

REGIONAL SNAPSHOT: SOUTHEAST 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 15 counties comprising the Southeast Region cover the eastern portion of the state bordering Louisiana and the Gulf Coast.

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

-GLENN HEGAR

Texas Comptroller of Public Accounts

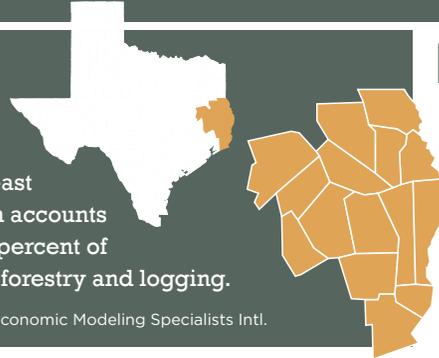
SOUTHEAST REGION COUNTIES:

ANGELINA
HARDIN
HOUSTON
JASPER
JEFFERSON
NACOGDOCHES
NEWTON
ORANGE

POLK
SABINE
SAN AUGUSTINE
SAN JACINTO
SHELBY
TRINITY
TYLER

The Southeast Region accounts for 59 percent of Texas' forestry and logging.

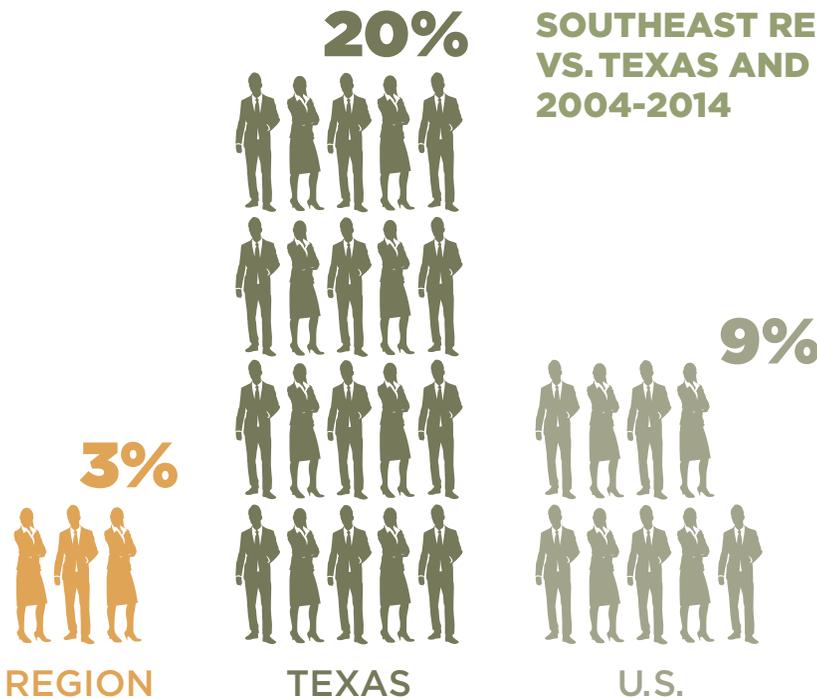
Source: Economic Modeling Specialists Intl.



KEY INDUSTRIES 2016:

- FORESTRY AND LOGGING
- PETROLEUM AND COAL PRODUCTS MANUFACTURING
- WOOD PRODUCT MANUFACTURING
- CHEMICAL MANUFACTURING
- PAPER MANUFACTURING
- PRIMARY METAL MANUFACTURING
- HEAVY AND CIVIL ENGINEERING CONSTRUCTION
- PIPELINE TRANSPORTATION

POPULATION GROWTH



MEDIAN AGE OF SOUTHEAST REGION IN 2010:

37.9
YEARS OLD

MEDIAN AGE OF TEXAS:

33.6
YEARS OLD

NACOGDOCHES COUNTY IS TEXAS' LARGEST BLUEBERRY PRODUCER.

Source: U.S. Census Bureau

Source: Nacogdoches Economic Development Corporation

PERSONAL INCOME

COUNTY	2014 PER CAPITA INCOME	10-YR PER CAPITA INCOME GROWTH
Hardin	\$43,262	65%
Shelby	\$40,083	61%
Orange	\$39,933	65%
Jefferson	\$39,532	50%
Jasper	\$37,747	58%
Angelina	\$37,132	36%
Polk	\$36,102	42%
Houston	\$34,720	52%
Sabine	\$34,318	48%
San Augustine	\$32,516	55%
Nacogdoches	\$32,337	40%
Trinity	\$31,769	42%
San Jacinto	\$31,607	48%
Tyler	\$30,191	43%
Newton	\$28,802	61%

Personal income in the Southeast Region increased from \$18.8 billion in 2004 to \$28.9 billion in 2014. It accounted for 2.3 percent of the state's \$1.23 trillion in personal income in 2014.

Per capita personal income rose by 50 percent, slightly faster than the state's 47 percent average.

Despite faster growth, the region's level of per capita income remained below the state average throughout the period. The Southeast Region's income grew from \$24,993 in 2004 to \$37,522 in 2014, compared to Texas growth from \$31,077 to \$45,669.

PER CAPITA PERSONAL INCOME GROWTH 2004-2014



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

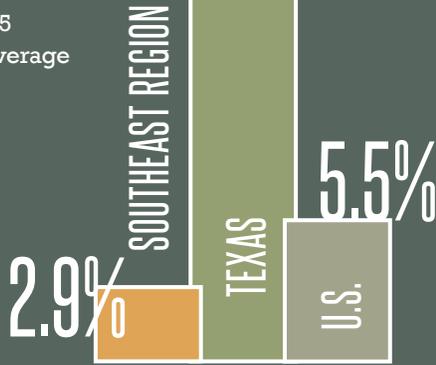
JOBS & WAGES

JOB GROWTH 2004-2014

The Southeast Region added more than 7,800 jobs from 2004 to 2014.

Jobs in the Beaumont-Port Arthur metropolitan statistical area increased 4.9 percent during this period, and jobs in the region's non-metropolitan counties remained even.

The region's wages were 15 percent below the Texas average of \$52,537 in 2014.



Source: Motiva Enterprises LLC

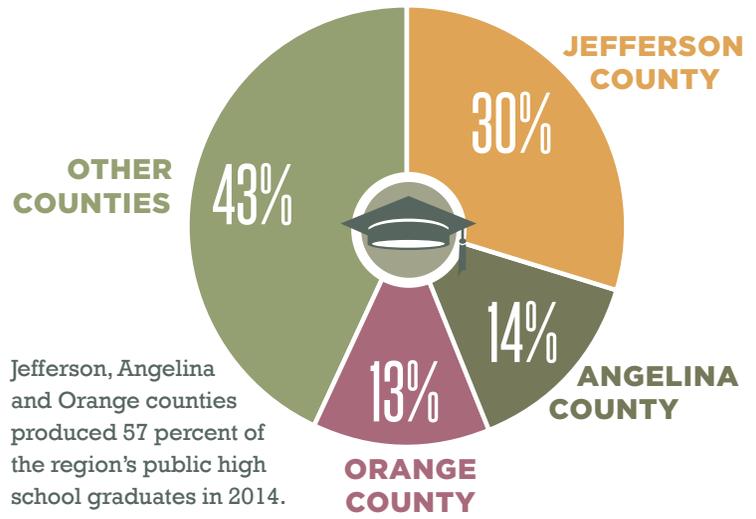
Source: Economic Modeling Specialists Intl.

WITH A CRUDE OIL CAPACITY OF **600,000 BARRELS** A DAY, MOTIVA PORT ARTHUR REFINERY IS THE LARGEST REFINERY IN THE U.S.

Source: Motiva Enterprises LLC

EDUCATION

SOUTHEAST REGION PUBLIC HIGH SCHOOL GRADUATES, 2014



Jefferson, Angelina and Orange counties produced 57 percent of the region's public high school graduates in 2014.

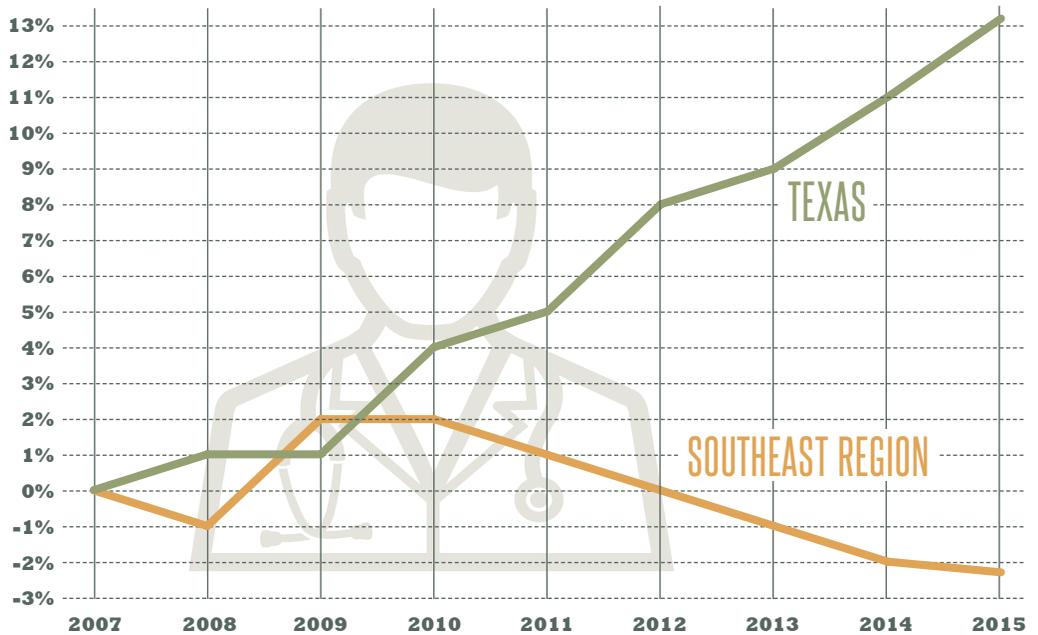
Twelve counties split the remaining 43 percent of graduates.

Source: Texas Education Agency and Texas Comptroller of Public Accounts

HEALTH CARE ACCESS

PERCENTAGE OF PHYSICIANS PER 100,000 RESIDENTS (INDEXED TO 2007)

Demand for health care tends to increase with age, and the Southeast Region's median age is 4.3 years older than the rest of Texas. The region will require a steady supply of health care professionals, yet the number of physicians (per 100,000 residents) in the region fell by 2 percent from 2007 to 2015. Texas overall has seen a 13 percent bump in this measure over the same period.



Source: Texas Medical Board, Texas Department of State Health Services, and Texas Comptroller of Public Accounts

THE FIRST MAJOR OIL GUSHER OCCURRED IN 1901 AT SPINDLETOP HILL, SOUTH OF BEAUMONT.

Source: Handbook of Texas

CONCLUSION

Nestled within the Piney Woods, the Southeast Region is the heart of the state's forestry and wood product manufacturing industries. While overall job growth was modest in the Southeast region from 2004 to 2014, average wages increased over the period, driven by high-demand jobs with higher-than-average salaries related to the oil and gas industry.

Health care remains a regional challenge. The Southeast must find ways not only to retain physicians but also attract enough new physicians to keep up with population growth. The region must also continue to find ways of expanding health insurance coverage. If the gap between regional and state health coverage rates begins to close, demand for

health care services will increase, and the issue of physician retention will become more of a problem.

Overall, this region retains its majestic beauty while supporting key economic drivers such as shipping and crude oil refining.

Glenn Hegar

Texas Comptroller of Public Accounts

THE SOUTHEAST 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