



Introduction

With its enormous size, large and diverse population and vast array of natural resources, Texas plays a significant role in the nation's economy. Despite some slowdowns, Texas' economic position remains strong. Our diversified economy has helped buffer the national downturn, and we can still boast many strong economic indicators, because negative forces in the national economy have not substantially affected Texas. Our state's economy remains open for business. And Texas continues to grow, generating new jobs and

providing better opportunities for its citizens to prosper.

It is important to all Texans that the state continues its economic growth and discovers new opportunities. And the role of state government is to create an environment in which this can happen.

The Texas Comptroller's office analyzes factors affecting the state's economy and uses this information to prepare its biennial forecast of state revenue. To perform this task, the agency's economists keep their fingers on the pulse of the state, detecting changes as they occur and identifying trends that will affect our common future.

Since January 2008, the Comptroller has released three reports in the Texas in Focus



Tyler Municipal Rose Garden

PHOTO: Tyler Rose Museum



series. *Texas in Focus: A Statewide View of Opportunities* examined issues affecting the state and its economy as a whole. Following that began our individual reports on each of the 12 economic regions of Texas, starting with the High Plains and South Texas. These reports provide detailed data and analysis specific to those regions, giving local leaders an in-depth look at their area.

This third report in the series, *Texas in Focus: Upper East Texas*, examines issues affecting this economic region of Texas, which includes the North East Texas and East Texas Councils of Governments. The Upper East Texas region consists of 23 counties in the Northeast corner of the state and includes the cities of Longview, Texarkana and Tyler (**Exhibit 1**).

The report provides information on the forces driving change in Upper East Texas, and examines factors that may affect the development of its economy. State leaders, county and city officials, chambers of commerce, economic development corporations and many others can use this report to stay on top of important issues as they work to keep their local economies thriving. Areas explored in this report include:

Economic Development

The Upper East Texas region's economic outlook is good, growing at a strong and steady rate paralleling the state's economic outlook. The region's rate of job growth should track with the state's growth through 2012, with Longview, Texarkana and Tyler experiencing the most growth. Regional industries such as financial services, professional and business services, leisure and

hospitality, construction, and educational and health services all will realize 20 to 40 percent job growth by 2012.

Demographics

The Upper East Texas region's population is growing at a steady rate, at about half of the state average. The region is much more rural than Texas as a whole. In 2007, metropolitan counties accounted for just 46 percent of the region's population. By contrast, 87 percent of all Texas residents lived in metro areas in 2007. Its population is relatively mature, with a much larger share of residents over the age of 65 than in the state as a whole. The region is home to several certified retirement communities and should see a large number of people from both inside and outside the region spending their retirement years there.

Infrastructure

Upper East Texas has abundant natural resources. It has good water supplies; substantial coal, oil and natural gas deposits; and an extensive air, road and rail transportation system. The region also has some of Texas' most unique and entertaining parks and recreational facilities, including Caddo Lake, Texas' only natural lake, and the Texas State Railroad. But as with the rest of the state, it faces challenges in maintaining and expanding its infrastructure to meet its residents' needs.

Health Care

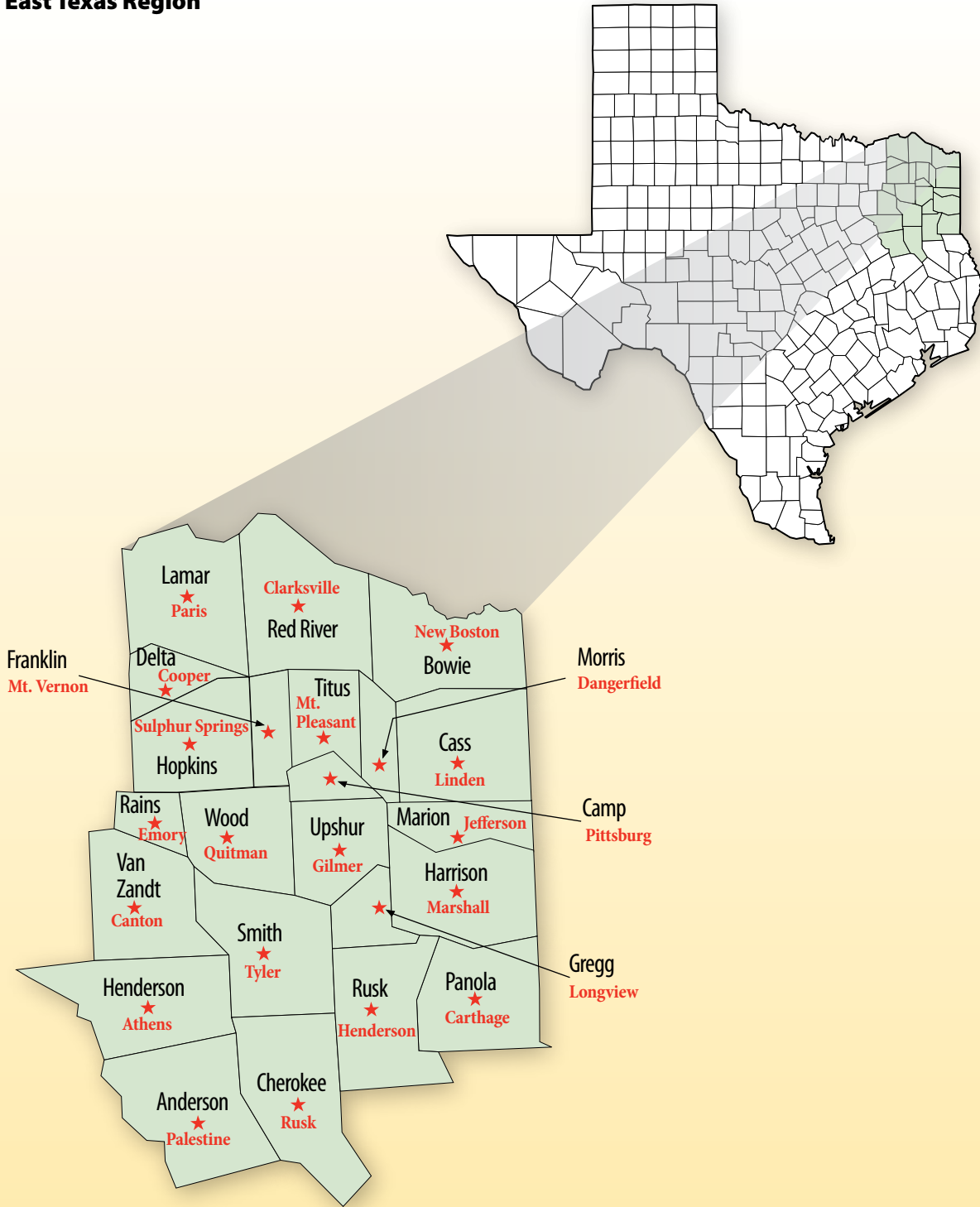
Upper East Texas is served by 40 hospitals and several rural clinics. Like many areas in Texas, the region faces a shortage of trained health care professionals, but several hospi-

The Upper East Texas region's economic outlook is good, growing at a strong and steady rate paralleling the state's economic outlook.



Exhibit 1

Upper East Texas Region



★ = County Seat

Source: Texas Comptroller of Public Accounts.



tals and institutions of higher education have programs geared toward increasing the area's number of trained and licensed health care professionals. The region has higher numbers of uninsured residents and a higher-than-average prevalence of heart disease. However, the region's health care institutions and community leaders are actively working toward improving the accessibility and quality of health care in the area.

Education

Upper East Texas has a higher percentage of Academically Acceptable school districts and campuses than the statewide average and a lower percentage of Academically Unacceptable campuses. The region also offers 17 institutions of higher education, including schools affiliated with the Texas A&M (Texarkana) and University of Texas (Tyler) systems, seven community colleges, six private universities and two private two-year colleges.