76	150	226
19 Computer and Data Processing Services	58	166	224
20 Miscellaneous Plastics Products	113	111	224
21 Child Day Care Services	89	135	224
22 Amusement and Recreation Services	89	135	223
23 Meat Products	112	111	223
24 Funeral Service and Crematories	94	130	223
25 Miscellaneous Transportation Services	66	156	222

(1) Based on rankings on location quotient, regional industry growth differential, composite total production costs and composite labor costs.

Note: Ranks may not add exactly due to rounding.

SOURCES: Carole Keeton Rylander, Texas State Comptroller of Public Accounts; and REMI.



Unfortunately, neither a low composite cost index, a high location quotient or a strong upward trend in shift-share measures can assure that an industry is a good growth prospect for the future. Some industries, because of international pressures, shifting consumer tastes or technological change simply are not in a growth mode. While it is possible for a region to gain an increasing share of a declining industry, as good public policy, pursuing such “hospice” industries is probably not an effective tool for economic development.

Accordingly, any list of industries purporting to rate prospects for future development must combine both comparative and competitive strength in a region with likely growth prospects for the industry as a whole either in the nation or in an area much larger than the region. Table 9 brings these considerations together to define a ranking for each industry in the region based on its location quotient, regional industry growth differential, composite price index, labor cost index and likely national and state growth potential over the next five years.

The first column of Table 9 is regional advantage index in which the industry’s average ranking in the region among all industries based on the location quotient in the region, shift-share competitive trends, the composite price index and the labor cost index.⁵ The second column is a growth potential ranking based on the projected national growth trends for the industry and the state growth trends for the industry.⁶ The third column is the overall ranking of the industries for future development potential based on adding together the regional advantage ranking and the growth potential ranking.

Using this methodology, Table 9 presents the top 25 ranked industries for the Coastal Bend region based on both their display of some advantage within the region relative to the rest of the country and the likely growth potential.

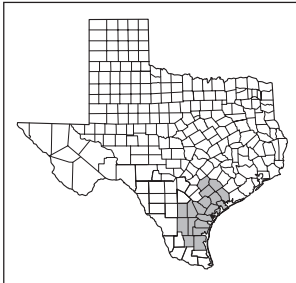
Health care occupies three of the first five spots on this list underscoring that the Coastal Bend region is well-suited for this industry and that it will likely be a national and statewide growth industry in the next few years. These sectors have been good job generators for the region in the recent past, have shown some affinity for the region and will likely continue to be good growth targets. These include miscellaneous health services (such as audiologists, nurses, paramedics, physician assistants, psychologists), general health practitioners, nursing and personal care facilities. In addition, residential care ranks eighth on this table.

High-technology and evolving technology industries such as communications, research and testing services and computer programming appear high on this list. Also included are tourism and recreation industries such as museums, botanical gardens and other attractions building upon the region’s already substantial base in tourism.

Endnotes

- ¹ Massachusetts Technology Collaborative, “The New Economy—What’s a Cluster?” (<http://www.mtpc.org/cluster/clustermore.htm>).
- ² Michael E. Porter, “Clusters and the New Economics of Competition,” *Harvard Business Review* (November-December 1998), p. 77.
- ³ Michael Porter, *The Competitive Advantage of Nations* (New York: Free Press, 1990).
- ⁴ The composite price indexes in REMI’s modules which reflect new economic geography concepts of agglomeration have just been released in a new beta version of REMI. For further information contact REMI in Amherst, Mass. At 413-549-1169 or <info@remi.com>.
- ⁵ The industries with a higher rank indicated a better fit for the region.
- ⁶ As in the regional advantage index, this growth index was scaled so that the industry with the best growth prospects was given a higher ranking.

Aransas County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	22,497	25.7	
Under age 5	1,228	2.2	5.5
Under 18	5,346	18.6	23.8
65 and over	4,431	33.8	19.7
85 and over	372	67.6	1.7
Male	11,187	26.2	49.7
Female	11,310	25.3	50.3
White	19,672	28.7	87.4
Black	322	0.9	1.4
Asian	623	5.8	2.8
Hispanic	4,571	27.4	20.3

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	5,655	4.6	3.1		549
Agricultural Services, Forestry, Fishing	158	27.4	11.7	2.8	30
Mining	95	(58.3)	(8.0)	1.7	11
Construction	242	(22.9)	(6.2)	4.3	51
Manufacturing	152	1.3	(12.4)	2.7	20
Transportation/Public Utilities/Communications	358	(1.1)	2.3	6.3	27
Wholesale Trade	80	11.1	11.2	1.4	26
Retail Trade	1,933	16.1	4.4	34.2	136
Services	1,388	14.1	8.5	24.5	157
Financial, Insurance, Real Estate	249	2.0	5.6	4.4	55
Government	995	(3.0)	1.0	17.6	34

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	5.8 %	(0.3)	1.1	49th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$559,100	7.2	8.0	96th
Average Per Capita Income	\$24,796	6.6	6.2	51st

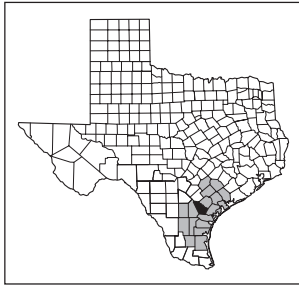
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	20.6 %	(2.1)	(1.8)	74th
Ages 0-17	30.5 %	(5.5)	(4.2)	58th
Ages 5-17 in Families	34.0 %	(1.5)	1.3	42nd

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$1,205,489,619	10.3	6.4	114th
Property Value Per Capita	\$53,584	13.4	5.0	132nd

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$121,116,889	3.0	6.5
Sales Tax Outlets	653	(2.1)	(1.0)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	6	3,337	(0.7)
Higher Education Fall 2001				

Bee County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	32,359	28.7	
Under age 5	1,961	(10.4)	6.1
Under 18	7,565	(4.5)	23.4
65 and over	3,294	15.1	10.2
85 and over	399	41.5	1.2
Male	19,330	55.5	59.7
Female	13,029	2.6	40.3
White	21,957	12.9	67.9
Black	3,203	340.6	9.9
Asian	164	(29.0)	0.5
Hispanic	17,450	35.2	53.9

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	8,446	(0.2)	0.2		553
Agricultural Services, Forestry, Fishing	96	(7.7)	1.5	1.1	32
Mining	314	0.3	3.3	3.7	20
Construction	128	(12.9)	(14.7)	1.5	32
Manufacturing	294	(6.4)	4.3	3.5	10
Transportation/Public Utilities/Communications	170	0.6	2.0	2.0	31
Wholesale Trade	180	(4.3)	(3.8)	2.1	23
Retail Trade	1,421	(1.1)	1.8	16.8	104
Services	1,752	2.9	1.4	20.7	196
Financial, Insurance, Real Estate	287	3.2	(1.5)	3.4	47
Government	3,785	(0.1)	(0.3)	44.8	52

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	5.0 %	(0.4)	(1.9)	74 th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$480,843	3.9	4.5	106 th
Average Per Capita Income	\$14,890	3.6	3.1	241 st

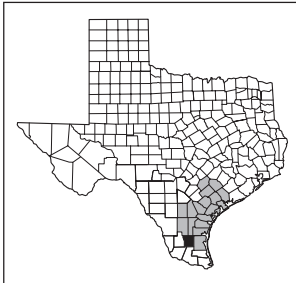
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	24.1 %	(2.4)	(4.1)	40 th
Ages 0-17	30.1 %	(2.2)	(5.5)	60 th
Ages 5-17 in Families	32.1 %	(0.8)	(2.0)	55 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$833,363,510	4.4	3.3	138 th
Property Value Per Capita	\$25,754	(11.2)	0.1	245 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$171,150,616	14.9	7.5
Sales Tax Outlets	579	0.2	(0.3)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	4	13	5,039	(2.2)
Higher Education Fall 2001		1	3,095	2.3

Brooks County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	7,976	(2.8)	
Under age 5	662	(11.7)	8.3
Under 18	2,517	(7.3)	31.6
65 and over	1,150	6.9	14.4
85 and over	130	41.3	1.6
Male	3,868	(2.7)	48.5
Female	4,108	(2.9)	51.5
White	6,049	(10.4)	75.8
Black	15	400.0	0.2
Asian	7	(30.0)	0.1
Hispanic	7,304	(0.5)	91.6

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	2,534	10.5	5.1		192
Agricultural Services, Forestry, Fishing	154	21.3	3.1	6.1	15
Mining	121	42.4	8.4	4.8	7
Construction	27	(18.2)	19.7	1.1	6
Manufacturing	11	(42.1)	(12.9)	0.4	3
Transportation/Public Utilities/Communications	26	(10.3)	(12.3)	1.0	8
Wholesale Trade	19	(9.5)	(8.1)	0.7	5
Retail Trade	452	(0.9)	0.7	17.8	43
Services	951	34.3	11.7	37.5	60
Financial, Insurance, Real Estate	89	3.5	3.5	3.5	10
Government	681	(6.1)	2.7	26.9	33

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	5.7 %	(1.6)	(7.4)	55th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$133,245	10.4	6.0	193rd
Average Per Capita Income	\$16,775	12.3	6.6	216th

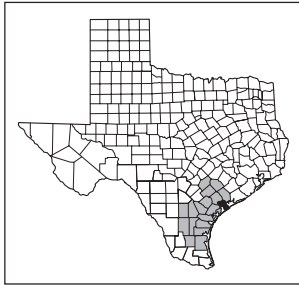
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	35.4 %	(3.0)	(2.8)	6th
Ages 0-17	43.4 %	(7.1)	(3.5)	10th
Ages 5-17 in Families	50.2 %	(0.7)	4.3	3rd

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$622,837,885	5.1		162nd
Property Value Per Capita	\$78,089	10.9		68th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$31,303,579	(3.1)	2.1
Sales Tax Outlets	159	0.6	(2.3)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	4	1,746	(2.4)
Higher Education Fall 2001				

Calhoun County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	20,647	8.4	
Under age 5	1,616	12.8	7.8
Under 18	5,880	4.7	28.5
65 and over	2,739	30.1	13.3
85 and over	230	37.7	1.1
Male	10,369	9.9	50.2
Female	10,278	6.9	49.8
White	16,112	8.7	78.0
Black	542	(2.5)	2.6
Asian	675	21.4	3.3
Hispanic	8,448	22.6	40.9

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	10,630	(9.3)	(0.2)		480
Agricultural Services, Forestry, Fishing	81	1.3	3.0	0.8	15
Mining	139	(22.3)	13.1	1.3	9
Construction	1,933	(32.5)	(7.1)	18.2	40
Manufacturing	4,130	(3.5)	2.2	38.9	29
Transportation/Public Utilities/Communications	213	7.6	2.2	2.0	27
Wholesale Trade	131	(12.1)	(5.0)	1.2	33
Retail Trade	1,383	(1.6)	2.8	13.0	114
Services	803	8.1	(3.6)	7.6	131
Financial, Insurance, Real Estate	361	(3.0)	6.9	3.4	33
Government	1,451	0.2	1.9	13.7	45

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	7.9 %	3.3	0.6	19th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$461,948	8.1	4.9	111th
Average Per Capita Income	\$22,388	8.1	4.9	92nd

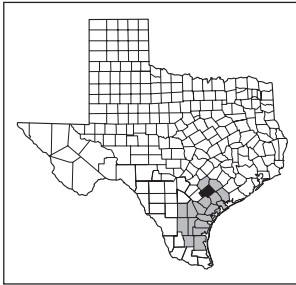
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	18.0 %	(0.1)	0.2	113th
Ages 0-17	26.0 %	0.3	2.6	103rd
Ages 5-17 in Families	25.9 %	0.9	4.4	111th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$3,621,307,725	12.0	2.1	41st
Property Value Per Capita	\$175,391	10.8	1.9	17th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$119,001,388	4.5	(1.9)
Sales Tax Outlets	544	(1.4)	(1.4)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	7	4,248	3.0
Higher Education Fall 2001				

DeWitt County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	20,013	6.2	
Under age 5	1,093	(15.9)	5.5
Under 18	4,760	(5.9)	23.8
65 and over	3,781	(4.9)	18.9
85 and over	575	(7.0)	2.9
Male	10,276	15.3	51.3
Female	9,737	(1.9)	48.7
White	15,293	6.5	76.4
Black	2,209	4.5	11.0
Asian	42	147.1	0.2
Hispanic	5,452	19.4	27.2

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	6,861	3.2	2.9		490
Agricultural Services, Forestry, Fishing	79	(2.5)	2.2	1.2	22
Mining	64	(13.5)	2.3	0.9	8
Construction	233	(5.7)	0.1	3.4	42
Manufacturing	1,204	2.8	2.8	17.5	25
Transportation/Public Utilities/Communications	141	1.4	5.5	2.1	17
Wholesale Trade	222	(4.3)	(2.9)	3.2	26
Retail Trade	1,026	7.0	1.6	15.0	109
Services	1,280	6.6	9.4	18.7	155
Financial, Insurance, Real Estate	354	1.4	2.2	5.2	35
Government	2,257	2.9	1.6	32.9	50

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.6 %	0.1	(0.9)	160th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$412,430	5.5	5.3	118th
Average Per Capita Income	\$20,627	5.7	5.3	141st

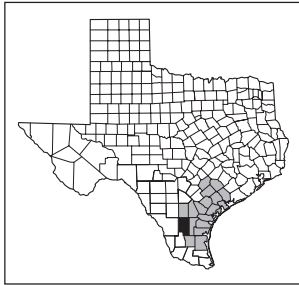
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	20.5 %	(1.0)	(3.0)	77th
Ages 0-17	27.4 %	0.1	(4.3)	88th
Ages 5-17 in Families	27.1 %	0.2	(2.0)	97th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$951,733,250	10.6	3.1	132nd
Property Value Per Capita	\$47,556	6.5	2.6	152nd

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$70,847,221	(0.2)	4.2
Sales Tax Outlets	515	(1.5)	(2.0)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	6	15	4,533	(0.3)
Higher Education Fall 2001				

Duval County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	13,120	1.6	
Under age 5	971	(13.5)	7.4
Under 18	3,868	(8.5)	29.5
65 and over	1,838	8.6	14.0
85 and over	228	64.0	1.7
Male	6,583	4.4	50.2
Female	6,537	(1.1)	49.8
White	10,525	3.4	80.2
Black	71	491.7	0.5
Asian	14	(17.6)	0.1
Hispanic	11,544	2.5	88.0

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	3,585	4.8	2.1		191
Agricultural Services, Forestry, Fishing	129	1.6	5.2	3.6	9
Mining	857	44.5	7.1	23.9	40
Construction	189	8.0	12.5	5.3	10
Manufacturing	4	(20.0)	0.0	0.1	1
Transportation/Public Utilities/Communications	54	(72.4)	(15.7)	1.5	10
Wholesale Trade	53	8.2	6.9	1.5	10
Retail Trade	285	(8.1)	(0.4)	7.9	37
Services	679	4.8	4.9	18.9	30
Financial, Insurance, Real Estate	83	25.8	14.1	2.3	8
Government	1,249	(0.1)	(2.0)	34.8	35

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	7.2 %	(2.0)	(5.4)	23 rd

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$191,985	6.4	4.8	174 th
Average Per Capita Income	\$14,690	8.2	5.0	244 th

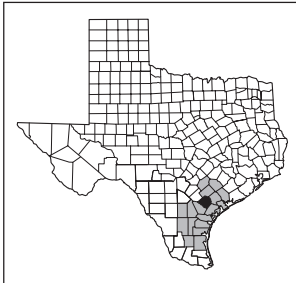
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	29.3 %	(2.6)	(5.0)	16 th
Ages 0-17	35.8 %	(3.1)	(7.3)	26 th
Ages 5-17 in Families	40.4 %	0.0	(2.8)	20 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$774,187,912	2.3	(0.9)	142 nd
Property Value Per Capita	\$59,008	6.4	(0.5)	114 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$29,852,516	13.7	5.3
Sales Tax Outlets	229	(5.0)	(1.3)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	4	12	3,079	(2.7)
Higher Education Fall 2001				

Goliad County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	6,928	15.9	
Under age 5	399	(6.1)	5.8
Under 18	1,793	9.5	25.9
65 and over	1,211	19.4	17.5
85 and over	152	36.9	2.2
Male	3,445	19.6	49.7
Female	3,483	12.4	50.3
White	5,724	15.6	82.6
Black	334	(17.9)	4.8
Asian	15	200.0	0.2
Hispanic	2,439	13.7	35.2

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	1,301	1.5	1.9		161
Agricultural Services, Forestry, Fishing	98	(3.0)	7.9	7.5	20
Mining	53	(13.1)	60.3	4.1	6
Construction	48	(5.9)	(1.2)	3.7	15
Manufacturing	14	40.0	7.0	1.1	2
Transportation/Public Utilities/Communications	140	13.8	(0.3)	10.8	9
Wholesale Trade	31	6.9	(6.8)	2.4	9
Retail Trade	271	3.0	7.8	20.8	29
Services	145	(3.3)	(5.5)	11.1	36
Financial, Insurance, Real Estate	35	12.9	(1.6)	2.7	4
Government	464	0.7	0.6	35.7	30

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.8 %	0.3	(1.0)	144 th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$128,498	4.2	7.2	197 th
Average Per Capita Income	\$18,383	1.2	4.5	196 th

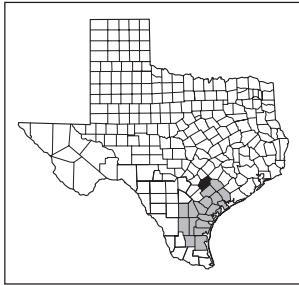
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	16.5 %	(2.4)	(3.0)	151 st
Ages 0-17	23.5 %	(4.3)	(0.9)	143 rd
Ages 5-17 in Families	24.7 %	(2.6)	1.8	129 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$771,904,563	11.4	3.3	143 rd
Property Value Per Capita	\$111,418	14.6	1.5	36 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$13,767,347	1.8	4.9
Sales Tax Outlets	154	4.1	0.7

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	3	1,377	(1.7)
Higher Education Fall 2001				

Gonzales County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	18,628	8.3	
Under age 5	1,299	(4.7)	7.0
Under 18	5,207	5.1	28.0
65 and over	3,122	2.4	16.8
85 and over	467	24.2	2.5
Male	9,239	9.7	49.6
Female	9,389	6.9	50.4
White	13,458	3.3	72.2
Black	1,563	(8.9)	8.4
Asian	49	113.0	0.3
Hispanic	7,381	20.2	39.6

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	5,866	(0.8)	1.4		479
Agricultural Services, Forestry, Fishing	906	(1.7)	0.4	15.4	73
Mining	192	4.9	57.2	3.3	5
Construction	135	(25.4)	12.5	2.3	33
Manufacturing	759	10.5	(0.0)	12.9	14
Transportation/Public Utilities/Communications	265	2.7	0.9	4.5	26
Wholesale Trade	409	(6.2)	0.3	7.0	43
Retail Trade	862	2.9	1.7	14.7	86
Services	811	(2.1)	(0.7)	13.8	119
Financial, Insurance, Real Estate	201	(23.6)	(2.4)	3.4	33
Government	1,325	0.9	1.6	22.6	47

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.1 %	0.0	(1.8)	184 th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$420,932	4.4	7.6	117 th
Average Per Capita Income	\$22,557	3.3	6.7	87 th

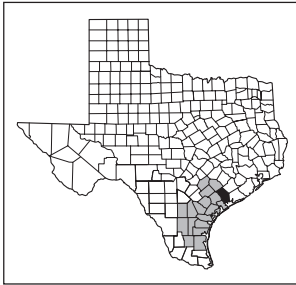
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	24.1 %	(1.8)	(2.6)	39 th
Ages 0-17	32.9 %	(2.8)	(2.2)	38 th
Ages 5-17 in Families	33.9 %	(1.0)	1.0	44 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$1,022,626,488	4.0	4.6	128 th
Property Value Per Capita	\$54,897	(2.0)	3.1	126 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$76,227,603	5.4	4.3
Sales Tax Outlets	435	1.6	(1.3)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	3	11	3,894	(0.1)
Higher Education Fall 2001				

Jackson County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	14,391	10.4	
Under age 5	1,022	11.8	7.1
Under 18	3,943	7.3	27.4
65 and over	2,295	2.6	15.9
85 and over	321	52.1	2.2
Male	7,076	12.7	49.2
Female	7,315	8.2	50.8
White	11,008	1.4	76.5
Black	1,099	(9.8)	7.6
Asian	56	366.7	0.4
Hispanic	3,551	28.1	24.7

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	5,253	(0.1)	(0.9)		360
Agricultural Services, Forestry, Fishing	159	7.4	(0.7)	3.0	45
Mining	288	30.9	1.7	5.5	16
Construction	499	28.9	15.6	9.5	31
Manufacturing	1,468	(13.3)	(7.9)	27.9	6
Transportation/Public Utilities/Communications	253	12.9	4.9	4.8	21
Wholesale Trade	213	6.5	0.9	4.1	18
Retail Trade	668	(4.3)	0.0	12.7	68
Services	465	2.0	1.2	8.9	81
Financial, Insurance, Real Estate	126	(6.0)	0.8	2.4	28
Government	1,114	1.5	2.6	21.2	44

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.3 %	0.8	(0.3)	174 th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$340,210	5.3	3.6	127 th
Average Per Capita Income	\$23,572	3.9	2.9	69 th

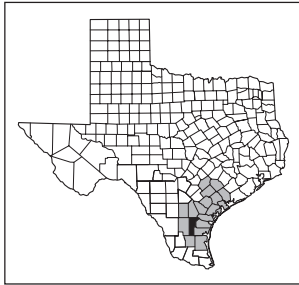
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	15.7 %	(0.3)	(3.2)	169 th
Ages 0-17	23.2 %	1.2	(1.4)	151 st
Ages 5-17 in Families	22.0 %	0.4	0.2	170 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$1,334,188,718	(4.7)	1.3	102 nd
Property Value Per Capita	\$92,710	(9.6)	0.1	50 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$78,371,516	4.5	(1.0)
Sales Tax Outlets	365	3.1	(0.6)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	3	11	3,196	(3.2)
Higher Education Fall 2001				

Jim Wells County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	39,326	4.4	
Under age 5	3,229	(1.0)	8.2
Under 18	12,351	0.8	31.4
65 and over	4,870	10.8	12.4
85 and over	578	43.1	1.5
Male	19,180	3.5	48.8
Female	20,146	5.3	51.2
White	30,634	7.5	77.9
Black	237	8.7	0.6
Asian	171	66.0	0.4
Hispanic	29,772	9.5	75.7

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	13,865	4.7	3.4		789
Agricultural Services, Forestry, Fishing	331	(3.5)	(0.2)	2.4	43
Mining	2,356	18.2	5.1	17.0	48
Construction	421	24.9	1.8	3.0	55
Manufacturing	233	(1.3)	0.3	1.7	17
Transportation/Public Utilities/Communications	574	22.4	9.8	4.1	36
Wholesale Trade	621	8.6	4.9	4.5	58
Retail Trade	2,261	(1.6)	1.0	16.3	163
Services	4,448	2.0	5.6	32.1	254
Financial, Insurance, Real Estate	365	(0.3)	(3.1)	2.6	53
Government	2,250	0.0	0.9	16.2	57

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	5.7 %	(1.7)	(3.5)	53 rd

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$739,903	8.5	5.1	75 th
Average Per Capita Income	\$18,766	7.6	4.8	188 th

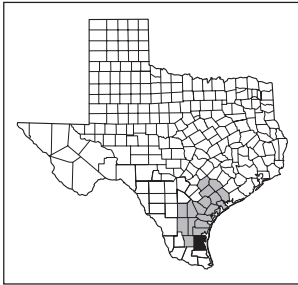
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	25.6 %	(1.4)	(3.9)	31 st
Ages 0-17	32.5 %	(2.2)	(4.5)	41 st
Ages 5-17 in Families	33.2 %	(0.6)	(1.4)	49 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$1,055,044,914	5.3	2.5	126 th
Property Value Per Capita	\$26,828	7.6	2.6	244 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$254,990,616	18.0	5.1
Sales Tax Outlets	980	(1.9)	(0.4)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02 Higher Education Fall 2001	5	22	8,877	0.8

Kenedy County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	414	(10.0)	
Under age 5	37	2.8	8.9
Under 18	121	(12.3)	29.2
65 and over	44	7.3	10.6
85 and over	3	(57.1)	0.7
Male	217	(3.6)	52.4
Female	197	(16.2)	47.6
White	267	(29.4)	64.5
Black	3		0.7
Asian	2		0.5
Hispanic	327	(9.7)	79.0

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	298	1.0	0.2		23
Agricultural Services, Forestry, Fishing	106	0.0	(1.4)	35.6	7
Mining	82	22.4	1.5	27.5	1
Construction	0	(100.0)		0.0	0
Manufacturing	0			0.0	0
Transportation/Public Utilities/Communications	0			0.0	0
Wholesale Trade	0			0.0	0
Retail Trade	17	13.3	2.5	5.7	1
Services	14	(6.7)	0.0	4.7	8
Financial, Insurance, Real Estate	0			0.0	0
Government	79	(1.3)	1.0	26.5	6

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	1.6 %	0.1	(2.0)	244 th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$10,739	(7.7)	6.4	251 st
Average Per Capita Income	\$25,940	(8.2)	6.7	40 th

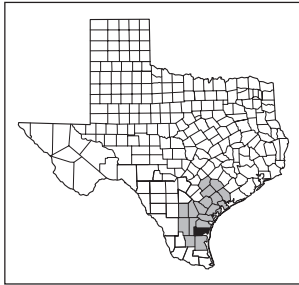
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	16.1 %	(4.0)	(8.9)	162 nd
Ages 0-17	20.8 %	(6.0)	(7.9)	193 rd
Ages 5-17 in Families	25.0 %	(7.4)	(3.8)	126 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$448,687,741	5.4	2.3	194 th
Property Value Per Capita	\$1,083,787	11.0	3.3	2 nd

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$101,250	(14.8)	(14.7)
Sales Tax Outlets	6	0.0	(5.6)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	1	78	14.7
Higher Education Fall 2001				

Kleberg County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	31,549	4.2	
Under age 5	2,396	(6.2)	7.6
Under 18	8,600	(2.8)	27.3
65 and over	3,339	12.3	10.6
85 and over	435	51.6	1.4
Male	15,852	5.2	50.2
Female	15,697	3.2	49.8
White	22,675	9.8	71.9
Black	1,167	16.9	3.7
Asian	464	12.1	1.5
Hispanic	20,635	11.4	65.4

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	10,321	(0.7)	0.0		561
Agricultural Services, Forestry, Fishing	482	(0.4)	(3.1)	4.7	23
Mining	312	8.7	(5.0)	3.0	13
Construction	281	(19.0)	(1.6)	2.7	35
Manufacturing	263	0.8	(6.2)	2.5	16
Transportation/Public Utilities/Communications	201	18.9	8.6	1.9	31
Wholesale Trade	71	(22.8)	(15.2)	0.7	18
Retail Trade	2,206	1.7	(0.7)	21.4	130
Services	1,859	2.1	0.9	18.0	167
Financial, Insurance, Real Estate	338	4.6	2.3	3.3	57
Government	4,303	(3.0)	1.4	41.7	70

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	4.8 %	(0.5)	(2.2)	85 th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$586,738	5.4	4.3	92 nd
Average Per Capita Income	\$18,618	5.4	4.1	190 th

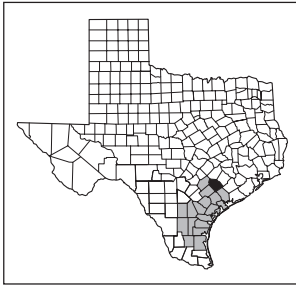
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	24.2 %	(1.3)	(1.8)	37 th
Ages 0-17	32.7 %	(1.3)	(1.4)	39 th
Ages 5-17 in Families	34.3 %	0.1	1.5	40 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$1,252,012,634	2.2	2.5	112 th
Property Value Per Capita	\$39,685	(3.8)	1.6	206 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$161,946,268	1.7	4.5
Sales Tax Outlets	627	1.5	(0.7)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	4	17	5,972	(1.9)
Higher Education Fall 2001		1	6,148	3.5

Lavaca County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	19,210	2.8	
Under age 5	1,132	(3.9)	5.9
Under 18	4,648	1.0	24.2
65 and over	4,194	(5.1)	21.8
85 and over	705	37.4	3.7
Male	9,263	3.7	48.2
Female	9,947	2.0	51.8
White	16,686	0.9	86.9
Black	1,305	(2.8)	6.8
Asian	31	121.4	0.2
Hispanic	2,183	36.8	11.4

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	5,581	(4.7)	(0.2)		449
Agricultural Services, Forestry, Fishing	45	(4.3)	2.9	0.8	14
Mining	72	4.3	5.5	1.3	9
Construction	219	4.3	4.7	3.9	49
Manufacturing	1,931	(13.1)	0.7	34.6	35
Transportation/Public Utilities/Communications	109	(2.7)	(8.1)	2.0	18
Wholesale Trade	373	(2.6)	0.0	6.7	39
Retail Trade	948	2.0	(0.3)	17.0	99
Services	814	0.4	(2.7)	14.6	112
Financial, Insurance, Real Estate	167	2.5	(2.0)	3.0	32
Government	903	(1.0)	0.2	16.2	42

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	1.6 %	0.0	(1.3)	246th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$435,484	4.3	5.3	115th
Average Per Capita Income	\$22,674	4.0	4.9	85th

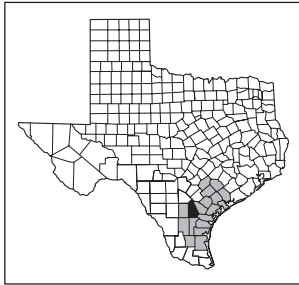
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	14.3 %	(0.3)	(0.7)	192nd
Ages 0-17	20.8 %	1.2	1.6	192nd
Ages 5-17 in Families	19.8 %	0.5	2.8	196th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$1,465,313,887	16.4	5.9	92nd
Property Value Per Capita	\$76,279	14.6	5.3	73rd

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$83,637,685	0.7	3.7
Sales Tax Outlets	556	(4.6)	(1.5)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	6	10	2,141	(0.9)
Higher Education Fall 2001				

Live Oak County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	12,309	28.8	
Under age 5	604	(7.2)	4.9
Under 18	2,739	4.7	22.3
65 and over	1,966	25.7	16.0
85 and over	227	69.4	1.8
Male	6,769	44.1	55.0
Female	5,540	14.0	45.0
White	10,743	29.2	87.3
Black	301	2,910.0	2.4
Asian	24	(22.6)	0.2
Hispanic	4,683	40.9	38.1

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	2,839	1.7	1.0		264
Agricultural Services, Forestry, Fishing	62	21.6	14.1	2.2	19
Mining	119	(1.7)	(5.6)	4.2	14
Construction	174	10.8	10.4	6.1	28
Manufacturing	262	(3.3)	(0.4)	9.2	6
Transportation/Public Utilities/Communications	118	8.3	3.6	4.2	16
Wholesale Trade	73	5.8	(1.3)	2.6	7
Retail Trade	646	(2.0)	1.8	22.8	67
Services	326	5.5	0.0	11.5	58
Financial, Insurance, Real Estate	115	11.7	4.3	4.1	16
Government	937	(0.1)	(0.2)	33.0	31

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	2.5 %	(0.6)	(1.4)	215 th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$204,958	4.4	5.0	169 th
Average Per Capita Income	\$16,670	3.5	3.1	222 nd

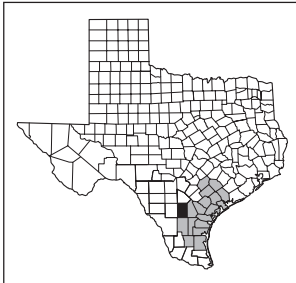
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	17.7 %	(0.3)	(1.7)	121 st
Ages 0-17	25.8 %	0.3	0.1	109 th
Ages 5-17 in Families	25.8 %	0.3	1.9	113 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$1,098,899,120	14.9	2.9	120 th
Property Value Per Capita	\$89,276	(5.7)	(1.1)	51 st

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$34,326,253	2.1	1.9
Sales Tax Outlets	286	(2.4)	(2.2)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	2	7	1,906	(2.2)
Higher Education Fall 2001				

McMullen County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	851	4.2	
Under age 5	34	(47.7)	4.0
Under 18	199	(1.5)	23.4
65 and over	152	24.6	17.9
85 and over	24	200.0	2.8
Male	428	4.4	50.3
Female	423	3.9	49.7
White	752	5.5	88.4
Black	10		1.2
Asian	0		0.0
Hispanic	282	(11.9)	33.1

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	248	9.3	1.2		40
Agricultural Services, Forestry, Fishing	20	(4.8)	1.0	8.1	8
Mining	18	0.0	(10.3)	7.3	4
Construction	5	(16.7)		2.0	1
Manufacturing	0			0.0	0
Transportation/Public Utilities/Communications	25	(21.9)	10.8	10.1	4
Wholesale Trade	6		24.6	2.4	1
Retail Trade	13	8.3	(7.3)	5.2	4
Services	19	375.0	16.1	7.7	3
Financial, Insurance, Real Estate	24	4.3	9.9	9.7	2
Government	115	1.8	(1.3)	46.4	10

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.1 %	(0.5)	1.1	181 st

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$23,468	12.5	9.4	246 th
Average Per Capita Income	\$27,448	9.4	9.1	26 th

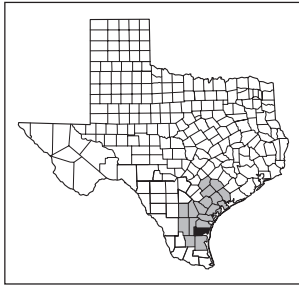
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	14.8 %	0.9	10.5	183 rd
Ages 0-17	25.0 %	4.8	19.6	123 rd
Ages 5-17 in Families	27.3 %	4.7	22.1	94 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$447,437,916	(6.0)	1.8	195 th
Property Value Per Capita	\$525,779	(11.6)	1.0	4 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$1,307,478	13.0	(1.4)
Sales Tax Outlets	23	(8.0)	(3.9)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	1	172	2.4
Higher Education Fall 2001				

Nueces County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	313,645	7.7	
Under age 5	24,247	0.8	7.7
Under 18	89,117	0.3	28.4
65 and over	35,005	19.0	11.2
85 and over	3,727	51.3	1.2
Male	153,483	7.8	48.9
Female	160,162	7.7	51.1
White	225,912	2.6	72.0
Black	13,307	4.9	4.2
Asian	3,632	46.3	1.2
Hispanic	174,951	15.1	55.8

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	143,622	1.1	1.3		7,073
Agricultural Services, Forestry, Fishing	1,154	4.6	2.1	0.8	194
Mining	1,933	13.7	(1.7)	1.3	157
Construction	12,259	3.5	1.5	8.5	617
Manufacturing	9,992	(0.3)	(1.7)	7.0	259
Transportation/Public Utilities/Communications	7,768	8.0	4.8	5.4	331
Wholesale Trade	5,611	(1.6)	0.7	3.9	485
Retail Trade	28,310	0.3	0.9	19.7	1,265
Services	44,790	1.6	3.4	31.2	2,921
Financial, Insurance, Real Estate	5,730	(1.7)	(0.6)	4.0	651
Government	25,964	(1.2)	(0.5)	18.1	151

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	5.7 %	(0.6)	(2.7)	54 th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$7,525,961	5.4	4.7	13 th
Average Per Capita Income	\$24,013	5.8	4.5	65 th

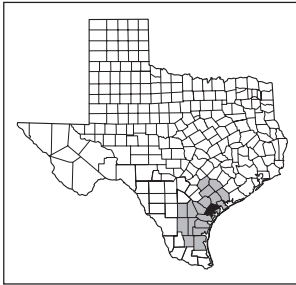
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	20.1 %	(1.4)	(2.6)	83 rd
Ages 0-17	27.3 %	(1.9)	(4.9)	90 th
Ages 5-17 in Families	25.7 %	(1.5)	(3.7)	114 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$12,708,335,230	2.4	1.5	16 th
Property Value Per Capita	\$40,518	3.0	1.4	200 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$3,129,706,340	3.6	3.1
Sales Tax Outlets	8,411	(0.5)	(0.9)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	12	105	60,996	0.3
Higher Education Fall 2001		2	17,615	6.7

Refugio County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	7,828	(1.9)	
Under age 5	466	(10.4)	6.0
Under 18	2,044	(6.8)	26.1
65 and over	1,301	0.4	16.6
85 and over	174	47.5	2.2
Male	3,831	0.3	48.9
Female	3,997	(3.8)	51.1
White	6,280	1.3	80.2
Black	530	(17.8)	6.8
Asian	23	360.0	0.3
Hispanic	3,490	10.3	44.6

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	1,917	(3.1)	(1.2)		216
Agricultural Services, Forestry, Fishing	142	4.4	0.9	7.4	28
Mining	217	(13.2)	(9.5)	11.3	16
Construction	82	13.9	12.8	4.3	8
Manufacturing	15	0.0	(2.5)	0.8	6
Transportation/Public Utilities/Communications	53	(8.6)	(7.4)	2.8	12
Wholesale Trade	41	(21.2)	(15.8)	2.1	7
Retail Trade	441	(5.6)	1.9	23.0	41
Services	181	2.3	(0.2)	9.4	46
Financial, Insurance, Real Estate	72	0.0	(8.1)	3.8	14
Government	672	(0.9)	1.8	35.1	36

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	4.6 %	0.1	(0.2)	96 th

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$207,184	5.9	3.9	167 th
Average Per Capita Income	\$26,514	6.2	4.0	36 th

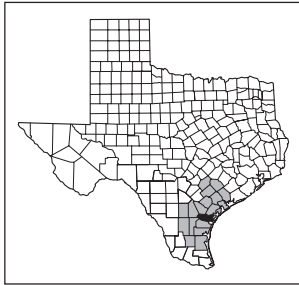
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	18.7 %	(1.0)	(2.6)	99 th
Ages 0-17	27.3 %	0.1	(1.0)	92 nd
Ages 5-17 in Families	27.1 %	0.5	1.0	96 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$644,283,110	8.2	(1.0)	159 th
Property Value Per Capita	\$82,305	6.9	(1.1)	62 nd

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$31,943,019	10.3	(3.8)
Sales Tax Outlets	200	(2.0)	(2.9)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	3	8	1,497	(6.5)
Higher Education Fall 2001				

San Patricio County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	67,138	14.3	
Under age 5	5,425	12.4	8.1
Under 18	20,878	9.9	31.1
65 and over	7,045	15.5	10.5
85 and over	689	28.5	1.0
Male	33,653	15.7	50.1
Female	33,485	12.8	49.9
White	51,533	14.9	76.8
Black	1,885	94.7	2.8
Asian	426	161.3	0.6
Hispanic	33,181	11.3	49.4

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	15,268	(0.8)	2.6		967
Agricultural Services, Forestry, Fishing	586	11.2	6.2	3.8	108
Mining	246	(5.4)	(5.1)	1.6	29
Construction	1,122	(11.3)	1.0	7.3	80
Manufacturing	3,060	0.1	2.6	20.0	47
Transportation/Public Utilities/Communications	340	15.3	2.7	2.2	47
Wholesale Trade	293	7.3	2.4	1.9	47
Retail Trade	2,455	(3.6)	1.6	16.1	169
Services	2,706	5.3	4.4	17.7	267
Financial, Insurance, Real Estate	403	(4.0)	1.9	2.6	74
Government	4,047	(2.6)	2.8	26.5	94

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	5.8 %	(0.5)	(2.6)	52 nd

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$1,352,999	6.6	6.4	47 th
Average Per Capita Income	\$20,110	6.4	5.2	157 th

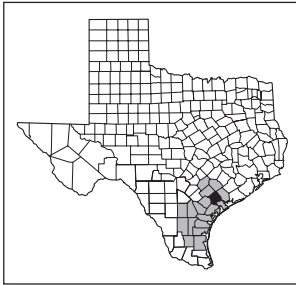
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	20.9 %	(2.2)	(2.9)	72 nd
Ages 0-17	27.0 %	(2.7)	(6.1)	95 th
Ages 5-17 in Families	27.1 %	(1.7)	(3.3)	95 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$2,712,742,222	5.5	4.1	52 nd
Property Value Per Capita	\$40,405	12.6	3.7	201 st

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$243,002,209	1.2	6.3
Sales Tax Outlets	1,244	(0.2)	(1.2)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	7	34	15,437	(1.0)
Higher Education Fall 2001				

Victoria County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	84,088	13.1	
Under age 5	6,431	4.7	7.6
Under 18	24,502	8.7	29.1
65 and over	10,059	23.9	12.0
85 and over	1,156	65.9	1.4
Male	40,943	13.2	48.7
Female	43,145	13.0	51.3
White	62,406	5.3	74.2
Black	5,297	8.0	6.3
Asian	651	153.3	0.8
Hispanic	32,959	29.9	39.2

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	37,253	0.6	2.3		2,110
Agricultural Services, Forestry, Fishing	341	13.3	2.7	0.9	57
Mining	2,405	19.0	11.4	6.5	68
Construction	2,072	(13.1)	0.7	5.6	168
Manufacturing	3,094	0.7	0.2	8.3	72
Transportation/Public Utilities/Communications	1,631	(1.0)	3.3	4.4	94
Wholesale Trade	1,845	3.1	0.8	5.0	139
Retail Trade	7,855	(0.3)	1.1	21.1	411
Services	9,861	0.9	3.4	26.5	855
Financial, Insurance, Real Estate	1,628	0.7	0.3	4.4	159
Government	6,511	(0.1)	1.9	17.5	80

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	4.0 %	0.5	(1.0)	133rd

Income	2000	Percent Change 2000-2001	Avg. Annual Percent Change 1995-2000	2000 State Ranking
Personal Income (Thousands)	\$2,230,779	7.3	5.8	38th
Average Per Capita Income	\$26,533	7.2	4.9	35th

Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	15.1 %	(0.9)	(3.0)	180th
Ages 0-17	22.1 %	(0.6)	(3.2)	167th
Ages 5-17 in Families	21.4 %	(0.9)	(1.8)	176th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	2000 State Ranking
January 1st Total Property Value	\$3,842,560,406	2.8	3.1	39th
Property Value Per Capita	\$45,697	0.4	2.0	169th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	\$833,876,408	5.1	4.8
Sales Tax Outlets	2,214	(1.0)	(1.5)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	3	27	15,467	(0.4)
Higher Education Fall 2001		2	5,933	3.7

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