

Hibbs Outlook

East Texas Economic Overview

Issue 1, June 2018.

The **Hibbs Institute for Business and Economic Research** is proud to present this first quarterly issue of *Hibbs Outlook*. Our purpose is to inform decision-makers in greater East Texas with useful business and economic statistics to help fuel economic development. On page 2, we define East Texas broadly to encompass 23 counties and provide a demographic profile of our region. Next, we present a demographic profile as well as industry and output data for the region's three largest business areas—Longview, Texarkana and Tyler. In future issues, look for more economic performance and employment information, industry data, regional forecasts and statistics about individual cities and counties.

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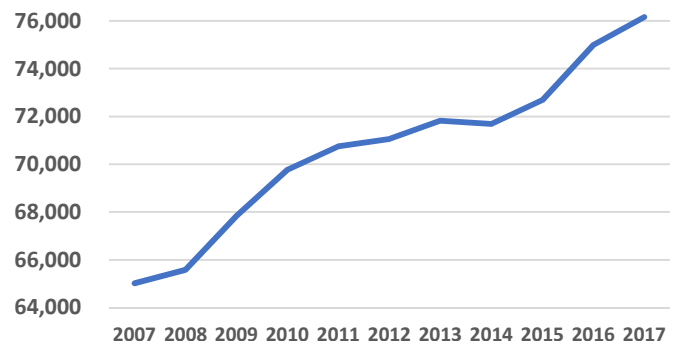
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Health Care and Social Assistance—Largest Employer in East Texas and Still Growing



Source: Bureau of Labor Statistics.

Chart 1. Employment, Health Care and Social Assistance Industry

The *Health Care and Social Assistance* industry is the most important driver of the East Texas economy, measured by employment. With more than 76,000 employees, this sector accounts for almost 1 in 6 employees (16%), and its employees are highly paid.

The **Hibbs Institute** is a unit of The University of Texas at Tyler's Soules College of Business. The mission of the **Hibbs Institute** is to provide expert research and analysis for businesses, local governments, and economic development councils with the common goal of increasing economic activity and personal income in East Texas. For more information, visit UTTYLER.EDU/HIBBS. E-mail us at HibbsInstitute@uttyler.edu, or call 903.566.7365. Click Unsubscribe@uttyler.edu to opt out of receiving future editions of this newsletter.

East Texas

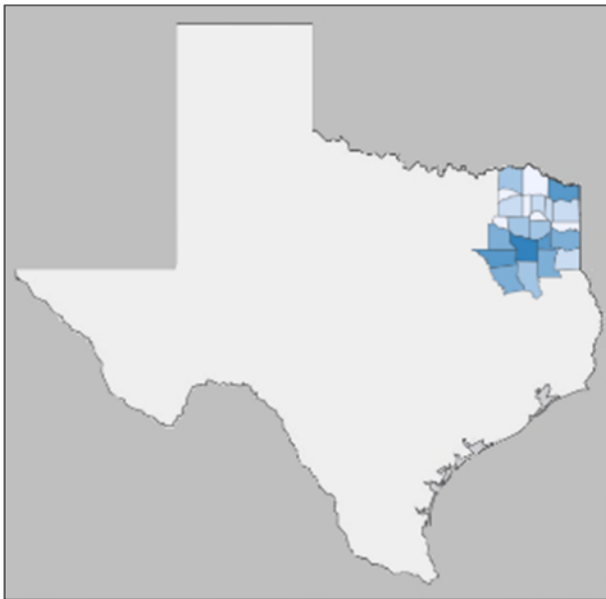
Profile

The most recent population estimate for East Texas is 1.12 million in 2016. While nearly a third of the population is under 24 years old, more than half is of working age, 25 – 64 years old. The region’s Hispanic population is a considerably smaller proportion of East Texas population, 15.5%, than is true for Texas at 38.6%. With a much smaller labor force participation rate too, 8.5 percentage points less, East Texas income measures are also lower. Median household income is 21.1% less and per capita income is 19.2% less. Although a slightly higher proportion of East Texans hold associate’s degrees, they hold a much lower percentage of bachelor’s degrees compared to the State.

**Table 1.
Profile**

	East Texas	Texas
Demographics		
Population	1,127,937	26,956,435
Change (%)	0.32%	1.55%
Median Age	39.1	34.2
Under 18 Years	23.9%	26.5%
18 to 24 Years	9.0%	10.2%
25 to 64 Years	50.1%	51.9%
65 to 74 Years	9.6%	6.8%
75 Years, and Over	7.3%	4.7%
Race: White	78.8%	74.8%
Race: Black or African American	15.4%	11.9%
Race: Asian	0.9%	4.4%
Race: Other	4.9%	8.8%
Hispanic or Latino (of any race)	14.5%	38.6%
Economic		
Labor Force Participation Rate	56.0%	64.5%
Median Household Income	\$45,199	\$54,727
Per Capita Income	\$23,349	\$27,828
Poverty Level (of all people)	17.7%	16.7%
Educational Attainment, Age 25-64		
No High School Diploma	16.3%	16.5%
High School Graduate	32.0%	24.7%
Some College, No Degree	25.7%	22.7%
Associate's Degree	8.2%	7.3%
Bachelor's Degree	12.8%	19.4%
Postgraduate Degree	5.0%	9.5%

Source: American Community Survey 5-Year estimates 2012-2016; Census Bureau, U.S. Department of Commerce.



East Texas is a region with more than 1.1 million inhabitants in 23 counties, a population greater than that of 8 states in the nation. The three Metropolitan Statistical Areas (MSAs) in the region include Tyler, Longview, and Texarkana. The included counties are:

Anderson	Bowie	Camp	Cass	Cherokee
Delta	Franklin	Gregg	Harrison	Henderson
Hopkins	Lamar	Marion	Morris	Panola
Rains	Red River	Rusk	Smith	Titus
Upshur	Van Zandt	Wood		

Tyler Area

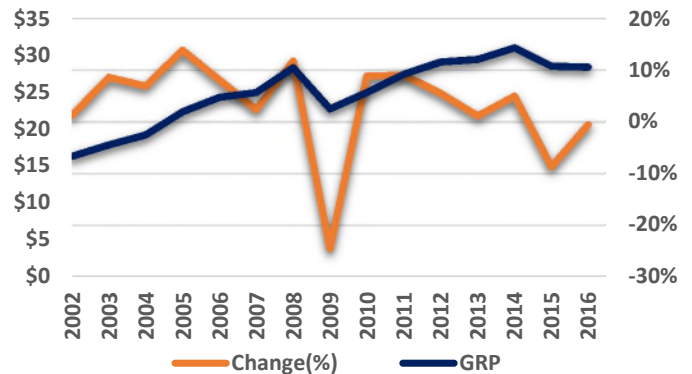
The *Hibbs Institute* defines the **Tyler Area** as Smith County (which is also the Tyler MSA) plus the eight adjacent counties that include all the cities within a 25-mile radius of Tyler. Economic activity in Tyler is strongly related to commuters from those counties. The nine counties comprising the Tyler Area are shown in the map to the right.



Gross Regional Product

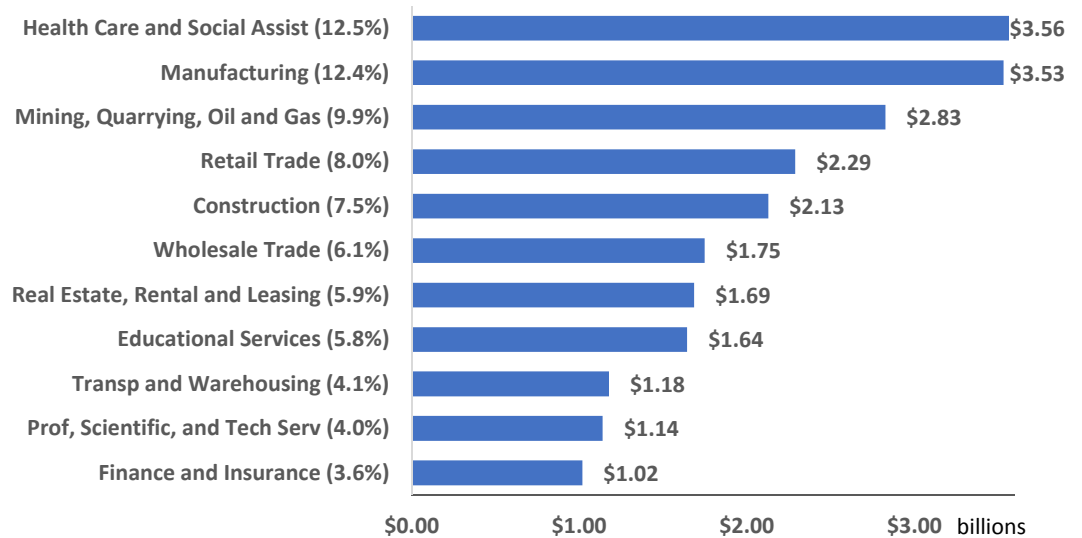
Gross Regional Product (GRP) is the total value of goods and services produced by a region. In 2016, nominal GRP in the **Tyler Area** contracted 0.5% (*Chart 2*). This follows a contraction of 8.6% in 2015. As of 2016, total GRP in the **Tyler Area** was **\$28.4 billion**. Of the industry sectors in the **Tyler Area**, *Health Care and Social Assistance* contributed the largest portion of GRP, \$3.5 billion or 12.5% of the total. See *Chart 3*. The next-largest contributions came from *Manufacturing* with \$3.5 billion (12.4%) and *Mining, Quarrying, and Oil and Gas Extraction* with \$2.8 billion (9.9%). The eleven largest industries in the **Tyler Area** shown below contribute 80% or more of its economy's output.

Chart 2.
Gross Regional Product Growth
GRP in billions (left),
Percent of Change (right)



Source: Bureau of Economic Analysis.

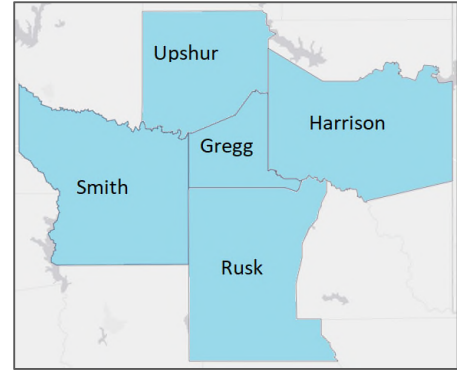
Chart 3.
Gross Regional Product by Industry, in billions (Eleven largest industries)



Note: Numbers in parentheses represent share of all industry GRP.
Source: Bureau of Economic Analysis. 2016 data.

Longview Area

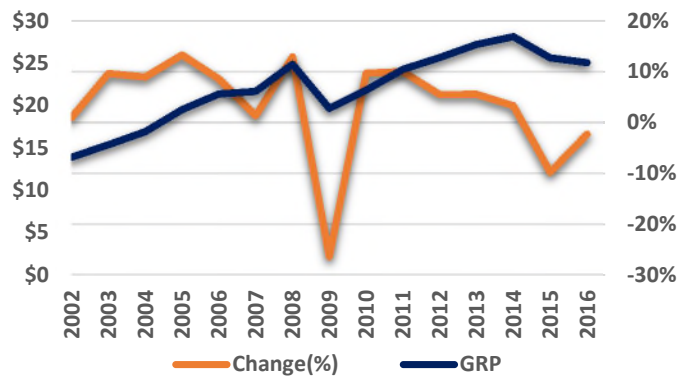
The *Hibbs Institute* defines the **Longview Area** as Gregg County (which is also the Longview MSA) plus four adjacent counties that include all the cities within a 25-mile radius of Longview. Economic activity in Longview is strongly related to commuters from those counties. The five counties comprising the Longview Area are shown in the map to the right.



Gross Regional Product

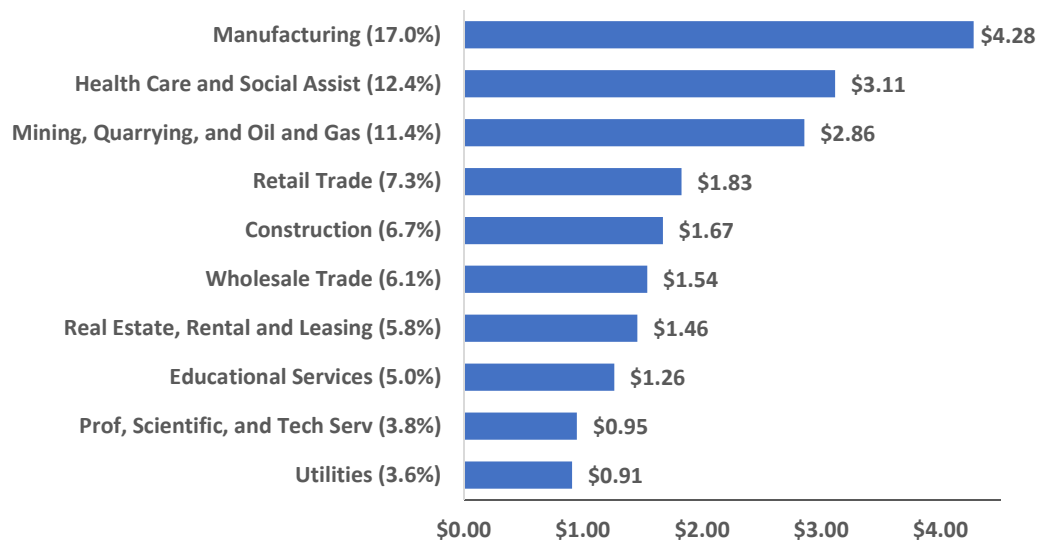
Gross Regional Product (GRP) is the total value of goods and services produced by a region. In 2016, nominal GRP in the **Longview Area** contracted 2.3% (Chart 4). This follows a contraction of 9.7% in 2015. As of 2016, total GRP in the **Longview Area** was **\$25.1 billion**. Of the industry sectors in the **Longview Area**, *Manufacturing* contributed the largest portion of GRP in 2016, \$4.3 billion, or 17.0% of the total output. See *Chart 5*. The next largest contributions came from *Health Care and Social Assistance* with \$3.1 billion (12.4%); *Mining, Quarrying, and Oil and Gas Extraction* with \$2.8 billion (11.4%); and *Retail Trade* with \$1.8 billion (7.3%). The ten largest industries in the **Longview Area** shown below contribute 80% or more of its economy's output.

Chart 4.
Gross Regional Product Growth
GRP in billions (left),
Percent of Change (right)



Source: Bureau of Economic Analysis.

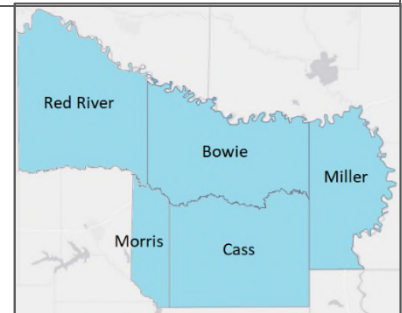
Chart 5.
Gross Regional Product
by Industry, in billions
(Ten largest industries)



Note: Numbers in parentheses represent share of all industry GRP.
Source: Bureau of Economic Analysis. 2016 data.

Texarkana Area

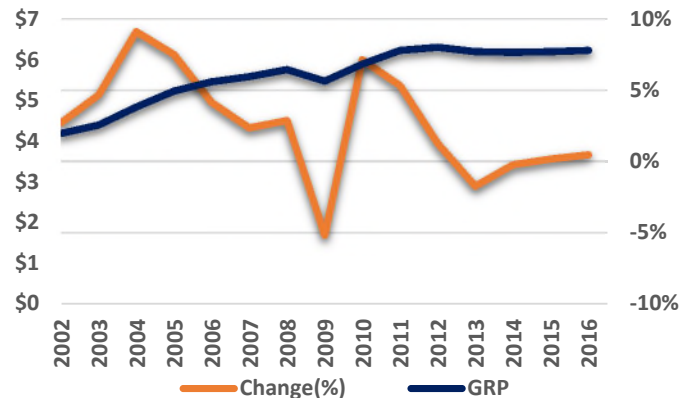
The *Hibbs Institute* defines the **Texarkana Area** as Bowie County, TX and Miller County, AR (which together also comprise the Texarkana MSA) plus three adjacent Texas counties that include the significant cities within a 25-mile radius of Texarkana. Economic activity in Texarkana is strongly related to commuters from those counties. The five counties in the Texarkana Area are shown in the map to the right.



Gross Regional Product

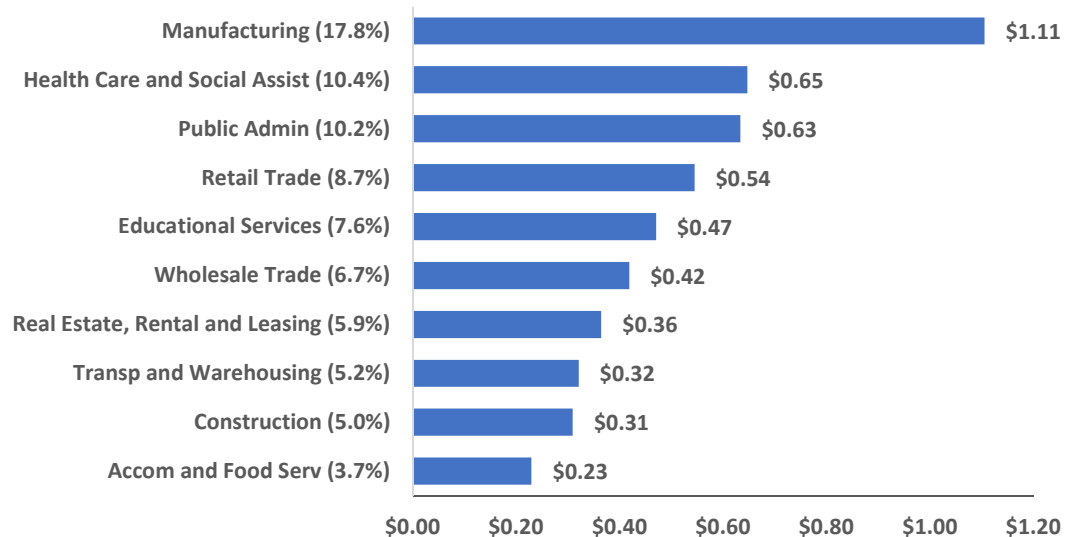
Gross Regional Product (GRP) is the total value of goods and services produced by a region. In 2016, nominal GRP in the **Texarkana Area** expanded 0.5% (*Chart 6*). This increase follows growth of 0.2% in 2015. As of 2016, total GRP in the **Texarkana Area** was **\$6.2 billion**. Of the sectors in this region, *Manufacturing* contributed the largest portion of GRP in 2016, \$1.1 billion or 17.8% of total output. See *Chart 7*. The next largest contributions came from *Health Care and Social Assistance* with \$0.64 billion (10.4%) and *Public Administration* with \$0.63 billion (10.2%). The ten largest industries in **Texarkana Area** shown below accounted for 80% or more of its economy's output.

Chart 6.
Gross Regional Product Growth
GRP in billions (left),
Percent of Change (right)



Source: Bureau of Economic Analysis.

Chart 7.
Gross Regional Product by Industry, in billions
(Ten largest industries)



Note: Numbers in parentheses represent share of all industry GRP.
Source: Bureau of Economic Analysis. 2016 data.

The *Hibbs Institute* acknowledges the assistance of JobsEQ for some of the data and analytics used.