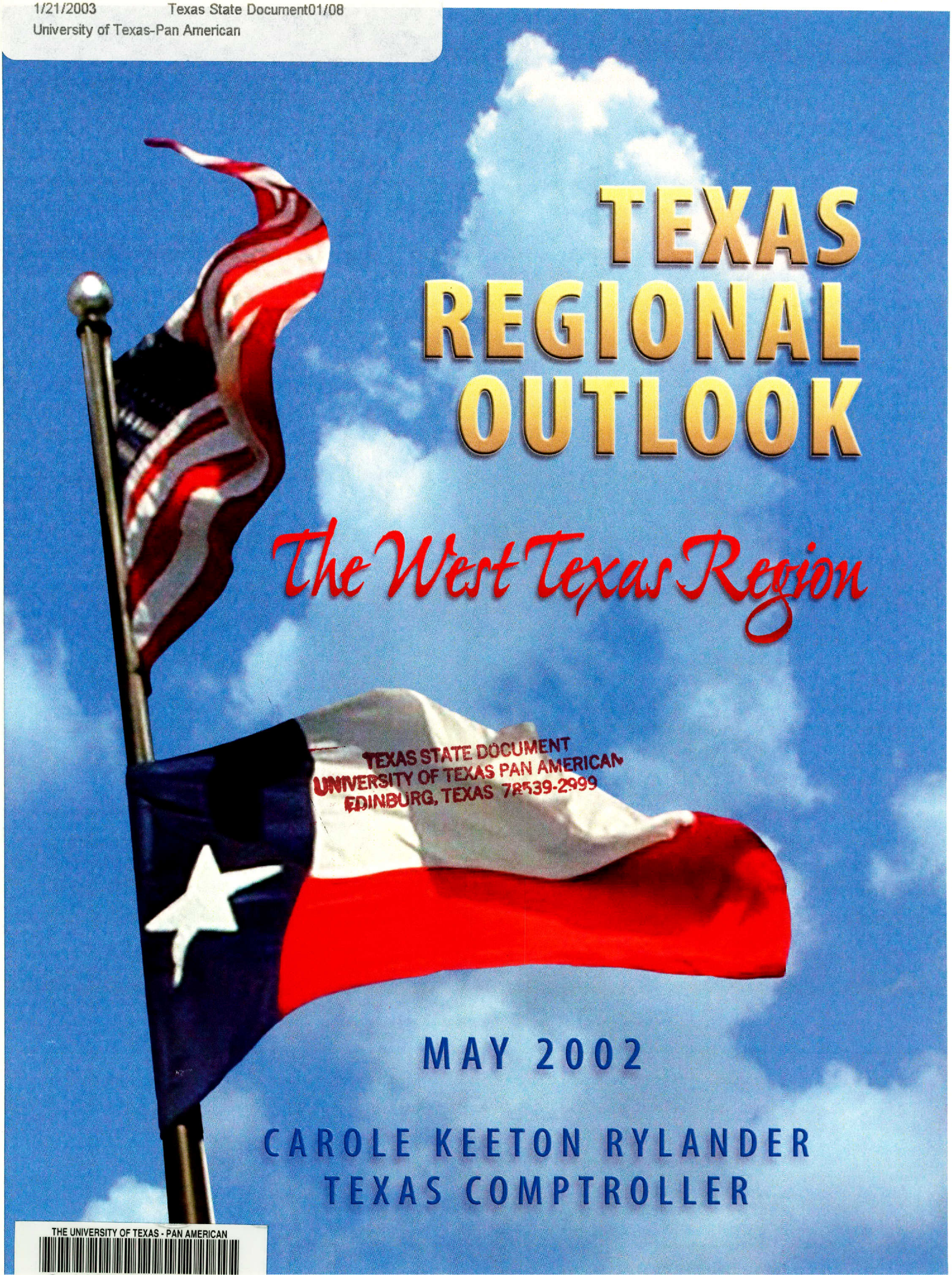


TEXAS REGIONAL OUTLOOK

The West Texas Region

MAY 2002

CAROLE KEETON RYLANDER
TEXAS COMPTROLLER

Carole Keeton Rylander
Texas Comptroller of Public Accounts

512/463-4000
Fax: 512/463-4965

P.O. Box 13528
Austin, Texas 78711-3528

May 2002

Fellow Texans:

I am pleased to share with you the *Texas Regional Outlook* for the West Texas Region. This report presents my latest economic forecast for the state as a whole and the outlook for this unique 30-county region centered around the Midland, Odessa and San Angelo 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:

Strategic Research Division
Texas Comptroller of Public Accounts
Post Office Box 13528
Austin, Texas 78711-3528

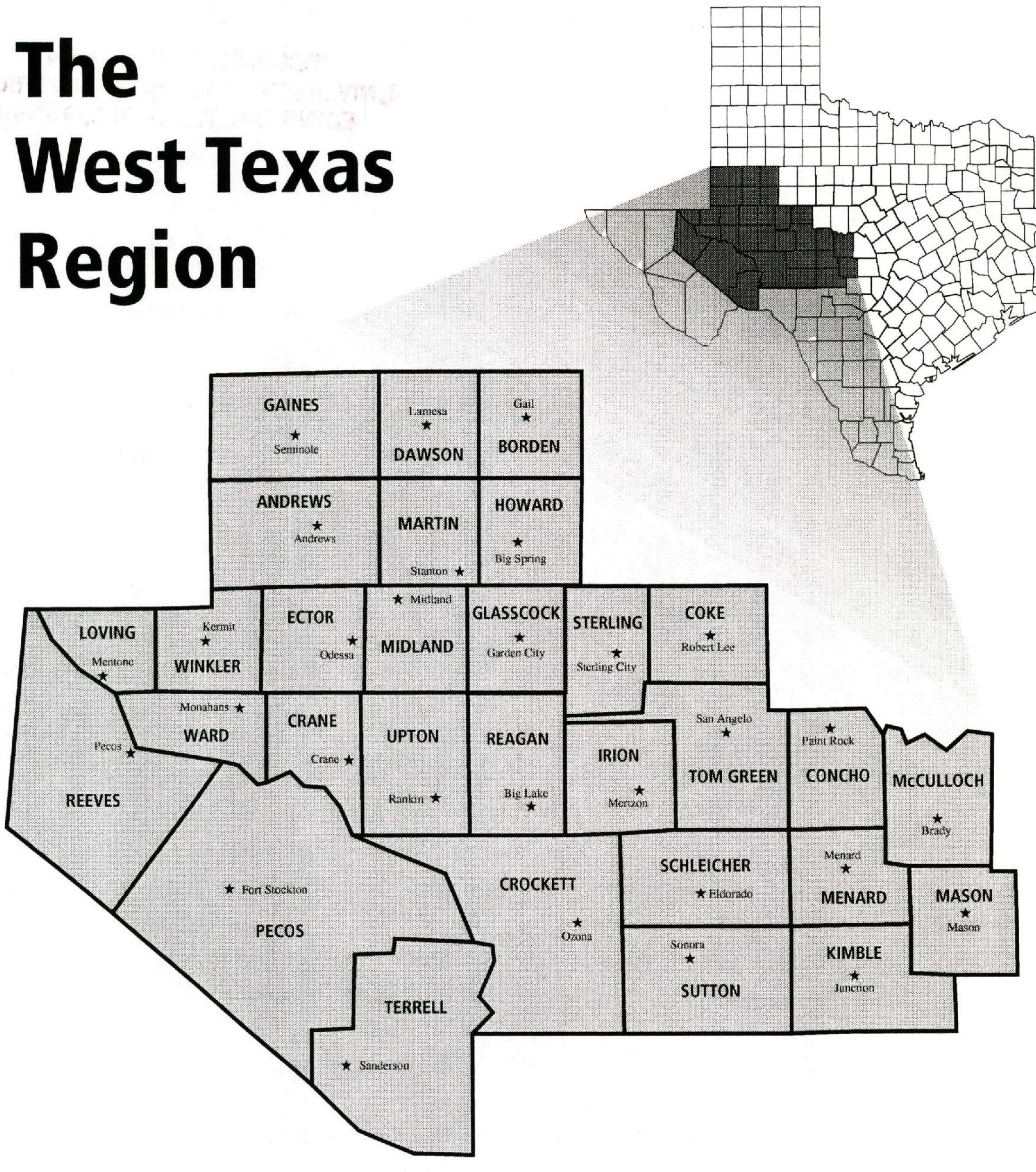
I look forward to hearing from you. Thanks for all that you do for Texas.

Sincerely,

Carole Keeton Rylander

Carole Keeton Rylander
Texas Comptroller

The West Texas Region



★ = County Seat

Texas Regional Outlook

Table of Contents

National Recession Slows Texas Economic Growth

The economy in Texas has been adversely affected by the national recession. From February 2001 to February 2002, overall nonfarm employment in the state fell by nearly 0.9 percent, compared with 2.3 percent growth a year earlier and an average annual growth rate of 4.0 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 0.9 percent in Texas and 1.0 percent in the U.S. from February 2001 to February 2002. The breadth of the national downturn was such that 37 states lost jobs. Although relatively high energy prices allowed the oil and gas industry to benefit during most of 2001, other sectors 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. Real (inflation-adjusted) gross state product increased an estimated 3.4 percent, personal income increased more than 3.0 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 stimulative federal spending in response to Sep-

> 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 Comptroller's summer 2002 edition of the *Texas Economic Update*.

tember 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 5.0 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 announced extensive job layoffs during the year.

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
Annual % Change	*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
Annual % Change	*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
Annual % Change	*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
Annual % Change	*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
Annual % Change	*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
Annual % Change	*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.

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 February 2001 to February 2002, statewide manufacturing employment declined by 6.2 percent, or 67,800 jobs, which was still relatively better than the 7.2 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 Counters 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 March 2002, the rig count of 316 was down nearly 32 percent from its March 2001 level. Nevertheless, because of the lag between drilling activity and hiring plans, February 2002 mining employment was still up by 4,900, or 3.1 percent, over February 2001.

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 1.6 percent, or 8,900 jobs, from February 2001 to February 2002.

Even considering relatively low mortgage rates, 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. Over just six months, job growth in the states air transportation industry fell from a year-to-year gain of 4,100 in February 2001 to a year-to-year loss of 9,500, or 7.6 percent, in February 2002. Largely because of these losses, TPU lost 25,000 jobs from February 2001 to February 2002, a 4.2 percent drop.

Although national air traffic is showing some signs of recovery, it will take a long time for it 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 2.4 percent by February 2002.

With the rapidly growing popularity of the Internet and cellular communications, Texas communications employment boomed at a 7.0 percent average annual rate from 1999 to 2001. The weakened economy and national recession took hold and intensified here as well, so that by February 2002, employment in this sector had fallen by 7,700 jobs statewide, or 5.0 percent, as high-tech woes spread to the state's telecommunications firms.

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 February 2002 the utilities sector overall closed a roller-coaster year with 1,700 fewer employees than it had in February 2001, a loss of 2.2 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 4.0 percent in 2003.

Finance, Insurance and Real Estate Ekes Out a Gain

Finance, insurance and real estate (FIRE) turned in a relatively flat year, with a small loss of 200 jobs from February 2001 to February 2002. Although employment in banks and other financial institutions increased by 1.5 percent, in keeping with the state's growing population and moderate demand for new home financing, jobs fell by 0.4 percent among the state's insurance providers. Finally, real estate and investment industries, which were boosted by increasing home sales but hurt by weaknesses in the U.S. stock market and Texas nonresidential construction, experienced a job loss of 1.4 percent from February 2001 to February 2002.

As business loan demand remains weak and real estate demand remains fragmented, the outlook for the state's FIRE sector does not appear all that 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 six months of fiscal 2002 (September through February), state sales tax receipts–of which just more than 50 percent come from household expenditures–increased by only 0.2 percent, compared with a 4.9 percent gain during the same period in fiscal 2001. Spurred by dealer incentives, motor vehicle sales tax collections increased 8.9 percent during the same period. This trend, however, is not expected to last through the remainder of fiscal 2002.

With flagging consumer spending, the wholesale and retail trade job count fell 0.8 percent from February 2001 to February 2002, compared with annual average gains of more than 3 percent in fiscal 1999 to 2001. Most of the loss was in wholesale trade, which has been particularly hurt by a decreased demand for manufactured products. Net job losses in wholesale trade totaled 11,400 over the past year, a 2.1 percent loss. Retail trade–including building materials, restaurants, automobile dealers and service stations, food, furniture, clothing, general merchandise stores and other miscellaneous retailers–weathered the downturn somewhat better, but still cut back 6,100 jobs, a 0.4 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 February 2001 to February 2002, services lost 10,300 jobs, a decrease of 0.4 percent.

Not all service sector industries lost jobs. Most notably, health services employment rose by 27,400 jobs, a 3.9 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 3.5 percent and accounted for 6,900 new jobs. Private educational 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 2,100 jobs, a 3.9 percent increase.

Most of the state's service sectors added jobs over the past year—with three notable exceptions. First, hotels and other lodging places lost 1,900 jobs, a 2.0 percent loss, as terrorism concerns and economic weakness cut into leisure and business travel. Second, amusements and recreation lost 2,200 jobs, an 1.8 percent decrease, due entirely to job losses in the motion picture sector. And third, business services, owing mostly to a disturbingly large 15.0 percent loss in the once-booming personnel supply sector, lost 49,000 jobs over the year, a 6.7 percent cut in its work force and over half of all jobs lost statewide from February 2001 to February 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, 4.0 percent growth is expected.

Local Public Schools Propel Government Sector Job Growth

Federal, state and local government employment growth continued at a slow but steady rate in 2001. Overall, from February 2001 to February 2002, public sector employment was up 2.5 percent, or 39,500 jobs, with most of these gains coming from increased hiring at local public schools.

Texas' civilian federal government employment rose 1.2 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 30,600 jobs, or 2.9 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 natural 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

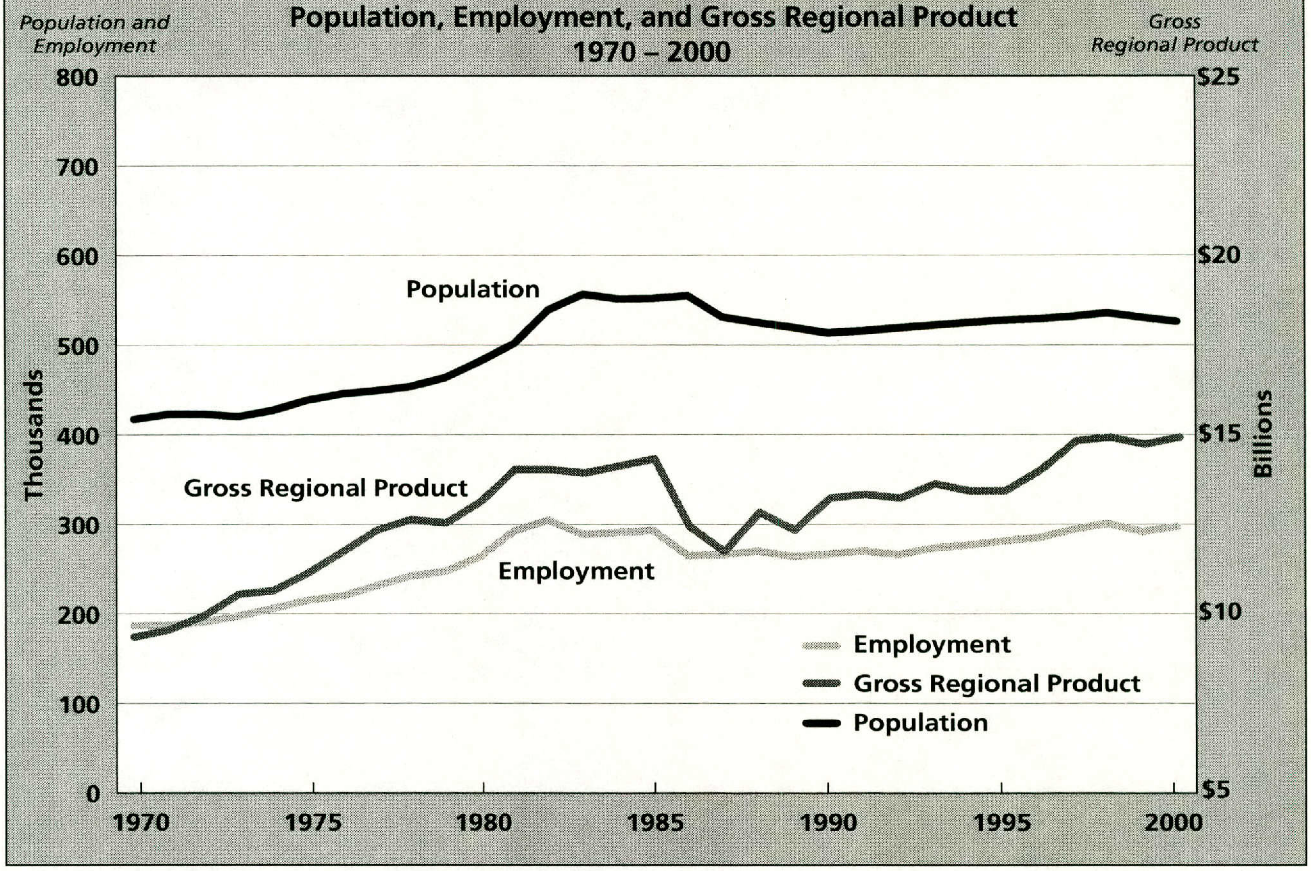
1 According to Economy.com, Inc., a provider of economic, financial and industry research, the productivity drivers are: 1) better information flows; 2) closer real estate industry ties to capital markets, limiting overbuilding; 3) improved technology providing better information on lending risks; and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

West Texas Region Economic Trends and Outlook

Based on the Comptroller's new 13-region economic model of the Texas, employment in the West Texas region (covering a 30-county area centered around the Midland, Odessa and San Angelo metropolitan areas) is projected to grow at a 1.7 percent annual rate, up from the 1.1 percent rate seen from 1995 to 2000 but somewhat slower than the 1.9 percent growth rate expected for the state as a whole. By 2005, employment in the West Texas region should reach more than 325,000.

Based on historical data since 1970, the Comptroller projects improving economic growth for the region. Although the West Texas region has generally underperformed Texas as a whole, the next five years should see growth in line with that seen in the early 1990s and much better than figures posted in the 1980s. The primary challenge for this region is continuing to provide the educational skills needed to train the work force to meet the changing needs of businesses in an Internet economy.

GRAPH 1
West Texas Region
Population, Employment, and Gross Regional Product
1970 – 2000



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

This report details the recent economic changes in the West Texas region, presents "baseline" economic forecasts for key indicators through 2005, discusses the structural changes that have led and will lead to economic growth, presents a forecast for occupational changes likely to be seen 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.

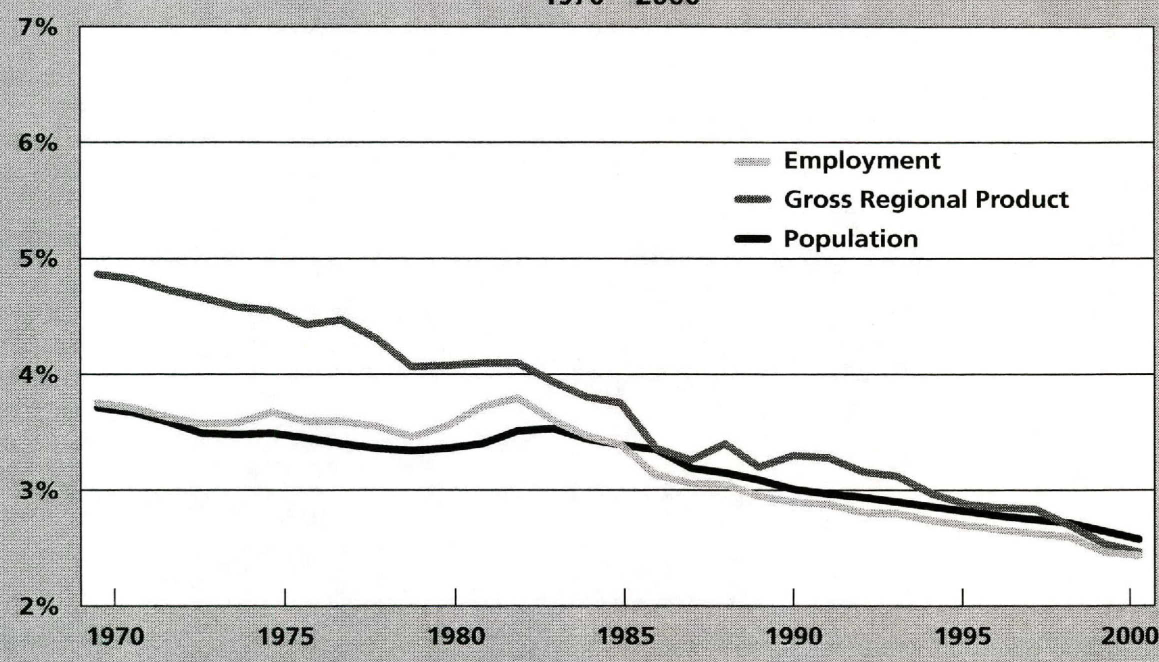
The Last 30 years

Economically, the West Texas region 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 of all value added within the region—increased more than 60 percent from $9.3 billion in 1970 to $14.9 billion in 2000 (Graph 1). This represents an average annual growth rate of 1.6 percent.

During this time, the population of the West Texas region increased only 26 percent, rising from 415,900 to 524,100. As a result of good growth in the value of production in the region and somewhat slower population growth, per capita real incomes have risen dramatically over the last 30 years. For example, in real terms (1992 dollars) per capita disposable personal income—income not used to pay federal taxes—rose nearly 70 percent from $12,100 in 1970 to $20,500 in 2000. This means that the average person or household in the region has more than two-thirds more real purchasing power in 2000 than in 1970.

In terms of jobs, growth in this region was good during much of the 1970s and early 1980s. From about 1982 to 1992, 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 1993, employment growth in the region resumed an upward path

GRAPH 2
West Texas Region
Percent Share of Texas' Population, Employment, and Gross Regional Product
1970 – 2000



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

and since that time has grown at a 1.4 percent annual rate, just slightly below the 30-year annual growth rate of 1.5 percent.

These growth rates determine if the region is becoming a larger part of the Texas economy or not. In terms of population, employment and regional product, the West Texas region declined compared with the rest of Texas since 1970. In 1970, the region accounted for 3.7 percent of the state's population and employment, and 4.8 percent of the gross regional product (Graph 2). By the end of the century, the region accounted for 2.6 percent of the state's population, 2.5 percent of the value of production in the state and 2.4 percent of the state's employment base.

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. Understanding these shifts can help identify prospects for future growth within the region.

Table 2 presents the historical employment figures for the West Texas 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 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.

The fastest growing sector in the West Texas region during the last 20 years was health care. Here, national trends are dominating regional growth. As incomes grow and populations age, more and more is spent on health care. The increasing technological sophistication of health care, while improving effectiveness, as seen through an ever-expanding average life-span, also drives up costs. Unfortunately, because health care is a service that most often must be administered by trained professionals on a one-on-one basis, the ability of technological innovations to lower personnel requirements—a byproduct of technology seen in many other

TABLE 2

West Texas Region Employment and Growth 1980-2000

	Employment in Region			Average Annual
	1980	1990	2000	Growth Rate
Health Care	8,897	14,970	20,915	4.4%
Services to Business	9,547	12,742	17,079	3.0%
Local Government	22,915	28,732	35,094	2.2%
Personal Services	8,942	10,435	13,253	2.0%
Tourism and Entertainment	16,759	19,838	24,466	1.9%
State Government	4,896	5,576	7,124	1.9%
Finance, Insurance and Real Estate	14,672	15,074	19,261	1.4%
Other Services	10,830	12,932	13,696	1.2%
Federal Government	2,911	3,859	3,541	1.0%
Wholesale and Retail Trade	42,663	41,763	45,190	0.3%
Agriculture, Agri. Related, Agri. Processing	20,108	18,687	21,100	0.2%
Construction, Building Materials	18,451	12,121	17,765	(0.2)%
High Tech, Communications, Aviation and Electronics	9,322	8,619	8,497	(0.5)%
Other Durable Goods Manufacturing	5,956	3,932	5,391	(0.5)%
Other Transportation and Public Utilities	9,380	7,414	7,209	(1.3)%
Other Non-Durable Goods Manufacturing	5,805	4,808	4,352	(1.4)%
Other	3,141	2,195	2,007	(2.2)%
Oil and Gas Production, Refining and Petrochemicals	46,899	39,455	29,154	(2.3)%

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

industries—has not been as broadly felt as in health care. As a result, the demand for health care services employment has risen rapidly over the past 20 years

The second fastest-growing sector in the West Texas region is business services. This is largely the result of a long-term reorganization of many existing businesses that have begun relying on outsourcing. The post-World War II model of industrial organization is breaking down, spinning more and more of the duties that used to be done within a company to outside vendors. Responsibilities like janitorial services have become more specialized, making it more cost-effective to outsource them. In the case of repairing copiers, or training personnel to use new computer programs, this outsourcing was driven by increasing technological sophistication. Even the evolution of many businesses towards increased use of contract employees drove the growth of business services employment, since some of these contract workers were provided through temporary help agencies.

Whatever its particular source, this has been a strong trend in the reorganization of the business community. To a large extent this is merely a reshuffling of employment opportunities from other sectors, manufacturing in particular, to business services. As such, this shift represents a positive change in the productivity and competitiveness of these businesses rather than degradation of manufacturing capacity.

Growth in local government employment, the third fastest growing sector, stems from increases in the size of the population served, and some shift in the number of workers required to provide these services. In particular, the number of local government employees is sensitive to changes in educational policy, such as decreases in school class sizes, or in law enforcement needs. Moreover, as in many services, productivity improvements are slow in local government, increased demand from a larger population or changes in policies are not offset to a large degree by productivity gains as they tend to be in other sectors such as manufacturing.

The fourth- and fifth-fastest growing sectors both reflect the same influence—increasing wealth. With rising incomes consumers then to 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 entertainment and tourism and personal services.

State government is the only remaining sector displaying an average annual employment growth rate above the long-term average for the West Texas region, although only marginally so. This is attributable mostly to growth in both higher education and prison populations.

At the other end of the growth spectrum are the areas in which the region has lost ground. In some cases, such as oil and gas, this is part of a much wider trend brought on by the distribution of natural resources and the consolidation of the industry. But the appearance of some industries at the bottom of this list, such as high technology, communication, aviation and electronics, may seem puzzling in light of the focus on the growth of these technologically-based industries. In part, these industries have been recovering in the region after absorbing some major job losses in the communications sector in the early 1990s. Some parts of this sector, such as computer programming, have been strong employment growth sectors throughout the last 20 years of the 20th century 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 both 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. 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 that 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 West Texas region are identified in Table 3 along with those industries' national employment growth rates from 1990 to 2000. 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 West Texas region.

There is an obvious Texas connection with the oil and gas industry. The top five industries listed in Table 3 are connected with oil and gas either through drilling, refining, other processing, or transporting these natural resources. In addition, several others on the table relate to the oil and gas industry including construction and related machinery, which includes drilling machinery, and the miscellaneous equipment rental industry, which deals extensively with drilling companies. Unfortunately, of these seven industries, only the equipment rental industry has shown any nationwide employment growth in the past decade.

Agriculture and agricultural services also show up as industries displaying some advantages in the West Texas region based on the location

TABLE 3

Location Quotients for Key Industries in the West Texas Region

	Location Quotient	National Employment Average Annual Growth Rate 1990-2000
Oil and Gas Field Services	37.7	(0.8)%
Crude Petroleum, Natural Gas and Gas Liquids	28.6	(4.9)%
Pipelines, Except Natural Gas	18.1	(2.8)%
Miscellaneous Petroleum and Coal Products	4.1	0.7%
Gas Utilities	3.8	(2.2)%
Nonmetallic Minerals, Except Fuels	3.8	(1.3)%
Miscellaneous Transportation Equipment	3.6	2.8%
Footwear, Except Rubber and Plastic	3.6	(8.6)%
Miscellaneous Repair Services	3.5	1.7%
Miscellaneous Chemical Products	3.5	(0.6)%
Hydraulic Cement	3.2	(1.0)%
Miscellaneous Equipment Rental and Leasing	2.8	2.4%
Medical Equipment, Instruments and Supplies	2.6	1.4%
Farm Workers	2.6	(0.1)%
Plastics Materials and Synthetics	2.5	(1.7)%
General Industrial Machinery and Equipment	2.2	0.2%
Construction and Related Machinery	2.1	0.8%
Miscellaneous Publishing	1.7	1.2%
Household Appliances	1.7	(0.4)%
Health Services	1.6	5.8%
Agricultural Services	1.6	4.4%
Fabricated Structural Metal Products	1.5	1.3%

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

quotient. These industries in Table 3 are directly tied to agricultural production in the region, primarily to the cattle industry, but also cotton and sheep. Unfortunately, no agricultural processing activities appear on this list, underscoring some potential for development in the future using locally available agricultural products.

Two other industries appear on Table 3 that indicate the region's strength in activities related to white-collar employment and health care. The region is home to a significant concentration of activities related to medical equipment manufacturing and to health care—two industries displaying national employment growth in the past decade.

Many of the industries in the West Texas region that have prospered due to the region's unique attributes are unlikely to be able to carry the region further into the new millennium. In particular, both the oil and gas industry and some components of the cattle industry have not been strong job generators over the past decade.

But while the location quotient is a useful measure for summarizing which industries the region tends to have 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 economic structure is known as shift-share analysis.

Like the location quotient, the approach in shift-share analysis is to develop a standard for assessing 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 observed local employment is greater than might otherwise be expected, then the region has demonstrated some strength in attracting the growth of that industry.

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. This measure of dynamic growth potential 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 West Texas region that have a regional industry growth differential greater than 1.25 and employed at least 200 workers in 2000. Also shown for each industry is the average annual rate of employment growth in the industry from 1980 to 2000 in the West Texas region. The 1.25 cut-off point indicates that industry employment in 2000 in the region was 25 percent larger than would have been expected 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 West Texas 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.

Table 4 is still sprinkled with different segments of the oil and gas industry, indicating that the region remains an important part of this industry even in a dynamic sense. This proves that even a more dynamic measure of regional comparative advantage will include industries that are in decline. In the case of petroleum refining and oil drilling activities, the nationwide employment trend from 1980 to 2000 declined significantly. But because these three industries basically held their own during this time or declined only slightly relative to the nation, the West Texas region demonstrated some advantage to these industries during the last two decades.

This same argument applies to farm employment, but is probably best appreciated by noting that both the apparel and footwear industries, which rank high on this list, witnessed rapid employment declines nationally during the last 20 years but in the West Texas region declined at a much less rapid rate. Accordingly, relative to the rest of the nation, West Texas displayed some strength in this industry.

There do seem to be some significant trends toward diversification of the industrial base of the West Texas region including activities that require more skilled workers. In particular, the relative strength of a variety of manufacturing activities appears to signify some shift away from traditional oil and gas and agriculturally-related industries. But progress in this diversification has been slow.

Table 4 reconfirms 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 West Texas region has demonstrated a comparative advantage. These industries define the competitive character of the region, and these measures will be used in the last sec-

TABLE 4

Industries with a High Regional Industry Growth Differential in the West Texas Region Between 1980 and 2000

Rank	Industry	Regional-Industry Growth Differential	Average Annual Employment Growth 1980-2000
1	Miscellaneous Transportation Equipment	7.53	10.9%
2	Manufactured Products	3.99	5.8%
3	Educational Services	2.86	7.6%
4	Apparel	2.13	(1.7)%
5	Metal Coating, Engraving, and Allied Services	1.90	3.9%
6	Footwear, Except Rubber and Plastic	1.90	(5.8)%
7	Fabricated Structural Metal Products	1.89	1.7%
8	Federal Civilian	1.70	1.0%
9	Individual and Miscellaneous Social Services	1.53	5.2%
10	Residential Care	1.53	7.8%
11	Membership Organizations	1.53	3.1%
12	Child Day Care Services	1.53	5.1%
13	Nursing and Personal Care Facilities	1.52	3.9%
14	Offices of Health Practitioners	1.52	4.9%
15	Hospitals	1.52	2.9%
16	Health Services	1.52	8.3%
17	Local Government	1.49	2.2%
18	Farm Workers	1.49	(0.4)%
19	State Government	1.44	1.9%
20	Miscellaneous Petroleum and Coal Products	1.29	(0.2)%
21	Pipelines, Except Natural Gas	1.28	(1.8)%
22	Real Estate	1.28	2.1%
23	Oil and Gas Field Services	1.28	(2.2)%
24	Crude Petroleum, Natural Gas and Gas Liquids	1.28	(2.4)%
25	Nonmetallic Minerals, Except Fuels	1.27	(0.8)%
26	Stone, Clay, and Misc. Mineral Products	1.26	(1.2)%
27	Miscellaneous Chemical Products	1.25	(0.2)%
28	Industrial Chemicals	1.25	(1.7)%
29	Plastics Materials and Synthetics	1.25	(1.6)%
30	Concrete, Gypsum, and Plaster Products	1.25	0.4%

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

tion 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 allows the estimation of baseline forecasts of growth for each region in Texas. Overall, employment in the West Texas region is expected to grow at a slightly higher rate than seen in recent years, but slightly slower than in the state as a whole. Through 2005, employment growth in the West Texas region should average 1.7 percent annually, up from a 1.1 percent posted from 1995 to 2000, but below the 1.9 percent expected for the state

The West Texas region should add nearly 27,200 new jobs from 2000 to 2005, rising from 299,300 jobs in 2000 to 326,500 in 2005. As expected across the state, this rate of growth will be slowest during the next couple of years but will accelerate into 2004 and 2005.

Through 2005, real gross regional product in the region (the total value added through production within the region) should expand at a 2.3 percent annual rate rising from $14.9 billion (1992 dollars) in 2000 to $16.7 billion in 2005. During the last five years of the 20th century, this region saw its real gross regional product expand at slightly less than a 2.1 percent annual rate.

This level of economic growth will continue with only modest population gains. The popula-

TABLE 5

West Texas Industries Adding the Most Jobs Between 2000 and 2005 (Projected)

		Regional Employment 2000	Regional Employment 2005	Jobs Added	Average Annual Growth Rate
1	Retail Trade, Exc. Eating and Drinking Places	33,490	37,257	3,767	2.2%
2	Local Government	35,094	37,287	2,193	1.2%
3	Oil and Gas Field Services	17,784	19,735	1,951	2.1%
4	Wholesale Trade	11,700	13,149	1,449	2.4%
5	Communications	3,788	5,224	1,436	6.6%
6	Construction	17,099	18,401	1,302	1.5%
7	Miscellaneous Business Services	5,013	6,257	1,244	4.5%
8	Eating and Drinking Places	16,685	17,893	1,208	1.4%
9	Health Services	4,127	5,326	1,199	5.2%
10	Trucking and Warehousing	4,626	5,690	1,064	4.2%
11	Personnel Supply Services	3,710	4,623	913	4.5%
12	Miscellaneous Repair Services	3,870	4,625	755	3.6%
13	Management and Public Relations	2,402	3,142	740	5.5%
14	Automobile Parking, Repair, and Services	3,329	3,940	611	3.4%
15	Offices of Health Practitioners	4,942	5,552	610	2.4%
16	Laundry, Cleaning, and Shoe Repair	2,234	2,842	608	4.9%
17	Services to Private Households	2,592	3,116	524	3.8%
18	Miscellaneous Equipment Rental and Leasing	1,915	2,364	449	4.3%
19	State Government	7,124	7,569	445	1.2%
20	Real Estate	6,645	7,061	416	1.2%
21	Fabricated Structural Metal Products	1,291	1,692	401	5.6%
22	Research and Testing Services	1,090	1,454	364	5.9%
23	Services to Buildings	1,919	2,275	356	3.5%
24	Legal Services	1,718	2,058	340	3.7%
25	Accounting, Auditing, and Other Services	1,625	1,939	314	3.6%

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

tion of the region is expected to rise from 524,100 in 2000 to 526,000 in 2005.

The employment growth seen in the region will not 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 even low growth rates applied to a large employment base generate large numbers of new jobs.

Many of the industries generating large numbers of new jobs in the West Texas region through 2005 will be driven by the continuation of 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 direct personal services such as laundry. Many of the industries supplying these services employ a large number of people, so that even modest growth in the demand for these industries can result in some sizeable employment growth. As a result, the single largest job gain in the region over the next five years is likely to be in retail trade employment.

In other cases, employment of school teachers, police, sanitation workers and most other local government employees will increase as population grows. As a result of even modest population and employment growth and the fact that local government is a significant employer in the region already, this will likely generate more than 2,000 new jobs over the next few years. State government could also add more

TABLE 6

25 Fastest Growing Industries in the West Texas Region
2000 to 2005
(Projected)

		2000	2005	Jobs Gained	Percentage Growth
1	Computer and Data Processing Services	532	841	309	9.6%
2	Communications	3,788	5,224	1,436	6.6%
3	Research and Testing Services	1,090	1,454	364	5.9%
4	Pipelines, Except Natural Gas	506	667	161	5.7%
5	Fabricated Structural Metal Products	1,291	1,692	401	5.6%
6	Management and Public Relations	2,402	3,142	740	5.5%
7	Funeral Service and Crematories	331	430	99	5.4%
8	Health Services	4,127	5,326	1,199	5.2%
9	Beauty and Barber Shops	1,090	1,403	313	5.2%
10	Personal Services	976	1,256	280	5.2%
11	Laundry, Cleaning, and Shoe Repair	2,234	2,842	608	4.9%
12	Electrical Repair Shops	586	739	153	4.7%
13	Miscellaneous Plastics Products	644	811	167	4.7%
14	Miscellaneous Business Services	5,013	6,257	1,244	4.5%
15	Personnel Supply Services	3,710	4,623	913	4.5%
16	Residential Care	580	719	139	4.4%
17	Miscellaneous Equipment Rental and Leasing	1,915	2,364	449	4.3%
18	Metal Coating, Engraving, and Allied Services	263	324	61	4.3%
19	Trucking and Warehousing	4,626	5,690	1,064	4.2%
20	Water and Sanitation	344	420	76	4.1%
21	Private Households	2,592	3,116	524	3.8%
22	Educational Services	1,497	1,796	299	3.7%
23	Air Transportation	658	789	131	3.7%
24	Legal Services	1,718	2,058	340	3.7%
25	Miscellaneous Repair Services	3,870	4,625	755	3.6%

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

jobs, although this growth rate is actually slightly less than the overall growth rate expected for state government employment in Texas.

In one case on this list, a significant portion of the forecast employment for 2005 may have already been added. Recent preliminary data indicate strong growth in communications employment in the region during 2001. As a result, much of the strong growth forecasted to occur in this sector may have already happened.

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 to outsource jobs, a strong trend seen in the business community over the past 20 years.

Unfortunately, one source of expected job growth will likely be offset by losses in another sector. Growth in oil and gas field services employment is projected to be at about the same level as employment declines in the drilling and exploration sector declines since many drilling companies are diversifying their operations into drilling services.

A ranking of industries by their likely growth rate from 2000 to 2005 is more revealing of some of the developing forces driving changes in the West Texas region, as detailed in Table 6 (see page 17). More technical, higher

TABLE 7

Occupations in the West Texas Region Adding the Most Positions 2000-2005 (Projected)

		Occupations 2000	Occupations 2005	Occupation Job Gain	Average Annual % Growth
1	Managerial and Administrative	19,824	21,763	1,939	1.9%
2	Other Clerical and Administrative Support Workers	17,714	19,322	1,608	1.8%
3	Motor Vehicle Operators	9,066	10,374	1,308	2.7%
4	Computer Scientists, Mathematicians and Operations Researchers	3,231	4,498	1,267	6.8%
5	Helpers, Laborers and Material Movers	11,355	12,515	1,160	2.0%
6	Salespeople, Retail	8,880	10,017	1,137	2.4%
7	Protective Service	9,036	10,134	1,098	2.3%
8	All Other Sales and Related Workers	6,467	7,447	980	2.9%
9	Personal Service	5,466	6,442	976	3.3%
10	Food Preparation and Service	17,743	18,697	954	1.1%
11	Cashiers	7,285	8,183	898	2.4%
12	Construction Trades	11,257	12,052	795	1.4%
13	Management Support	9,912	10,673	761	1.5%
14	Teachers, Librarians, Counselors	8,495	9,229	734	1.7%
15	Material Recorders, Schedulers, Dispatchers and Distributors	8,419	9,064	645	1.5%
16	Marketing and Sales Worker Supervisors	3,837	4,390	553	2.7%
17	Health Service	4,642	5,191	549	2.3%
18	Gardeners, Nursery, Greenhouse, Lawn Services	5,513	6,058	545	1.9%
19	Information Clerks	4,018	4,546	528	2.5%
20	Health Technicians and Technologists	5,012	5,535	523	2.0%
21	Health Assessment and Treating	5,404	5,926	522	1.9%
22	Hand Workers, Including Assemblers and Fabricators	4,188	4,708	520	2.4%
23	Other Mechanics, Installers and Repairmen	3,382	3,900	518	2.9%
24	Private Household Workers	2,289	2,771	482	3.9%
25	Social, Recreational and Religious Workers	3,986	4,463	477	2.3%

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

skilled workers are needed in these jobs. Topping this list of high-growth industries are computer and data processing services, followed by communications workers, research and testing services, management and public relations, educational services, legal services and other industries relying on a well-trained work force in which education is a prime component of production.

The importance of education and the need for work force training is probably best seen when looking at how this projected industrial growth translates into occupational change. Table 7 (page 18) 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 only moderately thereafter.

For example, the 13-region model breaks regional employment into 94 occupations. In the case of the West Texas region, this would mean each occupational category would contain an average of about 3,100 people. With the exception of computer operators and personal service workers, the top 10 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, but because of their size generate a large number

TABLE 8

25 Fastest Growing Occupations in the West Texas Region 2000-2005 (Projected)

		Occupations 2000	Occupations 2005	Occupational Gain	Average Annual Percent Gain
1	Computer Scientists, Mathematicians and Operations Researchers	3,231	4,498	1,267	6.8%
2	Communication Equipment Mechanics, Installers and Repairers	324	418	94	5.2%
3	Private Household Workers	2,289	2,771	482	3.9%
4	Personal Service	5,466	6,442	976	3.3%
5	Counter and Rental Clerks	1,270	1,485	215	3.2%
6	Metal and Plastic Process Machine Operators	364	423	59	3.0%
7	Other Mechanics, Installers and Repairmen	3,382	3,900	518	2.9%
8	All Other Sales and Related Workers	6,467	7,447	980	2.9%
9	Lawyers	1,052	1,211	159	2.9%
10	Adjusters, Investigators and Collectors	2,260	2,596	336	2.8%
11	Electrical Equipment Mechanics, Installers and Repairmen	542	621	79	2.8%
12	Motor Vehicle Operators	9,066	10,374	1,308	2.7%
13	Marketing and Sales Worker Supervisors	3,837	4,390	553	2.7%
14	Writers, Artists and Entertainers	2,297	2,625	328	2.7%
15	Life Scientists	395	451	56	2.7%
16	Metal Workers, Precision	951	1,084	133	2.7%
17	Technicians, Except Health, Engineering and Science	2,232	2,540	308	2.6%
18	Woodworkers, Precision	215	244	29	2.6%
19	Information Clerks	4,018	4,546	528	2.5%
20	Health Diagnosing	1,490	1,681	191	2.4%
21	Salespersons, Retail	8,880	10,017	1,137	2.4%
22	Textile, Apparel and Furniture Workers, Precision	432	486	54	2.4%
23	Hand Workers, Including Assembly and Fabrication	4,188	4,708	520	2.4%
24	Cashiers	7,285	8,183	898	2.4%
25	Protective Service	9,036	10,134	1,098	2.3%

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

of new positions. But in some cases, expected rapid growth rates in smaller occupational categories will drive occupational growth, as is the case with computer scientists.

Table 8 presents the 25 occupational categories that had at least 200 workers in 200 that are expected to grow at the fastest rates though 2005. The importance of future training and education is evident in this list. It is led by the need for additional computer scientists and communication equipment personnel and includes process machine operators, lawyers, scientists, technicians, health care diagnosticians, information clerks and other professional workers. Of the top 25 occupations expected to grow the fastest during the next five years, more than half 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 West Texas 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 West Texas region for the next few years. Second, although the region will fare well in job growth, particularly in comparison to recent trends, 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 West Texas 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 diffused, 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 economy" 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 conditions, 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

TABLE 9

Top 25 Potential Employment Growth Targets for the West Texas Region 2000-2005 (Projected)

		Average Regional Applicability Rank (1)	Average Employment Growth Potential Rank During 2000 to 2005	Total Rank
1	Health Services	105	165	270
2	Miscellaneous Transportation Equipment	136	131	267
3	Water and Sanitation	98	162	259
4	Offices of Health Practitioners	96	152	248
5	Nonmetallic Minerals, Except Fuels	153	91	244
6	Carpets and Rugs	86	153	239
7	Jewelry, Silverware, and Plated Ware	112	127	239
8	Communications	92	146	237
9	Nursing and Personal Care Facilities	99	137	236
10	Luggage, Handbags, and Leather Products	111	122	232
11	Automobile Parking, Repair, and Services	78	154	232
12	Residential Care	69	162	231
13	Toys and Sporting Goods	112	119	230
14	Soap, Cleaners, and Toilet Goods	103	127	230
15	Miscellaneous Petroleum and Coal Products	134	95	229
16	Oil and Gas Field Services	155	72	227
17	Museums, Botanical, Zoological Gardens	71	156	226
18	Crude Petroleum, Natural Gas and Gas Liquids	154	72	226
19	Meat Products	115	110	225
20	Miscellaneous Transportation Services	69	155	224
21	Manufactured Products	130	93	223
22	Security and Commodity Brokers	74	148	222
23	Individual and Miscellaneous Social Services	74	148	222
24	Amusement and Recreation Services	86	133	219
25	Agricultural Services	79	138	231

(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.

rating of how the region compares to a national norm based on labor costs.

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 (page 23) 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 a 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 West Texas region based on both their display of some advantage within the region relative to the rest of the country and the likely growth potential.Several industries in health care and business services are on this list. 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), residential care, general health practitioners and nursing and personal care facilities. Some industries that could be considered traditional for the region appear for different reasons. Obviously, this region has a long history with the oil and gas industry so that the region demonstrates a strong affinity for these industries. Unfortunately, the growth potential in this area is much more limited but based on the strong attraction of these industries to West Texas, this region may be able to gain an increasing share of a shrinking national market in the future. Agriculture, particularly meat processing also appears promising, except in this case the future growth potential seems brighter than in oil and gas. Some technology industries such as communications appear high on this list. Also included are tourism and recreation industries such as amusement and recreation services, museums, botanical gardens and other attractions.

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.

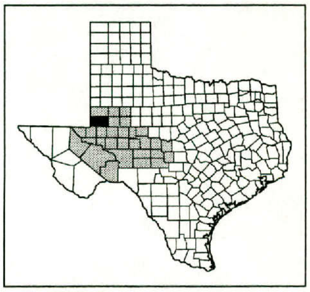
3 Michael Porter, *The Competitive Advantage of Nations* (New York: Free Press, 1990).

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 Amhearst, Mass. (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.

Andrews County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	13,004	(9.3)	
Under age 5	957	(27.6)	7.4
Under 18	4,101	(17.4)	31.5
65 and over	1,621	19.1	12.5
85 and over	142	29.1	1.1
Male	6,380	(10.0)	49.1
Female	6,624	(8.6)	50.9
White	10,024	(7.5)	77.1
Black	214	(21.9)	1.6
Asian	92	(40.3)	0.7
Hispanic	5,202	14.3	40.0

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	4,264	0.4	(0.8)		319
Agricultural Services, Forestry, Fishing	26	23.8	(8.3)	0.6	9
Mining	958	3.1	(3.5)	22.5	47
Construction	219	0.0	2.0	5.1	20
Manufacturing	361	(9.8)	(4.5)	8.5	9
Transportation/Public Utilities/Communications	350	0.0	13.4	8.2	26
Wholesale Trade	191	8.5	(4.9)	4.5	25
Retail Trade	531	(2.0)	(2.5)	12.5	58
Services	457	15.4	1.9	10.7	76
Financial, Insurance, Real Estate	108	2.9	(1.1)	2.5	17
Government	1,060	(4.1)	0.3	24.9	32

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.9 %	(1.9)	(0.9)	142nd

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$239,799	(1.9)	1.0	151st
Average Per Capita Income	$17,455	0.3	1.6	208th

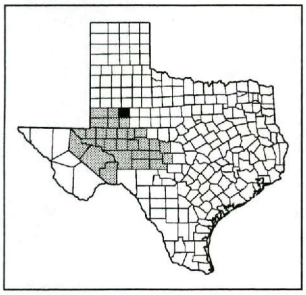
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	15.2 %	(0.6)	(1.2)	176th
Ages 0-17	19.9 %	(0.2)	(1.4)	202nd
Ages 5-17 in Families	21.1 %	0.0	1.7	180th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$1,317,132,110	9.4	(3.2)	104th
Property Value Per Capita	$101,287	15.6	(1.8)	40th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$72,649,687	20.6	(4.2)
Sales Tax Outlets	412	(5.5)	(4.3)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	7	3,083	(2.6)
Higher Education Fall 2001				

Borden County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	729	(8.8)	
Under age 5	27	(52.6)	3.7
Under 18	179	(20.1)	24.6
65 and over	119	5.3	16.3
85 and over	9	(10.0)	1.2
Male	370	(9.8)	50.8
Female	359	(7.7)	49.2
White	660	(14.2)	90.5
Black	1	(50.0)	0.1
Asian	0	0.0	0.0
Hispanic	87	(27.5)	11.9

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	135	3.1	1.4		37
Agricultural Services, Forestry, Fishing	7	(41.7)	(22.5)	5.2	5
Mining	6	200.0	(5.6)	4.4	2
Construction	2	0.0	0.0	1.5	1
Manufacturing	0	0.0	0.0	0.0	0
Transportation/Public Utilities/Communications	4	33.3	0.0	3.0	1
Wholesale Trade	8	33.3	9.9	5.9	1
Retail Trade	5	400.0	(11.1)	3.7	1
Services	13	18.2	45.4	9.6	8
Financial, Insurance, Real Estate	2	0.0	0.0	1.5	1
Government	89	(2.2)	3.2	65.9	17

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	1.9 %	0.6	0.4	236th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$9,955	16.7	(8.3)	252nd
Average Per Capita Income	$12,945	16.2	(8.8)	246th

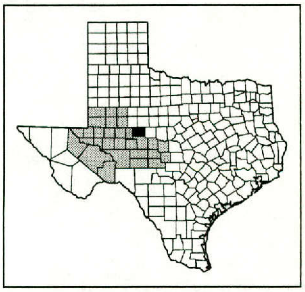
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	11.5 %	(0.2)	4.7	225th
Ages 0-17	17.1 %	3.1	5.8	219th
Ages 5-17 in Families	21.6 %	3.4	10.4	175th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$267,088,711	8.5	(1.3)	233rd
Property Value Per Capita	$366,377	14.5	0.2	6th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$141,317	(4.6)	0.8
Sales Tax Outlets	13	(13.3)	0.0

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	1	165	10.7
Higher Education Fall 2001				

Coke County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	3,864	12.9	
Under age 5	167	(8.2)	4.3
Under 18	942	18.9	24.4
65 and over	931	6.3	24.1
85 and over	143	17.2	3.7
Male	1,932	18.2	50.0
Female	1,932	7.9	50.0
White	3,433	6.5	88.8
Black	75	1,150.0	1.9
Asian	3	50.0	0.1
Hispanic	653	54.7	16.9

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	1,078	(4.4)	0.9		109
Agricultural Services, Forestry, Fishing	29	16.0	(0.7)	2.7	9
Mining	115	17.3	(0.7)	10.7	11
Construction	6	(72.7)	(19.7)	0.6	3
Manufacturing	25	(51.9)	0.8	2.3	4
Transportation/Public Utilities/Communications	41	0.0	1.0	3.8	7
Wholesale Trade	4	(33.3)	(24.2)	0.4	3
Retail Trade	94	(22.3)	(2.6)	8.7	16
Services	272	0.7	4.1	25.2	20
Financial, Insurance, Real Estate	56	3.7	1.9	5.2	7
Government	437	(0.2)	1.5	40.5	28

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	1.9 %	(0.1)	(0.3)	237th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$66,482	4.2	4.7	221st
Average Per Capita Income	$19,839	4.9	5.1	154th

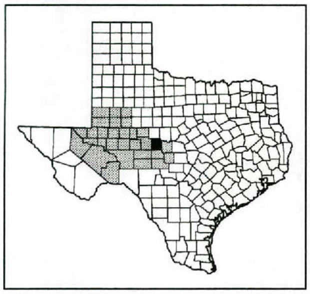
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	16.5 %	(0.7)	0.6	153rd
Ages 0-17	25.1 %	(0.5)	4.1	120th
Ages 5-17 in Families	24.7 %	(0.1)	5.6	127th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$327,793,111	3.8	3.2	219th
Property Value Per Capita	$84,833	(9.9)	0.3	58th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$5,539,572	(6.7)	(3.5)
Sales Tax Outlets	97	(3.0)	(2.3)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	2	6	835	1.5
Higher Education Fall 2001				

Concho County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	3,966	30.3	
Under age 5	145	(12.1)	3.7
Under 18	638	(8.9)	16.1
65 and over	547	(7.3)	13.8
85 and over	84	37.7	2.1
Male	2,556	54.6	64.4
Female	1,410	1.4	35.6
White	3,498	28.7	88.2
Black	39	143.8	1.0
Asian	3	(40.0)	0.1
Hispanic	1,639	37.3	41.3

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	956	(1.4)	4.1		84
Agricultural Services, Forestry, Fishing	26	0.0	(4.7)	2.7	12
Mining	10	42.9	58.5	1.0	2
Construction	41	(16.3)	38.7	4.3	2
Manufacturing	4	0.0	(26.0)	0.4	2
Transportation/Public Utilities/Communications	22	(60.0)	0.9	2.3	7
Wholesale Trade	17	(5.6)	(5.0)	1.8	3
Retail Trade	124	6.0	3.4	13.0	14
Services	416	3.5	6.7	43.5	18
Financial, Insurance, Real Estate	32	10.3	8.8	3.3	5
Government	264	0.4	1.0	27.6	18

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	1.9 %	(1.2)	(0.3)	238th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$56,491	21.0	6.4	226th
Average Per Capita Income	$18,818	24.8	7.2	180th

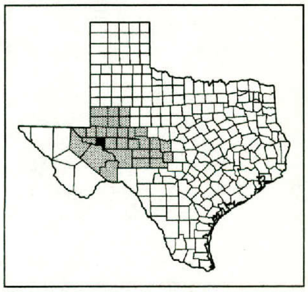
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	21.2 %	(0.7)	(1.4)	66th
Ages 0-17	27.0 %	(0.2)	0.7	96th
Ages 5-17 in Families	29.2 %	1.0	4.7	79th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$326,221,880	9.1	0.0	221st
Property Value Per Capita	$82,255	(17.4)	0.0	63rd

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$7,151,454	6.2	3.3
Sales Tax Outlets	67	4.7	(3.5)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	2	3	468	(4.1)
Higher Education Fall 2001				

Crane County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	3,996	(14.1)	
Under age 5	307	(21.3)	7.7
Under 18	1,274	(21.1)	31.9
65 and over	436	(5.0)	10.9
85 and over	50	22.0	1.3
Male	1,945	(16.2)	48.7
Female	2,051	(12.0)	51.3
White	2,945	(4.9)	73.7
Black	116	(10.8)	2.9
Asian	14	40.0	0.4
Hispanic	1,753	11.2	43.9

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	1,288	(10.2)	(6.3)		99
Agricultural Services, Forestry, Fishing	0	(100.0)	0.0	0.0	1
Mining	387	(23.7)	(10.6)	30.0	15
Construction	21	(75.0)	(12.5)	1.6	2
Manufacturing	34	13.3	(1.7)	2.6	3
Transportation/Public Utilities/Communications	11	(38.9)	(35.0)	0.9	5
Wholesale Trade	26	(31.6)	(11.5)	2.0	7
Retail Trade	185	5.7	1.4	14.4	21
Services	208	20.2	(2.0)	16.1	18
Financial, Insurance, Real Estate	39	(11.4)	(2.4)	3.0	8
Government	376	4.2	(2.8)	29.2	18

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	6.0 %	0.6	2.5	46 th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$73,928	(0.7)	1.2	216 th
Average Per Capita Income	$17,233	2.8	2.6	211 th

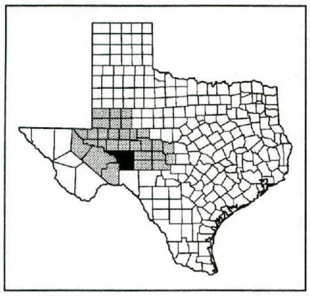
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	12.2 %	(0.9)	(2.0)	218 th
Ages 0-17	16.5 %	0.4	(1.8)	225 th
Ages 5-17 in Families	17.2 %	(0.3)	0.7	216 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$683,660,680	1.1	(4.8)	152 nd
Property Value Per Capita	$171,086	8.6	(2.7)	18 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$16,237,565	18.5	(4.3)
Sales Tax Outlets	117	(2.5)	(4.8)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	3	986	(3.0)
Higher Education Fall 2001				

Crockett County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	4,099	0.5	
Under age 5	273	(19.9)	6.7
Under 18	1,185	(5.7)	28.9
65 and over	528	10.2	12.9
85 and over	81	52.8	2.0
Male	2,031	(1.6)	49.5
Female	2,068	2.7	50.5
White	3,129	(22.1)	76.3
Black	28	(28.2)	0.7
Asian	11	175.0	0.3
Hispanic	2,242	10.9	54.7

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	1,383	(0.9)	(0.7)		177
Agricultural Services, Forestry, Fishing	82	(4.7)	(0.7)	5.9	20
Mining	205	(6.0)	(5.6)	14.8	18
Construction	9	(25.0)	(11.9)	0.7	5
Manufacturing	3	0.0	(9.7)	0.2	2
Transportation/Public Utilities/Communications	75	19.0	(0.8)	5.4	10
Wholesale Trade	12	20.0	(7.8)	0.9	4
Retail Trade	392	(0.8)	4.6	28.3	34
Services	168	3.7	(1.4)	12.1	45
Financial, Insurance, Real Estate	42	(10.6)	(10.0)	3.0	6
Government	394	(1.7)	(0.2)	28.5	32

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	2.6 %	(1.0)	(0.5)	212th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$65,878	0.8	(0.4)	222nd
Average Per Capita Income	$14,986	3.3	(1.3)	231st

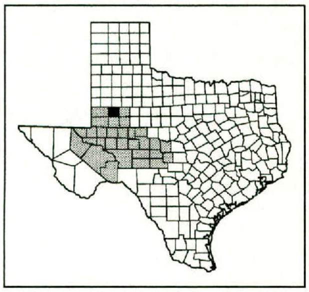
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	17.4 %	0.5	(3.8)	127th
Ages 0-17	23.9 %	2.2	(5.5)	138th
Ages 5-17 in Families	26.4 %	1.6	(2.4)	103rd

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$1,019,617,225	18.6	5.2	129th
Property Value Per Capita	$248,748	27.2	6.4	11th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$28,793,136	72.7	6.0
Sales Tax Outlets	130	(5.8)	(4.4)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	4	848	1.6
Higher Education Fall 2001				

Dawson County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	14,985	4.4	
Under age 5	945	(17.5)	6.3
Under 18	3,837	(15.5)	25.6
65 and over	2,138	(4.0)	14.3
85 and over	287	17.1	1.9
Male	8,305	19.5	55.4
Female	6,680	(9.7)	44.6
White	10,859	10.9	72.5
Black	1,297	108.5	8.7
Asian	37	94.7	0.2
Hispanic	7,222	18.0	48.2

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	5,130	(2.3)	1.1		653
Agricultural Services, Forestry, Fishing	781	(18.3)	2.4	15.2	267
Mining	126	(6.7)	(14.5)	2.5	14
Construction	101	(28.4)	0.8	2.0	31
Manufacturing	174	(4.9)	(8.7)	3.4	13
Transportation/Public Utilities/Communications	575	23.1	11.5	11.2	39
Wholesale Trade	179	(4.8)	(6.4)	3.5	27
Retail Trade	758	(5.3)	(1.5)	14.8	69
Services	727	13.8	3.6	14.2	110
Financial, Insurance, Real Estate	179	0.6	1.2	3.5	27
Government	1,524	(2.3)	2.7	29.7	51

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	4.7 %	(0.2)	(2.2)	92nd

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$305,191	13.7	5.5	134th
Average Per Capita Income	$21,132	15.1	6.3	116th

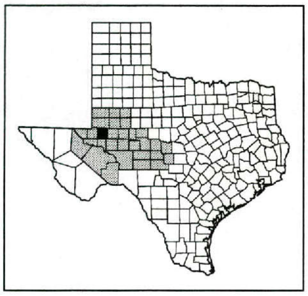
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	26.3 %	(0.4)	(1.8)	27th
Ages 0-17	33.4 %	0.4	(3.5)	35th
Ages 5-17 in Families	34.9 %	1.3	(0.2)	38th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$695,465,416	16.2	1.5	150th
Property Value Per Capita	$46,411	12.0	2.0	163rd

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$59,540,147	4.7	0.1
Sales Tax Outlets	352	(2.5)	(3.7)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	4	9	2,832	(5.9)
Higher Education Fall 2001				

Ector County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	121,123	1.8	
Under age 5	9,666	(10.5)	8.0
Under 18	36,820	(2.4)	30.4
65 and over	13,238	19.8	10.9
85 and over	1,269	56.1	1.0
Male	58,914	1.2	48.6
Female	62,209	2.4	51.4
White	89,257	(2.2)	73.7
Black	5,583	0.5	4.6
Asian	775	17.1	0.6
Hispanic	51,306	37.5	42.4

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	49,940	1.7	1.3		2,871
Agricultural Services, Forestry, Fishing	230	3.1	4.0	0.5	37
Mining	3,632	10.4	(1.0)	7.3	140
Construction	3,028	(11.7)	(2.6)	6.1	217
Manufacturing	4,989	6.9	1.8	10.0	234
Transportation/Public Utilities/Communications	2,286	19.4	3.3	4.6	138
Wholesale Trade	3,869	2.4	(1.1)	7.7	324
Retail Trade	10,294	(0.2)	1.1	20.6	529
Services	10,790	2.1	4.2	21.6	965
Financial, Insurance, Real Estate	1,630	1.7	5.2	3.3	201
Government	9,161	(1.6)	0.4	18.3	74

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	5.2 %	(1.2)	(1.7)	65th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$2,420,293	(3.8)	4.0	33rd
Average Per Capita Income	$19,558	(3.0)	3.7	162nd

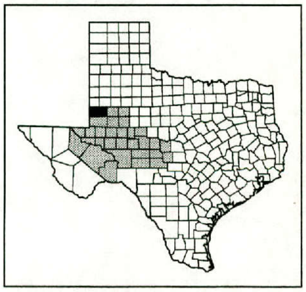
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	18.3 %	(0.4)	(3.6)	111th
Ages 0-17	25.0 %	(0.1)	(5.7)	124th
Ages 5-17 in Families	24.0 %	(0.7)	(4.2)	136th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$4,484,587,294	4.1	2.4	32nd
Property Value Per Capita	$37,025	6.3	2.5	217th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$1,085,205,113	10.6	2.4
Sales Tax Outlets	4,081	(1.9)	(2.5)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	39	26,918	0.3
Higher Education Fall 2001		2	6,954	1.7

Gaines County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	14,467	2.4	
Under age 5	1,208	(14.4)	8.4
Under 18	5,065	(1.5)	35.0
65 and over	1,490	15.1	10.3
85 and over	168	78.7	1.2
Male	7,122	0.8	49.2
Female	7,345	4.1	50.8
White	11,614	11.9	80.3
Black	330	(1.2)	2.3
Asian	22	46.7	0.2
Hispanic	5,175	12.3	35.8

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	4,336	(0.1)	(0.7)		505
Agricultural Services, Forestry, Fishing	928	3.5	(3.7)	21.4	187
Mining	396	5.0	(4.4)	9.1	24
Construction	163	1.9	(1.7)	3.8	35
Manufacturing	153	1.3	11.2	3.5	13
Transportation/Public Utilities/Communications	207	6.7	(1.7)	4.8	26
Wholesale Trade	295	2.4	0.8	6.8	33
Retail Trade	565	(9.5)	0.8	13.0	70
Services	301	(6.2)	(0.5)	6.9	60
Financial, Insurance, Real Estate	127	(3.8)	0.6	2.9	21
Government	1,198	0.1	1.1	27.6	36

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	4.5 %	0.1	0.4	99th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$295,329	8.6	4.6	136th
Average Per Capita Income	$19,999	9.3	4.1	151st

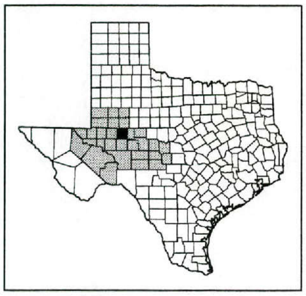
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	21.0 %	0.4	(2.1)	71st
Ages 0-17	26.7 %	0.7	(3.2)	100th
Ages 5-17 in Families	27.6 %	(0.5)	(1.3)	90th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$2,203,748,859	13.5	0.2	60th
Property Value Per Capita	$152,329	15.9	0.3	21st

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$48,451,530	0.1	1.6
Sales Tax Outlets	323	(1.8)	(2.3)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	3	9	2,959	(0.8)
Higher Education Fall 2001				

Glasscock County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	1,406	(2.8)	
Under age 5	112	(21.7)	8.0
Under 18	471	(7.8)	33.5
65 and over	126	44.8	9.0
85 and over	13	85.7	0.9
Male	733	(0.9)	52.1
Female	673	(4.8)	47.9
White	1,090	(5.7)	77.5
Black	7	0.0	0.5
Asian	0	0.0	0.0
Hispanic	420	(0.9)	29.9

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	369	(4.2)	2.8		62
Agricultural Services, Forestry, Fishing	96	(14.3)	(4.5)	26.0	34
Mining	52	(7.1)	30.0	14.1	2
Construction	5	0.0	0.0	1.4	1
Manufacturing	0	0.0	0.0	0.0	0
Transportation/Public Utilities/Communications	13	0.0	(5.2)	3.5	2
Wholesale Trade	13	(7.1)	26.6	3.5	1
Retail Trade	20	(4.8)	10.8	5.4	2
Services	11	37.5	9.5	3.0	5
Financial, Insurance, Real Estate	7	(22.2)	11.8	1.9	3
Government	152	0.0	1.1	41.2	11

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	2.9 %	(0.1)	0.3	196 th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$26,162	41.4	3.3	245 th
Average Per Capita Income	$18,130	35.4	3.7	191 st

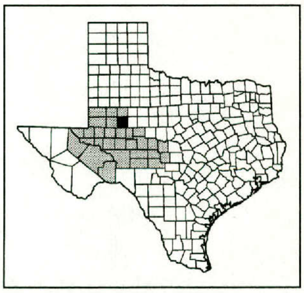
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	16.5 %	5.2	0.4	150 th
Ages 0-17	26.5 %	11.4	7.7	102 nd
Ages 5-17 in Families	23.9 %	6.8	4.4	139 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$419,912,780	24.2	2.3	203 rd
Property Value Per Capita	$298,658	27.4	2.5	10 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$1,484,661	(9.5)	5.1
Sales Tax Outlets	20	0.0	(8.4)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	2	333	(3.5)
Higher Education Fall 2001				

Howard County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	33,627	4.0	
Under age 5	1,998	(18.6)	5.9
Under 18	8,139	(6.6)	24.2
65 and over	4,898	4.5	14.6
85 and over	574	30.2	1.7
Male	18,205	11.8	54.1
Female	15,422	(3.9)	45.9
White	26,950	6.6	80.1
Black	1,390	13.5	4.1
Asian	199	22.8	0.6
Hispanic	12,597	46.4	37.5

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	12,507	2.7	1.0		781
Agricultural Services, Forestry, Fishing	184	19.5	2.6	1.5	54
Mining	464	(10.6)	(6.3)	3.7	33
Construction	933	22.4	8.4	7.5	57
Manufacturing	1,242	0.2	1.3	9.9	34
Transportation/Public Utilities/Communications	308	12.0	(2.0)	2.5	36
Wholesale Trade	439	3.5	0.8	3.5	49
Retail Trade	2,192	1.5	0.9	17.5	155
Services	2,633	2.8	3.4	21.1	221
Financial, Insurance, Real Estate	426	0.9	(0.1)	3.4	74
Government	3,684	0.6	(0.5)	29.5	66

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.9 %	(0.7)	(0.2)	140th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$678,221	2.5	3.6	80th
Average Per Capita Income	$21,404	3.8	3.9	110th

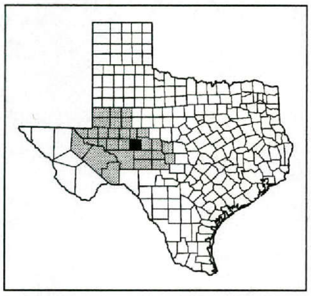
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	19.3 %	(0.1)	(1.4)	91st
Ages 0-17	27.7 %	1.3	(0.9)	85th
Ages 5-17 in Families	27.5 %	0.7	0.8	92nd

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$1,298,524,904	10.0	1.2	108th
Property Value Per Capita	$38,616	3.7	0.4	211th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$174,140,544	7.6	(0.4)
Sales Tax Outlets	778	(6.2)	(4.2)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	3	16	5,513	(1.9)
Higher Education Fall 2001		2	2,660	7.6

Irion County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	1,771	8.7	
Under age 5	101	(23.5)	5.7
Under 18	473	2.4	26.7
65 and over	276	28.4	15.6
85 and over	24	41.2	1.4
Male	887	9.4	50.1
Female	884	8.1	49.9
White	1,606	(0.2)	90.7
Black	7	250.0	0.4
Asian	0	0.0	0.0
Hispanic	436	13.2	24.6

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	414	12.2	(1.3)		65
Agricultural Services, Forestry, Fishing	29	0.0	(1.3)	7.0	10
Mining	56	5.7	(0.4)	13.5	5
Construction	36	89.5	13.6	8.7	6
Manufacturing	9	(10.0)	35.1	2.2	4
Transportation/Public Utilities/Communications	62	14.8	(4.0)	15.0	7
Wholesale Trade	4	33.3	0.0	1.0	2
Retail Trade	40	0.0	(8.4)	9.7	6
Services	30	66.7	(6.9)	7.2	7
Financial, Insurance, Real Estate	20	0.0	(3.6)	4.8	2
Government	129	4.9	0.6	31.2	15

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	2.4 %	(0.3)	0.5	217th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$31,597	3.1	1.9	243rd
Average Per Capita Income	$18,663	5.0	1.5	182nd

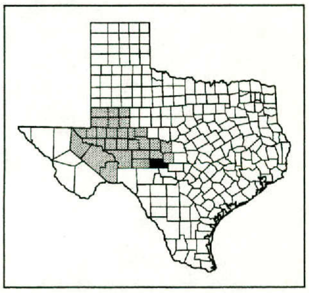
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	10.7 %	(2.3)	(1.2)	230th
Ages 0-17	15.3 %	(3.3)	1.1	232nd
Ages 5-17 in Families	17.8 %	(3.1)	3.9	214th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$238,770,640	2.4	(3.1)	237th
Property Value Per Capita	$134,822	(2.1)	(4.5)	27th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$3,055,985	24.9	(5.1)
Sales Tax Outlets	57	(5.0)	(3.5)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	2	346	(3.6)
Higher Education Fall 2001				

Kimble County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	4,468	8.4	
Under age 5	271	1.9	6.1
Under 18	1,056	0.4	23.6
65 and over	932	6.5	20.9
85 and over	115	(10.2)	2.6
Male	2,149	6.5	48.1
Female	2,319	10.2	51.9
White	4,034	10.4	90.3
Black	4	100.0	0.1
Asian	20	100.0	0.4
Hispanic	926	19.9	20.7

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	1,591	1.4	0.8		177
Agricultural Services, Forestry, Fishing	33	3.1	(2.8)	2.1	8
Mining	8	0.0	51.6	0.5	2
Construction	133	19.8	8.9	8.4	18
Manufacturing	317	6.7	1.4	19.9	8
Transportation/Public Utilities/Communications	34	(2.9)	1.9	2.1	8
Wholesale Trade	52	(14.8)	(5.2)	3.3	10
Retail Trade	387	(6.7)	3.4	24.3	46
Services	205	(6.8)	(6.8)	12.9	36
Financial, Insurance, Real Estate	45	0.0	(0.4)	2.8	8
Government	377	9.0	2.0	23.7	32

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	1.7 %	(0.6)	(0.2)	242 nd

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$74,664	3.4	2.6	215 th
Average Per Capita Income	$17,618	1.1	2.2	205 th

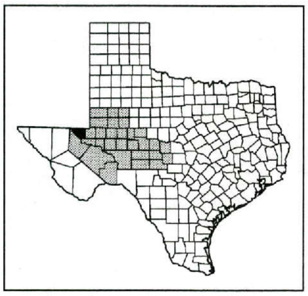
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	19.5 %	0.7	1.6	89 th
Ages 0-17	28.3 %	0.0	3.8	77 th
Ages 5-17 in Families	29.2 %	0.8	8.2	80 th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$541,033,825	1.5	3.9	177 th
Property Value Per Capita	$121,091	(3.8)	2.2	30 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$25,640,783	4.8	5.6
Sales Tax Outlets	157	0.6	(0.7)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	3	737	(2.0)
Higher Education Fall 2001				

Loving County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	67	(37.4)	
Under age 5	2	(66.7)	3.0
Under 18	13	(53.6)	19.4
65 and over	11	(21.4)	16.4
85 and over	0	0.0	0.0
Male	36	(39.0)	53.7
Female	31	(35.4)	46.3
White	60	(35.5)	89.6
Black	0	0.0	0.0
Asian	0	0.0	0.0
Hispanic	7	(50.0)	10.5

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	71	20.3	11.1		14
Agricultural Services, Forestry, Fishing	2	0.0	0.0	2.8	2
Mining	28	55.6	18.5	39.4	3
Construction	0	(100.0)	0.0	0.0	0
Manufacturing	0	0.0	0.0	0.0	0
Transportation/Public Utilities/Communications	0	0.0	0.0	0.0	0
Wholesale Trade	0	0.0	0.0	0.0	0
Retail Trade	8	0.0	32.0	11.3	0
Services	14	(17.6)	7.0	19.7	3
Financial, Insurance, Real Estate	0	0.0	0.0	0.0	0
Government	20	17.6	5.9	28.2	5

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	7.1 %	(4.1)	(1.8)	25th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$3,793	(0.6)	2.6	254th
Average Per Capita Income	$33,566	2.0	6.5	7th

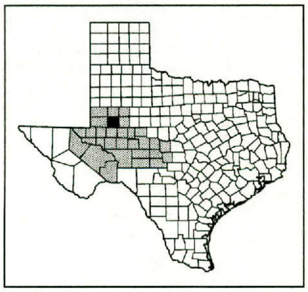
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	15.2 %	(7.7)	9.8	179th
Ages 0-17	17.7 %	(5.3)	15.4	214th
Ages 5-17 in Families	21.3 %	(0.6)	19.5	177th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$152,592,756	24.3	4.2	249th
Property Value Per Capita	$2,277,504	109.6	20.4	1st

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$33,889	(3.4)	(21.1)
Sales Tax Outlets	3	(25.0)	(12.9)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	0	0	0	0.0
Higher Education Fall 2001				

Martin County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	4,746	(4.2)	
Under age 5	409	(7.3)	8.6
Under 18	1,610	(5.0)	33.9
65 and over	632	9.0	13.3
85 and over	91	33.8	1.9
Male	2,319	(5.7)	48.9
Female	2,427	(2.8)	51.1
White	3,750	18.7	79.0
Black	75	(15.7)	1.6
Asian	8	0.0	0.2
Hispanic	1,925	(1.8)	40.6

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	1,234	1.3	1.3		147
Agricultural Services, Forestry, Fishing	158	18.8	5.3	12.8	39
Mining	38	8.6	1.7	3.1	4
Construction	42	(17.6)	(2.2)	3.4	9
Manufacturing	20	17.6	(5.1)	1.6	2
Transportation/Public Utilities/Communications	130	0.0	(2.3)	10.5	7
Wholesale Trade	41	13.9	4.4	3.3	5
Retail Trade	207	0.5	5.3	16.8	19
Services	185	(0.5)	2.6	15.0	28
Financial, Insurance, Real Estate	29	3.6	(8.0)	2.4	5
Government	383	(3.0)	0.1	31.0	29

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	4.1 %	(0.2)	0.6	124th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$84,082	19.5	3.6	210th
Average Per Capita Income	$16,857	20.2	3.5	217th

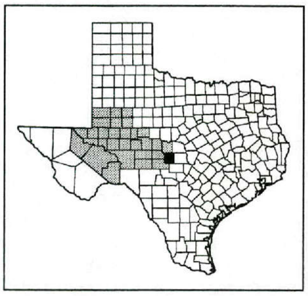
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	17.3 %	(2.7)	(4.4)	129th
Ages 0-17	23.0 %	(2.8)	(6.5)	157th
Ages 5-17 in Families	26.6 %	(2.6)	(2.0)	101st

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$443,622,640	15.3	1.3	198th
Property Value Per Capita	$93,473	21.2	2.2	49th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$16,032,582	7.6	0.6
Sales Tax Outlets	116	(5.7)	(4.8)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	2	4	1,029	(2.5)
Higher Education Fall 2001				

Mason County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	3,738	9.2	
Under age 5	191	(5.9)	5.1
Under 18	836	3.9	22.4
65 and over	879	4.8	23.5
85 and over	131	17.0	3.5
Male	1,795	10.1	48.0
Female	1,943	8.4	52.0
White	3,424	11.0	91.6
Black	5	(16.7)	0.1
Asian	2	(50.0)	0.1
Hispanic	783	16.7	21.0

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	897	2.6	0.8		134
Agricultural Services, Forestry, Fishing	54	(12.9)	5.2	6.0	12
Mining	10	0.0	(6.5)	1.1	3
Construction	53	10.4	6.9	5.9	9
Manufacturing	44	63.0	27.6	4.9	8
Transportation/Public Utilities/Communications	30	3.4	6.4	3.3	7
Wholesale Trade	74	1.4	(3.8)	8.2	9
Retail Trade	165	3.1	0.4	18.4	30
Services	156	9.9	(1.8)	17.4	27
Financial, Insurance, Real Estate	44	(2.2)	(1.7)	4.9	11
Government	267	(4.0)	0.6	29.8	19

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	1.6 %	0.0	(0.9)	243rd

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$63,596	4.1	3.9	224th
Average Per Capita Income	$17,443	4.9	3.1	209th

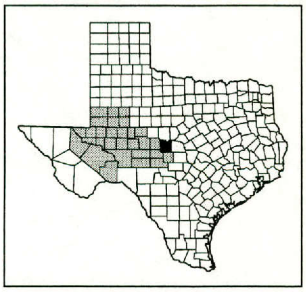
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	19.8 %	(0.1)	(1.8)	85th
Ages 0-17	27.3 %	(0.6)	(0.1)	89th
Ages 5-17 in Families	29.0 %	0.6	3.7	82nd

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$570,158,569	17.2	6.4	171st
Property Value Per Capita	$152,530	14.3	5.4	20th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$10,888,247	6.7	5.3
Sales Tax Outlets	158	1.3	0.6

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	2	601	(0.7)
Higher Education Fall 2001				

McCulloch County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	8,205	(6.5)	
Under age 5	554	(10.9)	6.8
Under 18	2,186	(7.7)	26.6
65 and over	1,602	(18.1)	19.5
85 and over	237	(8.5)	2.9
Male	3,889	(7.2)	47.4
Female	4,316	(5.9)	52.6
White	6,945	(11.6)	84.6
Black	129	(22.3)	1.6
Asian	14	75.0	0.2
Hispanic	2,219	(4.2)	27.0

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	2,637	(2.5)	(1.3)		269
Agricultural Services, Forestry, Fishing	47	(2.1)	(0.8)	1.8	20
Mining	109	1.9	3.2	4.1	3
Construction	48	23.1	3.2	1.8	16
Manufacturing	238	(29.8)	(1.4)	9.0	12
Transportation/Public Utilities/Communications	151	(1.9)	(4.2)	5.7	15
Wholesale Trade	148	17.5	6.3	5.6	17
Retail Trade	558	(0.2)	(2.5)	21.2	55
Services	539	2.5	(3.6)	20.4	73
Financial, Insurance, Real Estate	97	(2.0)	0.8	3.7	16
Government	700	(1.0)	(0.1)	26.5	40

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	5.8 %	0.4	1.3	51st

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$166,278	3.3	4.4	180th
Average Per Capita Income	$18,891	2.3	3.5	178th

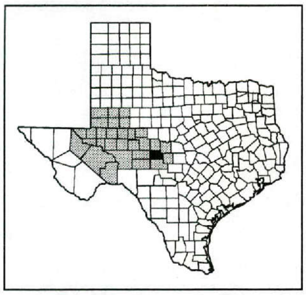
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	22.9 %	0.2	(3.2)	51st
Ages 0-17	30.0 %	(0.6)	(4.2)	62nd
Ages 5-17 in Families	33.4 %	1.1	0.6	48th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$548,309,730	15.8	4.3	176th
Property Value Per Capita	$66,826	24.3	5.1	94th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$43,145,846	(1.8)	2.0
Sales Tax Outlets	244	0.8	(1.7)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	3	7	1,625	(1.5)
Higher Education Fall 2001				

Menard County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	2,360	4.8	
Under age 5	110	(29.0)	4.7
Under 18	572	4.2	24.2
65 and over	518	(3.0)	21.9
85 and over	88	20.5	3.7
Male	1,178	5.7	49.9
Female	1,182	3.9	50.1
White	2,066	(0.5)	87.5
Black	12	71.4	0.5
Asian	8	0.0	0.3
Hispanic	748	3.0	31.7

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	544	(5.7)	(1.8)		87
Agricultural Services, Forestry, Fishing	62	(4.6)	(5.0)	11.4	11
Mining	0	0.0	0.0	0.0	0
Construction	37	(15.9)	2.9	6.8	7
Manufacturing	4	(33.3)	0.0	0.7	2
Transportation/Public Utilities/Communications	13	(7.1)	(5.2)	2.4	5
Wholesale Trade	8	(71.4)	(30.7)	1.5	3
Retail Trade	144	(5.3)	1.9	26.5	15
Services	29	0.0	(7.6)	5.3	13
Financial, Insurance, Real Estate	29	11.5	3.9	5.3	7
Government	217	2.4	0.8	39.9	24

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	4.0 %	1.1	1.4	134th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$36,074	4.7	(0.6)	240th
Average Per Capita Income	$15,948	7.5	(0.0)	224th

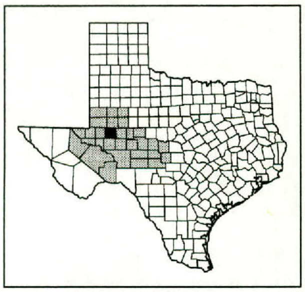
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	25.8 %	(2.3)	(1.2)	29th
Ages 0-17	37.3 %	(4.5)	1.3	20th
Ages 5-17 in Families	40.5 %	(1.1)	5.6	19th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$316,117,848	18.7	6.4	225th
Property Value Per Capita	$133,948	13.7	6.6	28th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$7,201,205	13.3	7.2
Sales Tax Outlets	79	(1.3)	(0.5)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	3	430	(8.3)
Higher Education Fall 2001				

Midland County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	116,009	8.8	
Under age 5	8,732	(12.7)	7.5
Under 18	35,034	4.8	30.2
65 and over	13,466	41.3	11.6
85 and over	1,461	76.0	1.3
Male	56,032	8.3	48.3
Female	59,977	9.3	51.7
White	89,702	3.1	77.3
Black	8,101	(2.2)	7.0
Asian	1,074	20.9	0.9
Hispanic	33,676	47.8	29.0

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	52,983	3.1	1.5		3,718
Agricultural Services, Forestry, Fishing	465	0.0	0.7	0.9	81
Mining	8,935	10.3	2.1	16.9	481
Construction	2,399	2.7	3.4	4.5	288
Manufacturing	2,182	9.3	(1.9)	4.1	124
Transportation/Public Utilities/Communications	2,338	15.3	2.6	4.4	153
Wholesale Trade	2,766	2.9	(1.2)	5.2	287
Retail Trade	10,587	0.2	1.7	20.0	533
Services	12,720	1.8	2.0	24.0	1,301
Financial, Insurance, Real Estate	2,394	(0.8)	2.2	4.5	374
Government	8,163	(1.2)	0.9	15.4	75

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.4 %	(1.3)	(1.1)	167 th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$3,635,447	(1.3)	4.3	22 nd
Average Per Capita Income	$30,681	(0.7)	3.4	11 th

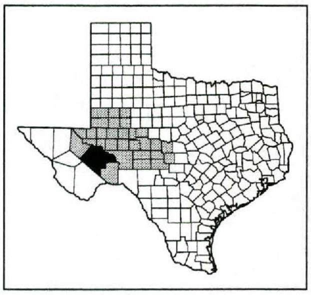
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	14.1 %	(0.2)	(1.4)	196 th
Ages 0-17	19.9 %	0.1	(2.0)	201 st
Ages 5-17 in Families	19.0 %	(0.6)	(0.5)	203 rd

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$4,921,998,415	2.0	3.9	28 th
Property Value Per Capita	$42,428	4.2	3.6	188 th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$1,400,029,816	14.5	4.3
Sales Tax Outlets	4,131	(2.1)	(2.1)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	2	38	22,254	0.6
Higher Education Fall 2001		1	5,060	4.5

Pecos County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	16,809	14.5	
Under age 5	1,106	(12.9)	6.6
Under 18	4,649	(8.2)	27.7
65 and over	1,821	25.9	10.8
85 and over	179	49.2	1.1
Male	9,276	27.7	55.2
Female	7,533	1.7	44.8
White	12,749	34.9	75.8
Black	738	1,090.3	4.4
Asian	86	177.4	0.5
Hispanic	10,262	23.2	61.1

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	4,902	0.0	(0.4)		380
Agricultural Services, Forestry, Fishing	218	(11.0)	(0.5)	4.4	34
Mining	456	(9.2)	(4.5)	9.3	39
Construction	135	26.2	0.6	2.8	24
Manufacturing	76	(6.2)	(6.3)	1.6	9
Transportation/Public Utilities/Communications	162	13.3	(3.7)	3.3	22
Wholesale Trade	169	(10.1)	(0.8)	3.4	19
Retail Trade	872	0.8	(0.0)	17.8	79
Services	758	2.8	0.7	15.5	81
Financial, Insurance, Real Estate	155	9.9	2.2	3.2	23
Government	1,893	0.0	0.5	38.6	48

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	5.0 %	(0.4)	(1.1)	78th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$223,473	3.7	3.8	156th
Average Per Capita Income	$13,910	3.9	2.0	241st

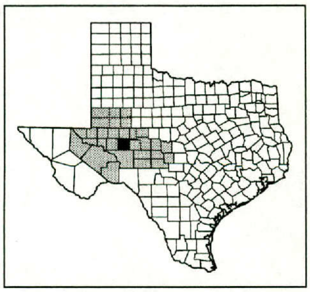
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	24.0 %	(1.2)	(3.0)	42nd
Ages 0-17	29.3 %	0.6	(4.7)	68th
Ages 5-17 in Families	30.4 %	0.3	(2.4)	67th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$1,984,079,882	(6.8)	(6.3)	69th
Property Value Per Capita	$118,037	(11.0)	(6.8)	31st

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$73,106,717	6.9	2.1
Sales Tax Outlets	443	(1.6)	(1.5)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	3	9	3,032	(1.7)
Higher Education Fall 2001				

Reagan County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	3,326	(26.3)	
Under age 5	272	(39.7)	8.2
Under 18	1,137	(33.7)	34.2
65 and over	342	0.6	10.3
85 and over	33	(19.5)	1.0
Male	1,667	(27.1)	50.1
Female	1,659	(25.5)	49.9
White	2,150	(39.4)	64.6
Black	100	(21.3)	3.0
Asian	9	800.0	0.3
Hispanic	1,646	(15.2)	49.5

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	1,176	0.8	(0.9)		123
Agricultural Services, Forestry, Fishing	12	(20.0)	(12.2)	1.0	6
Mining	354	4.1	(1.5)	30.1	24
Construction	15	15.4	6.4	1.3	7
Manufacturing	13	8.3	(2.8)	1.1	2
Transportation/Public Utilities/Communications	79	2.6	(8.8)	6.7	10
Wholesale Trade	35	0.0	(10.2)	3.0	7
Retail Trade	162	1.3	2.7	13.8	18
Services	68	4.6	(4.4)	5.8	21
Financial, Insurance, Real Estate	49	(3.9)	5.2	4.2	3
Government	389	(2.5)	2.3	33.1	25

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.0 %	(0.5)	(0.5)	189th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$54,334	1.6	(0.1)	227th
Average Per Capita Income	$14,058	11.2	2.4	240th

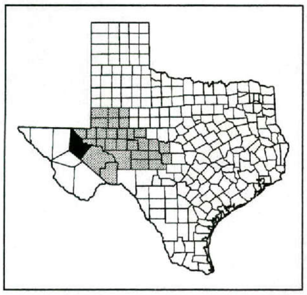
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	13.8 %	0.9	(0.2)	201st
Ages 0-17	16.0 %	0.3	(0.4)	229th
Ages 5-17 in Families	18.6 %	1.3	3.9	205th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$451,618,240	10.8	2.2	193rd
Property Value Per Capita	$135,784	28.8	7.4	26th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$26,570,095	30.4	1.2
Sales Tax Outlets	112	(6.7)	(3.4)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	3	837	(5.5)
Higher Education Fall 2001				

Reeves County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	13,137	(17.1)	
Under age 5	919	(34.4)	7.0
Under 18	3,923	(26.2)	29.9
65 and over	1,656	1.1	12.6
85 and over	165	24.1	1.3
Male	6,940	(15.1)	52.8
Female	6,197	(19.3)	47.2
White	10,421	(31.9)	79.3
Black	276	(20.5)	2.1
Asian	46	27.8	0.4
Hispanic	9,640	(16.5)	73.4

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	5,035	0.1	1.3		289
Agricultural Services, Forestry, Fishing	669	(3.3)	(4.7)	13.3	29
Mining	111	(19.0)	(7.5)	2.2	9
Construction	112	103.6	6.4	2.2	17
Manufacturing	863	(10.6)	11.8	17.1	10
Transportation/Public Utilities/Communications	211	(7.0)	(2.6)	4.2	19
Wholesale Trade	95	4.4	(7.2)	1.9	15
Retail Trade	793	3.4	(0.8)	15.7	56
Services	521	(4.1)	(1.4)	10.3	58
Financial, Insurance, Real Estate	149	2.8	4.8	3.0	18
Government	1,511	7.6	3.9	30.0	55

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	6.8 %	(2.3)	(4.0)	27th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$205,290	4.1	1.9	163rd
Average Per Capita Income	$14,643	6.2	3.5	233rd

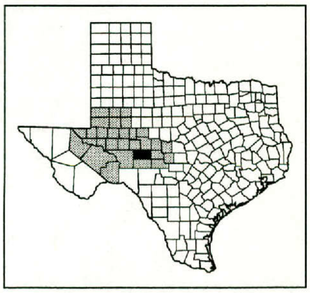
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	26.7 %	(0.8)	(3.4)	26th
Ages 0-17	32.0 %	(1.4)	(4.5)	45th
Ages 5-17 in Families	35.1 %	0.2	0.1	37th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$416,034,500	(2.2)	(0.4)	205th
Property Value Per Capita	$31,669	4.3	2.2	240th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$51,430,186	6.8	2.2
Sales Tax Outlets	301	(3.5)	(3.5)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	2	8	2,894	(3.6)
Higher Education Fall 2001				

Schleicher County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	2,935	(1.8)	
Under age 5	181	(23.6)	6.2
Under 18	820	(15.7)	27.9
65 and over	482	4.6	16.4
85 and over	79	43.6	2.7
Male	1,459	0.9	49.7
Female	1,476	(4.4)	50.3
White	2,248	8.2	76.6
Black	45	66.7	1.5
Asian	5	400.0	0.2
Hispanic	1,278	20.3	43.5

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	924	5.1	3.0		99
Agricultural Services, Forestry, Fishing	55	12.2	1.1	6.0	15
Mining	141	1.4	(5.5)	15.3	5
Construction	4	0.0	(12.9)	0.4	3
Manufacturing	12	20.0	19.1	1.3	4
Transportation/Public Utilities/Communications	80	(3.6)	(1.9)	8.7	6
Wholesale Trade	25	(3.8)	(1.5)	2.7	4
Retail Trade	51	18.6	(0.4)	5.5	13
Services	244	20.2	25.9	26.4	17
Financial, Insurance, Real Estate	28	(3.4)	(2.6)	3.0	6
Government	283	(3.1)	1.0	30.6	27

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	2.3 %	(1.1)	(2.6)	223rd

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$44,648	1.4	(0.6)	234th
Average Per Capita Income	$15,197	2.5	(0.2)	229th

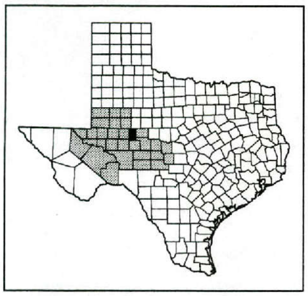
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	19.0 %	2.0	(0.2)	94th
Ages 0-17	25.3 %	3.1	1.1	113th
Ages 5-17 in Families	27.0 %	3.1	4.7	99th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$339,819,880	2.2	0.4	216th
Property Value Per Capita	$115,782	2.3	1.2	32nd

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$8,945,274	27.5	0.1
Sales Tax Outlets	83	(1.2)	(0.7)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	4	639	(3.5)
Higher Education Fall 2001				

Sterling County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	1,393	(3.1)	
Under age 5	71	(43.7)	5.1
Under 18	400	(17.2)	28.7
65 and over	204	15.3	14.6
85 and over	29	7.4	2.1
Male	684	(2.6)	49.1
Female	709	(3.7)	50.9
White	1,194	(4.0)	85.7
Black	1	0.0	0.1
Asian	0	0.0	0.0
Hispanic	432	18.0	31.0

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	475	0.4	1.0		73
Agricultural Services, Forestry, Fishing	65	(9.7)	0.3	13.7	14
Mining	88	15.8	1.4	18.5	7
Construction	5	25.0	(3.6)	1.1	3
Manufacturing	0	0.0	0.0	0.0	0
Transportation/Public Utilities/Communications	13	62.5	1.6	2.7	5
Wholesale Trade	11	10.0	4.1	2.3	3
Retail Trade	77	(13.5)	0.3	16.2	8
Services	39	34.5	6.1	8.2	11
Financial, Insurance, Real Estate	22	(4.3)	5.3	4.6	4
Government	156	(3.1)	(0.4)	32.8	18

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.9 %	0.5	0.0	137th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$21,042	(0.7)	0.3	247th
Average Per Capita Income	$15,845	3.5	3.0	226th

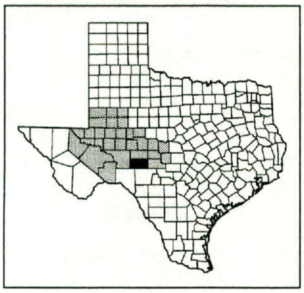
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	12.4 %	0.4	(1.3)	215th
Ages 0-17	16.3 %	1.4	0.0	226th
Ages 5-17 in Families	18.0 %	0.5	3.5	211th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$280,276,254	3.1	(3.6)	232nd
Property Value Per Capita	$201,203	(1.7)	(2.5)	14th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$4,753,565	18.4	(2.2)
Sales Tax Outlets	47	(7.8)	(3.8)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	3	285	(7.2)
Higher Education Fall 2001				

Sutton County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	4,077	(1.4)	
Under age 5	294	(7.5)	7.2
Under 18	1,173	(7.6)	28.8
65 and over	508	17.3	12.5
85 and over	42	(22.2)	1.0
Male	2,033	1.6	49.9
Female	2,044	(4.2)	50.1
White	3,069	(1.8)	75.3
Black	10	400.0	0.2
Asian	7	16.7	0.2
Hispanic	2,106	12.9	51.7

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	1,753	5.0	(1.3)		191
Agricultural Services, Forestry, Fishing	76	11.8	(1.0)	4.3	29
Mining	448	26.6	2.0	25.6	20
Construction	69	(1.4)	(3.9)	3.9	13
Manufacturing	9	(10.0)	0.0	0.5	4
Transportation/Public Utilities/Communications	73	14.1	(2.3)	4.2	12
Wholesale Trade	99	16.5	8.8	5.6	12
Retail Trade	322	0.3	(3.6)	18.4	30
Services	199	8.2	(4.5)	11.4	38
Financial, Insurance, Real Estate	57	(26.0)	(4.6)	3.3	11
Government	401	(8.2)	(1.7)	22.9	22

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	2.8 %	(1.2)	(1.0)	197th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$76,166	(2.0)	1.6	214th
Average Per Capita Income	$17,676	1.6	1.3	201st

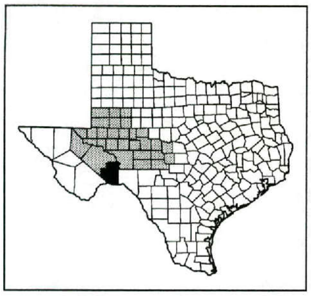
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	16.4 %	1.7	(0.9)	155th
Ages 0-17	23.3 %	3.0	2.9	150th
Ages 5-17 in Families	23.2 %	2.6	4.5	147th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$587,829,207	9.8	(0.9)	166th
Property Value Per Capita	$144,182	16.1	0.7	24th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$30,346,082	12.4	0.8
Sales Tax Outlets	168	(4.0)	(1.1)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	3	917	(1.7)
Higher Education Fall 2001				

Terrell County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	1,081	(23.3)	
Under age 5	60	(33.3)	5.6
Under 18	287	(31.2)	26.5
65 and over	190	(5.0)	17.6
85 and over	19	5.6	1.8
Male	549	(25.5)	50.8
Female	532	(21.0)	49.2
White	955	(19.7)	88.3
Black	0	(100.0)	0.0
Asian	7	250.0	0.6
Hispanic	525	(30.1)	48.6

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	450	2.5	7.1		55
Agricultural Services, Forestry, Fishing	20	(28.6)	(15.0)	4.4	8
Mining	2	(50.0)	(12.9)	0.4	1
Construction	2	(71.4)	(48.1)	0.4	1
Manufacturing	12	50.0	43.1	2.7	2
Transportation/Public Utilities/Communications	8	60.0	9.9	1.8	4
Wholesale Trade	11	(15.4)	22.4	2.4	4
Retail Trade	10	(37.5)	(20.8)	2.2	7
Services	134	26.4	34.9	29.8	12
Financial, Insurance, Real Estate	10	11.1	(5.1)	2.2	2
Government	241	(0.4)	13.0	53.6	14

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	3.0 %	0.4	(1.2)	190th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$26,308	23.8	1.1	244th
Average Per Capita Income	$21,887	20.9	3.1	97th

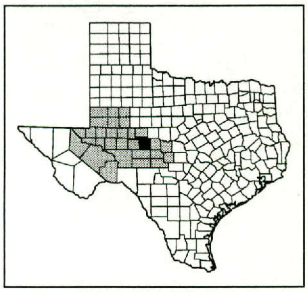
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	20.7 %	(0.2)	0.2	73rd
Ages 0-17	26.5 %	0.3	(0.5)	101st
Ages 5-17 in Families	31.4 %	1.0	6.3	60th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$332,647,118	1.1	4.4	218th
Property Value Per Capita	$307,722	12.5	8.5	8th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$2,266,061	12.4	2.4
Sales Tax Outlets	39	2.6	(1.5)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	1	3	201	0.5
Higher Education Fall 2001				

Tom Green County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	104,010	5.6	
Under age 5	7,132	(6.7)	6.9
Under 18	27,131	1.9	26.1
65 and over	13,969	11.5	13.4
85 and over	1,855	35.8	1.8
Male	50,323	5.5	48.4
Female	53,687	5.8	51.6
White	82,246	3.4	79.1
Black	4,298	3.9	4.1
Asian	893	(10.5)	0.9
Hispanic	31,946	25.3	30.7

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	44,758	1.2	1.1		2,402
Agricultural Services, Forestry, Fishing	585	3.7	3.7	1.3	121
Mining	924	22.4	8.9	2.1	41
Construction	2,167	(5.5)	3.1	4.8	266
Manufacturing	4,846	2.5	(2.0)	10.8	118
Transportation/Public Utilities/Communications	2,948	(0.9)	4.5	6.6	95
Wholesale Trade	1,734	(4.5)	0.3	3.9	163
Retail Trade	8,456	(0.6)	(0.5)	18.9	469
Services	12,249	4.1	2.1	27.4	764
Financial, Insurance, Real Estate	1,801	(0.4)	(1.0)	4.0	254
Government	9,034	0.3	1.4	20.2	106

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	2.8 %	(0.4)	(0.7)	201st

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$2,399,288	3.3	4.9	34th
Average Per Capita Income	$23,453	3.7	4.6	69th

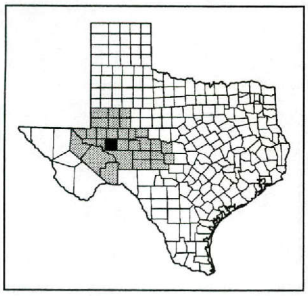
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	16.7 %	(0.5)	(0.5)	145th
Ages 0-17	23.8 %	(0.4)	(0.2)	140th
Ages 5-17 in Families	22.5 %	(0.3)	0.6	162nd

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$3,418,904,037	2.7	2.9	42nd
Property Value Per Capita	$32,871	1.0	2.3	236th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$777,554,263	2.4	(0.1)
Sales Tax Outlets	3,023	(1.4)	(1.6)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	6	44	18,706	(2.3)
Higher Education Fall 2001		1	6,256	(0.5)

Upton County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	3,404	(23.5)	
Under age 5	188	(51.5)	5.5
Under 18	998	(37.2)	29.3
65 and over	482	15.0	14.2
85 and over	61	60.5	1.8
Male	1,666	(24.3)	48.9
Female	1,738	(22.6)	51.1
White	2,648	(24.1)	77.8
Black	55	(41.5)	1.6
Asian	1	(50.0)	0.0
Hispanic	1,449	(13.0)	42.6

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	1,162	3.4	(2.7)		96
Agricultural Services, Forestry, Fishing	37	(21.3)	(9.8)	3.2	10
Mining	308	28.3	(1.8)	26.5	16
Construction	30	(14.3)	(7.8)	2.6	3
Manufacturing	9	28.6	(3.9)	0.8	2
Transportation/Public Utilities/Communications	61	(4.7)	(5.7)	5.2	7
Wholesale Trade	78	(4.9)	1.1	6.7	12
Retail Trade	92	(1.1)	(5.3)	7.9	11
Services	88	10.0	(1.3)	7.6	13
Financial, Insurance, Real Estate	30	3.4	(3.6)	2.6	6
Government	426	(3.8)	(1.9)	36.7	16

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	4.1 %	(1.5)	0.7	122nd

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$65,571	(0.5)	(1.3)	223rd
Average Per Capita Income	$18,460	5.5	1.1	187th

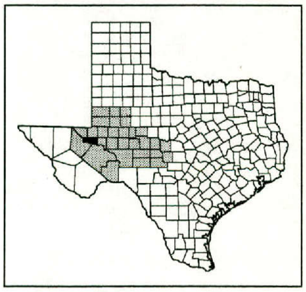
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	16.3 %	(0.9)	(2.1)	158th
Ages 0-17	21.7 %	(1.0)	(0.3)	174th
Ages 5-17 in Families	22.9 %	(0.8)	2.5	153rd

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$671,899,245	15.5	(0.5)	155th
Property Value Per Capita	$197,385	20.6	2.4	16th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$8,676,024	10.0	(16.1)
Sales Tax Outlets	116	(12.1)	(5.3)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	2	5	772	(5.7)
Higher Education Fall 2001				

Ward County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	10,909	(16.8)	
Under age 5	716	(31.7)	6.6
Under 18	3,336	(23.2)	30.6
65 and over	1,558	6.7	14.3
85 and over	166	28.7	1.5
Male	5,449	(16.6)	49.9
Female	5,460	(17.0)	50.1
White	8,704	(12.1)	79.8
Black	503	10.1	4.6
Asian	31	24.0	0.3
Hispanic	4,580	(5.2)	42.0

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	3,293	2.3	(1.4)		256
Agricultural Services, Forestry, Fishing	35	29.6	42.3	1.1	5
Mining	645	23.8	(1.7)	19.6	44
Construction	84	(4.5)	(0.2)	2.6	14
Manufacturing	59	22.9	(8.5)	1.8	6
Transportation/Public Utilities/Communications	185	(10.6)	(5.4)	5.6	18
Wholesale Trade	77	1.3	(5.8)	2.3	15
Retail Trade	613	(7.3)	(0.6)	18.6	52
Services	400	8.7	(1.1)	12.1	47
Financial, Insurance, Real Estate	100	1.0	0.2	3.0	18
Government	1,095	(2.3)	(0.9)	33.3	36

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	6.2 %	(1.8)	(0.2)	38th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$202,611	(4.0)	1.2	165th
Average Per Capita Income	$17,621	(1.5)	2.3	204th

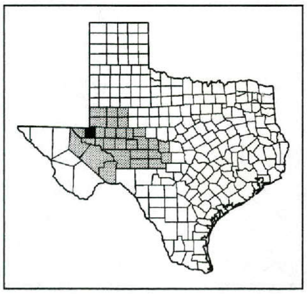
Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	19.3 %	(0.1)	(0.6)	92nd
Ages 0-17	25.8 %	0.0	0.0	108th
Ages 5-17 in Families	27.7 %	1.2	3.7	86th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$757,583,749	9.9	(1.0)	146th
Property Value Per Capita	$69,446	15.8	1.0	86th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$51,731,429	8.9	(0.4)
Sales Tax Outlets	322	(5.6)	(4.5)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	2	7	2,170	(2.4)
Higher Education Fall 2001				

Winkler County



Population	Census 2000	Percent Change 1990-2000	Percent of County Population
Total	7,173	(16.8)	
Under age 5	501	(29.5)	7.0
Under 18	2,140	(25.4)	29.8
65 and over	1,028	(6.6)	14.3
85 and over	112	30.2	1.6
Male	3,520	(17.4)	49.1
Female	3,653	(16.3)	50.9
White	5,366	(13.2)	74.8
Black	133	(20.4)	1.9
Asian	14	55.6	0.2
Hispanic	3,156	(0.5)	44.0

Employment	2001	Percent Change 2000-2001	Average Annual Growth 1996-2001	Percent of County Employment	Firms in 2001
Total	2,105	(0.0)	(0.3)		175
Agricultural Services, Forestry, Fishing	17	0.0	(1.1)	0.8	2
Mining	589	(4.2)	4.4	28.0	36
Construction	110	29.4	2.5	5.2	12
Manufacturing	13	0.0	(1.5)	0.6	4
Transportation/Public Utilities/Communications	147	1.4	0.7	7.0	15
Wholesale Trade	40	(31.0)	(6.5)	1.9	7
Retail Trade	319	3.2	(4.7)	15.2	30
Services	189	3.8	(2.2)	9.0	32
Financial, Insurance, Real Estate	47	6.8	(3.4)	2.2	8
Government	634	(0.3)	(0.8)	30.1	28

Unemployment	2001	Change 2000-2001	Change 1996-2001	2001 State Ranking
Unemployment Rate	5.8 %	(1.1)	(1.8)	50th

Income	1999	Percent Change 1998-1999	Avg. Annual Percent Change 1994-1999	1999 State Ranking
Personal Income (Thousands)	$135,316	(0.3)	2.9	189th
Average Per Capita Income	$17,456	2.5	3.9	207th

Poverty	1998	Change 1997-1998	Change 1993-1998	1998 State Ranking
Poverty Rate	16.8 %	0.0	(2.0)	143rd
Ages 0-17	21.4 %	1.1	(3.0)	182nd
Ages 5-17 in Families	22.8 %	1.2	1.0	155th

Property Values	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000	1999 State Ranking
January 1st Total Property Value	$520,611,920	6.9	(0.6)	180th
Property Value Per Capita	$72,579	15.6	1.4	78th

Sales Activity	2000	Percent Change 1999-2000	Avg. Annual Percent Change 1995-2000
Taxable Sales	$43,074,018	19.3	3.2
Sales Tax Outlets	219	(4.8)	(3.7)

Education	Number of Districts	Number of Schools	Enrollment	Percent Enrollment Growth from Prior Year
Public Education 2001-02	2	6	1,675	(3.0)
Higher Education Fall 2001				

Texas Comptroller of Public Accounts
Publication #96-905-13. Printed May 2002.

To request additional copies, call
1-800-531-5441, ext. 3-4900 or write:
Texas Comptroller of Public Accounts
Research and Policy Development Division
P.O. Box 13528
Austin, Texas 78711-3528