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This issue of *Southwest Economy* presents an in-depth portrait of Texas’ service sector, an increasingly important part of the state’s growth, employment and well-being.

The inexorable forces of capitalist evolution have shifted the economic base of our nation and our state from agriculture to manufacturing and now to services. We’ve grown wealthier through the progression.

Generally speaking, our highest-paying jobs are in services—engineers, scientists, stockbrokers, professors, consultants, doctors, lawyers, dentists, investment professionals, financial advisors, famous athletes and entertainers, and many others.

As we did for generations in manufacturing and agriculture, we are exporting services that are high on the value-added ladder and importing ones from the lower rungs. In recent years, for example, we have seen large increases in both exports and imports of computer and information services. Dig deeper into the data, however, and you will find we largely export the services of systems architects and designers, while we import the services of basic programmers.

A rational international division of labor helps support better jobs in the United States while supplying American consumers with low-priced goods. The ubiquitous iPod tells the tale. Engraved on the back of mine are these words: “Designed by Apple in California. Assembled in China.” We contribute the higher-value part of the process, while others provide the basic parts and assembly.

That is how it should be. As we send our services into the global economy, we are planting apple seeds all over the world. If those seeds are allowed to germinate and sprout into economic growth, the world will prosper and demand even more of our value-added services. So long as our productive workforce and enterprises continue to create ever more valuable services, we will remain a top beneficiary of capitalist expansion throughout the world.

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