

REGIONAL SNAPSHOT: GULF COAST REGION

As the state's chief financial officer, I am charged with monitoring the economic health of our state. Therefore, it's vitally important that my office studies factors related to our regional economies.

The 13 counties comprising the Gulf Coast Region house a quarter of the state's population. They contribute 29 percent of the state's personal income and offer the state's highest average wages.

Below, we track regional trends in population growth, personal income, jobs and wages, education and income inequality — a wildcard issue that, if left unaddressed, could curtail continued economic expansion.

- GLENN HEGAR

Texas Comptroller of Public Accounts



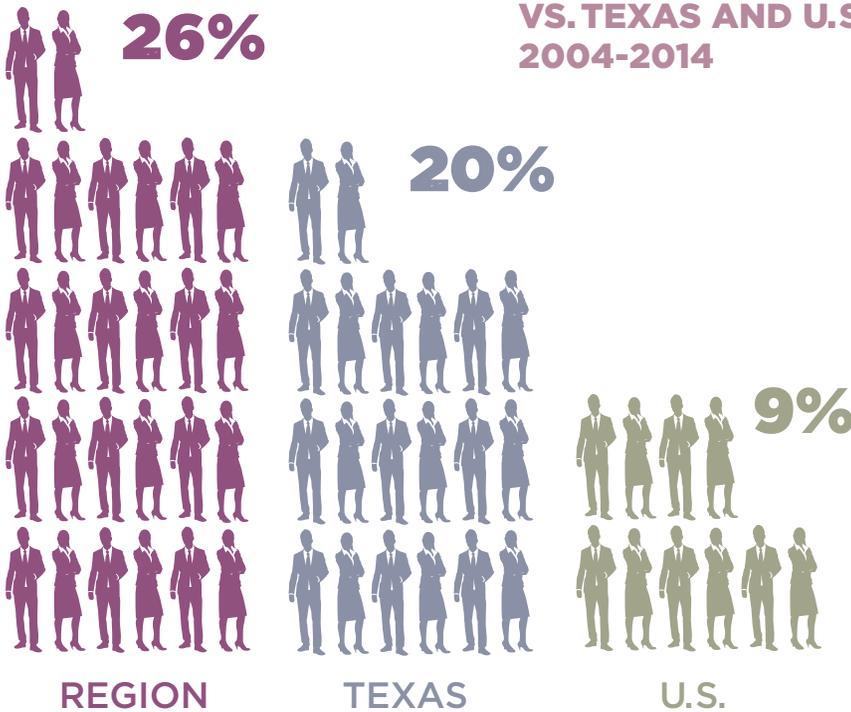
GULF COAST REGION COUNTIES:

- AUSTIN
 - BRAZORIA
 - CHAMBERS
 - COLORADO
 - FORT BEND
 - GALVESTON
 - HARRIS
- LIBERTY
 - MATAGORDA
 - MONTGOMERY
 - WALKER
 - WALLER
 - WHARTON

KEY INDUSTRIES 2016:

- CHEMICAL MANUFACTURING
 - FABRICATED METAL PRODUCT MANUFACTURING
 - HEAVY AND CIVIL ENGINEERING CONSTRUCTION
 - MACHINERY MANUFACTURING
 - PETROLEUM PRODUCTS MANUFACTURING
- MANAGEMENT OF COMPANIES AND ENTERPRISES
 - OIL AND GAS EXTRACTION
 - PIPELINE TRANSPORTATION
 - PROFESSIONAL, SCIENTIFIC AND TECHNICAL SERVICES
 - SECURITIES, COMMODITY CONTRACTS AND OTHER FINANCIAL INVESTMENTS
 - SUPPORT ACTIVITIES FOR MINING
 - SUPPORT ACTIVITIES FOR TRANSPORTATION

POPULATION GROWTH



GULF COAST REGION VS. TEXAS AND U.S. 2004-2014

Source: Bureau of Economic Analysis and Texas Comptroller of Public Accounts

THE GULF COAST REGION ACCOUNTED FOR

41%

OF ALL NET MIGRATION TO TEXAS IN 2014...

...BUT IT ONLY ACCOUNTS FOR 25% OF THE TOTAL STATE POPULATION.

WITH **547 PEOPLE** PER SQUARE MILE, THE GULF COAST REGION IS TEXAS' MOST DENSELY POPULATED.

Source: U.S. Census Bureau

Source: Bureau of Economic Analysis and Texas Comptroller of Public Accounts

PERSONAL INCOME

Personal income in the Gulf Coast Region rose from \$193 billion in 2004 to \$362 billion in 2014. It accounted for 29 percent of the state's \$1.23 trillion of personal income in 2014.

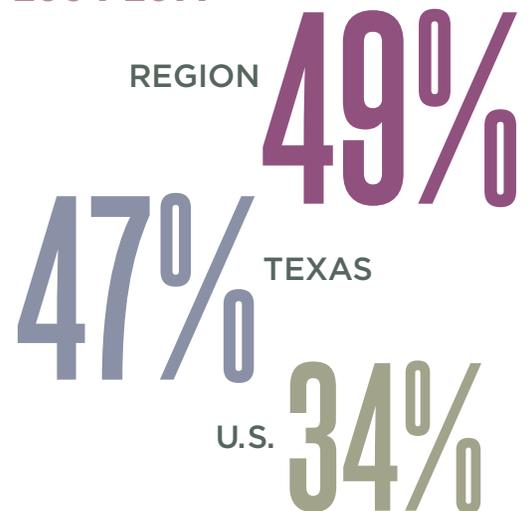
Per capita personal income grew by 49 percent, faster than the state's 47 percent average.

HOUSTON SHIP CHANNEL-RELATED BUSINESSES ADD MORE THAN **1 MILLION JOBS** TO TEXAS.

Source: Port of Houston

COUNTY	2014 PER CAPITA INCOME	10-YR PER CAPITA INCOME GROWTH
Harris	\$56,896	48%
Montgomery	\$55,849	62%
Fort Bend	\$54,753	54%
Chambers	\$46,986	52%
Galveston	\$46,917	46%
Austin	\$46,741	64%
Colorado	\$45,389	58%
Brazoria	\$42,519	46%
Wharton	\$40,869	51%
Matagorda	\$37,324	53%
Liberty	\$34,839	44%
Waller	\$34,078	38%
Walker	\$25,534	43%

PER CAPITA PERSONAL INCOME GROWTH 2004-2014



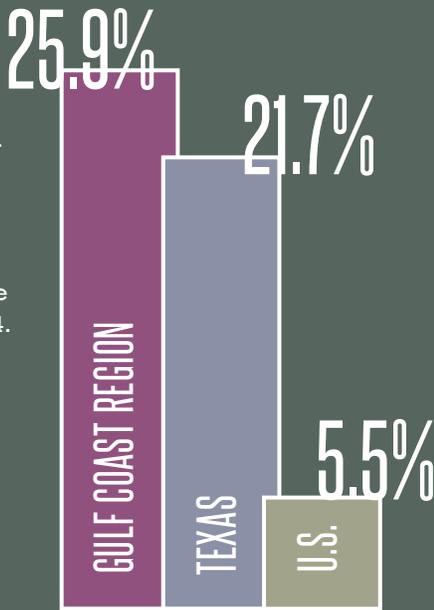
Source: Bureau of Economic Analysis and Texas Comptroller of Public Accounts

JOBS & WAGES

JOB GROWTH 2004-2014

The Gulf Coast Region added more than 614,000 jobs from 2004 to 2014 and accounted for nearly 30 percent of total Texas job growth.

The region also boasted the state's highest average wages -- \$62,953 -- in 2014.



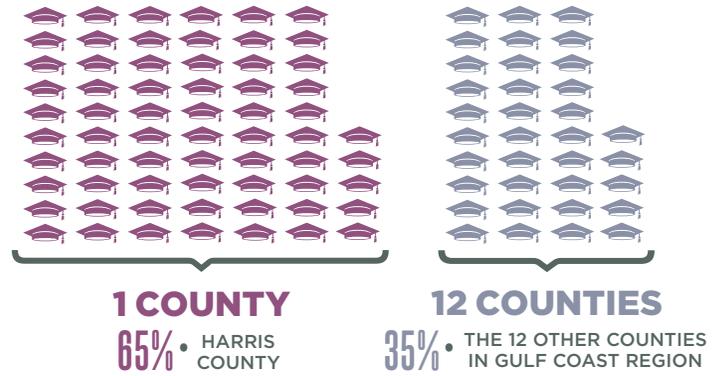
TOURISM SUSTAINS 1/3 OF GALVESTON ISLAND JOBS AND GENERATES \$257 MILLION IN TOTAL INCOME.

Source: Galveston Island Convention and Visitors Bureau

Source: Economic Modeling Specialists Intl. and Texas Comptroller of Public Accounts

EDUCATION

GULF COAST REGION PUBLIC HIGH SCHOOL GRADUATES, 2014



Harris County produces 64.8 percent of the Gulf Coast Region's public high school graduates.

From 2009 through 2014, graduation rates in the Gulf Coast Region rose from 80.2 to 88.2 percent.

Source: Texas Education Agency and Texas Comptroller of Public Accounts

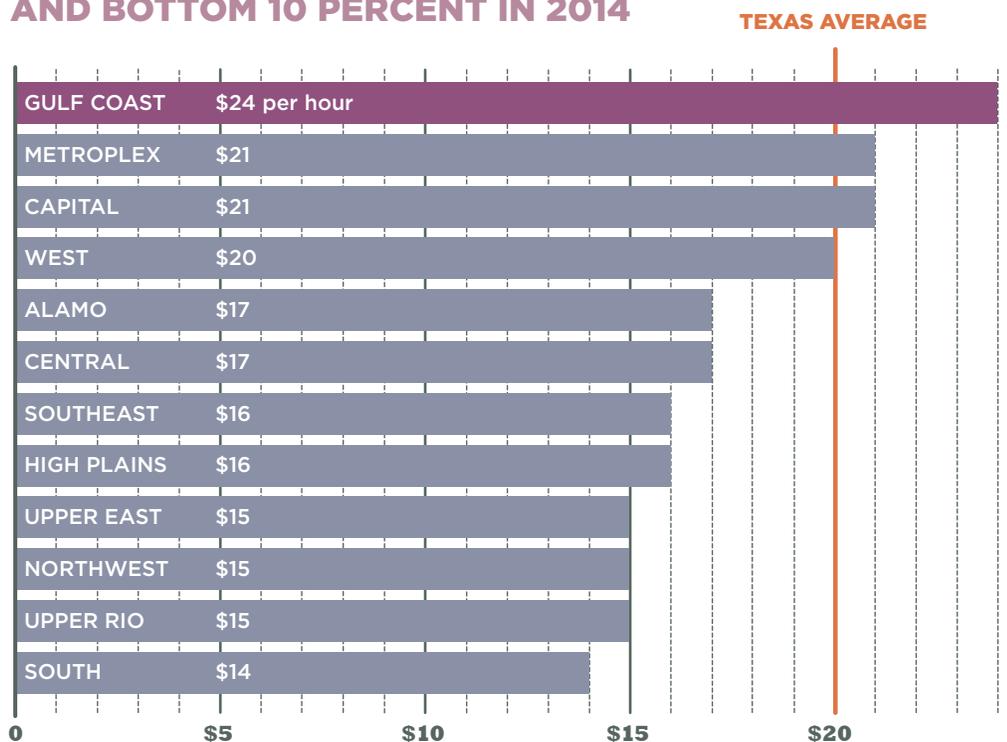
INCOME INEQUALITY

The Gulf Coast Region is a national leader in the creation of innovative jobs. Advanced industries – identified as those that invest in technological innovations and employ skilled workers – increased by 31 percent in the region from 2004-2014. Average wages in the advanced industries topped \$120,000 in 2014 and accounted for 12.3 percent of the region's jobs, compared to 9.5 percent in Texas and 8.8 percent in the U.S.

While these gains have produced tremendous benefits for the region, the Gulf Coast Region has the state's widest margin between high- and low-income earners – a gap nearly double that found in the South Region.

Education is a factor in the disparity, as jobs requiring a bachelor's degree (or higher) increased by 27 percent from 2004-2014 and pay on average \$27 more per hour than other occupations in the region.

WAGE GAP BETWEEN EARNERS AT THE TOP AND BOTTOM 10 PERCENT IN 2014



Source: Economic Modeling Specialists Intl. and Texas Comptroller of Public Accounts

CONCLUSION

The Gulf Coast Region is a cornerstone of Texas industry. It serves as an anchor for oil and gas production, sustains one of the nation's largest metropolitan areas and facilitates billions in trade and shipping. Yet it also provides sandy beaches and ocean breezes

that draw thousands of tourists to its shores each year.

For these reasons as well as others, the Gulf Coast Region accounted for a substantial portion of the state's impressive job and wage growth, though not all industries enjoy these high wages.

Overall, the region is growing and

prosperous and has served a vital role in making the Texas economy one of the world's strongest.

Glenn Hegar

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THE GULF COAST REGION IS ONE OF THE COMPTROLLER'S 12 ECONOMIC REGIONS.

To see a complete list of these regions, plus more in-depth county-by-county data, visit:

TEXASAHEAD.ORG/REGIONALRPTS