

In the current recovery, manufacturing has bounced back faster in Texas than in the nation as a whole. Last year, Texas added roughly 7,500 manufacturing jobs, a 0.8 percent increase, compared with a U.S. loss of 72,500 jobs, a 0.5 percent decline.

Jobs, of course, are just one measure of manufacturing performance. Investments in technology and knowledge have helped firms raise productivity. Production estimates, however, are available only with a lag and only for the state as a whole. Employment is the best indicator of where manufacturers locate within the state.

Manufacturing remains vital to many communities. In 21 of Texas' 254 counties, it accounts for 20 percent or more of the jobs (see map). Factories are responsible for a third or more of total employment in five counties—Titus and Morris in East Texas, Calhoun and Lavaca on the Gulf Coast, and Moore in the Panhandle.

Overall, manufacturing is a largely urban enterprise. Nearly 90 percent of the

state's 907,500 factory jobs are located in or near the state's big cities (see chart). The metropolitan areas offer a ready supply of skilled workers and access to transportation.

A third of the state's manufacturing jobs are in North Texas—22 percent in the Dallas area and 11 percent in the Fort Worth area. Houston and its environs account for 24 percent. Austin and nearby Round Rock are at 6 percent, San Antonio at 5 percent.

Border counties have a below-average share of manufacturing jobs, most likely because of the proximity of less expensive production in Mexico. Only 14 Texas counties report no manufacturing at all.

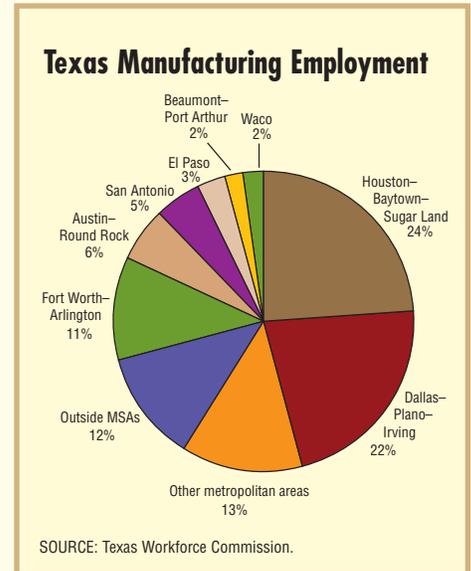
The state's metropolitan areas differ in their industrial profiles. Dallas leads in primary metals, furniture, wood, paper, printing, food, textiles and nonmetallic mineral products, such as brick, glass and cement.

Houston has half of the state's petroleum and chemicals manufacturing jobs and roughly a third of the workers making fabricated metals, machinery and electrical equipment.

Houston also leads the state in jobs for workers making beverages, with 27 percent. San Antonio has the next largest concentration—16 percent.

Houston and Dallas are each home to slightly more than 20 percent of workers making rubber and plastics products.

While Austin is one of the nation's high-tech capitals, Dallas has Texas' largest concentration of workers making computer and electronics products, with 43 percent of the state's employment. Austin



employs 26 percent of these workers.

Fort Worth-Arlington leads the state in rolling out transportation equipment, with 36 percent of jobs. Dallas also is home to a good number of factory jobs making transportation equipment, with 21 percent.

While still important, factory employment isn't what it once was. The rapid increase of service jobs has led manufacturing to slip as a share of Texas employment. Manufacturing accounts for roughly 9 percent of Texas employment today, down from 13 percent a decade ago.

The industry faces competitive pressures from low-cost producers in China, Mexico and elsewhere. Firms will seek the most cost-efficient method to produce, sometimes choosing to increase productivity through investments in machinery rather than workers. As a result, while the state's total factory output has continued to rise, many of Texas' 23,300 manufacturers are producing more with fewer workers.

The wide dispersion of factory jobs across the state, however, suggests that many communities still have a significant stake in maintaining a favorable climate for manufacturing.

—Fiona Sigalla and Franklin D. Berger

