

**QUOTABLE:** “The Texas economy continues to add jobs despite persistent losses at the national level this year.”

—D’Ann Petersen, Business Economist



## DEMOGRAPHICS: Texas Cities Show Strong Population Growth

Buoyed by stronger-than-average job markets, relatively low living costs and a warm climate, Texas cities captured four of the top 10 spots in the Census Bureau’s latest ranking of urban population increases from 2006 to 2007.

In sheer numerical gains, Houston ranked first, growing by 38,932 inhabitants. San Antonio came in third, Fort Worth fourth and Austin eighth. Dallas also performed well, ranking 13th.

In percentage terms, a number of Texas municipalities were among the nation’s fastest growing areas with over 100,000 residents. McKinney, 30 miles north of Dallas, ranked third for growth at 8 percent, trailing a rebounding New Orleans and Victorville, Calif. Killeen, boosted by ex-

pansion projects at nearby Fort Hood, took the No. 6 spot. Denton grew 4.7 percent, good for 10th, and Fort Worth increased its population 4.5 percent, coming in 11th.

Texas was the seventh fastest growing state in 2007, with its overall population increasing at 2.1 percent, more than double the national rate.

The state’s strong job growth was one major driving force behind these population gains. Texas employment rose 3.1 percent in 2007, well above the national rate of 0.8 percent. Texas metro areas also topped the nation in job gains. Houston again ranked first, while Dallas–Fort Worth came in at third and Austin seventh.

—Mike Nicholson



## AUTO INDUSTRY: Texas to Produce All Toyota Pickups, GM SUVs

A shift in demand away from pickup trucks and sport utility vehicles has led two major automakers to consolidate production in their Texas plants.

Starting next spring, all Toyota pickup trucks will be made in the San Antonio factory the company opened in 2006. By 2010, GM’s Arlington plant will be the company’s sole producer of SUVs, including the new hybrid vehicle.

The consolidations reinforce Texas’ dominance in the manufacturing of light trucks and SUVs. The state’s role has grown in the past two years, rising from 1.6 percent to 4.5 percent of the nation’s output of light trucks and SUVs.

The prospects of long-run gains come at a time of

immediate hardships. High fuel prices and a slowing economy have depressed shipments of light trucks and SUVs. This year’s sales of SUVs built in Arlington are down 30 percent, and sales of Tundra pickups built in San Antonio are off 54 percent from a year ago.

GM’s Arlington plant was idle most of July, and Toyota’s San Antonio plant has suspended production until early November. The closures affect 45 percent of Texas’ motor vehicle manufacturing jobs. With their long-term plans for Texas, however, neither Toyota nor GM anticipates large job losses at their factories.

—Jessica J. Renier



## TEXAS JOBS: DFW and Austin Magnets for High-Tech Talent

The Austin and Dallas–Fort Worth metros boast high-tech job concentrations substantially above the national average. In 2006, these industries employed 11.2 percent of private sector workers in Austin and 7.3 percent in Dallas–Fort Worth, compared with 5.1 percent for the nation.

The Dallas–Fort Worth area’s 7,480 high-tech firms employed 177,629 in 2006, based on American Electronics Association categories. The companies include three of Fortune 500’s 10 largest IT services providers—EDS, Affiliated Computer Services and Perot Systems—and the second largest U.S. semiconductor maker—Texas Instruments.

The latest payroll data show that Dallas–Fort Worth has the nation’s second largest telecom sector and the fourth largest computer and electronics manufacturing sec-

tor. In 2007, Dallas–Fort Worth ranked fourth among U.S. cities in computer programmers, fifth in computer systems engineers and sixth in electrical engineers.

With 63,381 high-tech employees, the Austin area had the nation’s eighth largest computer and electronics manufacturing industry and its seventh largest pool of computer scientists in 2007. Among the area’s top tech employers are Dell Computer, IBM and Freescale Semiconductor.

Going into the current slowdown, both metros’ high-tech employment had been growing significantly faster than the national average. During 2006, high-tech sectors expanded by 5.1 percent in Austin and 3.5 percent in Dallas–Fort Worth, eclipsing the nation’s 2.7 percent.

—Mike Nicholson