

## TEXAS

# AUTOMOBILE-RELATED MANUFACTURING

Auto-related industries and jobs make important and growing economic contributions in Texas. Auto-related industries are highly advanced and spur innovation, exports and high-paying jobs. These industries have strengthened Texas' economy, particularly following the 2008 recession; the state's auto-related manufacturing GDP rose by an inflation-adjusted 450 percent from 2009 through 2015.

**106,300**  
DIRECT & INDIRECT EMPLOYMENT

**\$13.9 Billion**  
STATE SUBSECTOR GDP

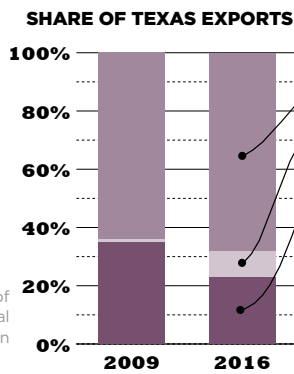
**\$60,672**  
AVERAGE ANNUAL WAGE

**\$13.7 Billion**  
EXPORTS

Sources: U.S. Bureau of Economic Analysis, Regional Economic Models, Inc., Emsi, U.S. Department of Commerce International Trade Administration

### BODY AND TRAILERS LEAD EXPORT GAINS

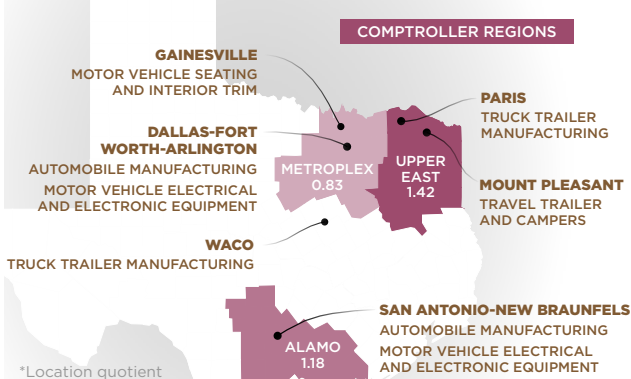
Auto-related exports from Texas totaled \$13.7 billion in 2016, up from \$9.2 billion in 2009. Exports of motor vehicle bodies and trailers rose from \$134 million to \$1.1 billion during this period, accounting for 8 percent of all Texas auto-related exports in 2016.



Source: U.S. Department of Commerce International Trade Administration

### REGIONAL SUBSECTOR LQs\* AND AREAS OF INDUSTRY SPECIALIZATION BY METRO AREA

The share of auto-related employment in the Alamo and Upper East regions is higher than in the U.S. as a whole, indicating the presence of a regional "industry cluster." These regional clusters are spurred by initiatives such as the Texas-Mexico Automotive Super Cluster region, which markets its workforce and location globally to increase automotive investments in Texas and four states in northern Mexico.



\*Location quotient compares an industry's share of jobs in a specific region with its share of nationwide employment.

Sources: Emsi, Texas Comptroller of Public Accounts

### AUTO-RELATED INDUSTRIES EXPERIENCE STRONG JOBS GROWTH

#### SUBSECTOR TOTALS

	DIRECT JOBS 2016	JOB CHANGE 2010-2016	AVERAGE TEXAS SALARIES 2016	LOCATION* QUOTIENT 2016
<b>SUBSECTOR TOTALS</b>	<b>38,836</b>	<b>35%</b>	<b>\$60,672</b>	<b>0.49</b>
MOTOR VEHICLE MANUFACTURING	10,813	26%	\$89,237	0.61
MOTOR VEHICLE BODY AND TRAILER MANUFACTURING	8,059	33%	\$44,305	0.64
MOTOR VEHICLE PARTS MANUFACTURING	19,964	41%	\$51,809	0.41

\*Location quotient compares an industry's share of jobs in a specific region with its share of nationwide employment. Source: Emsi

THE TEXAS SHARE OF NATIONAL GDP IN AUTO-RELATED INDUSTRIES ROSE FROM 3.1 PERCENT IN 1997 TO 8.5 PERCENT IN 2015.

Sources: U.S. Bureau of Economic Analysis and Texas Comptroller of Public Accounts

All auto-related manufacturing industries are considered "advanced" as defined by the Brookings Institution — their research and development spending per worker ranks in the top 20 percent of industries, and their share of workers with high levels of scientific and technical knowledge exceeds the national average.

### CONCLUSION

The state's favorable business climate and incentive programs have attracted automotive manufacturers and foreign investment. Automobile-related manufacturers face some challenges in Texas and the United States. Demand for motor vehicles fluctuates and is highly dependent on general economic conditions, consumer confidence, personal discretionary spending, interest rates and credit availability. And auto manufacturers are being forced to adapt to the increased popularity of ride-hailing services.

Despite such challenges, automobile manufacturing has buoyed recent gains in total manufacturing economic output and employment growth in Texas and nationwide.

To see more in-depth Texas manufacturing data, visit:

[comptroller.texas.gov/economy/economic-data/manufacturing/](http://comptroller.texas.gov/economy/economic-data/manufacturing/)

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# TEXAS MANUFACTURING

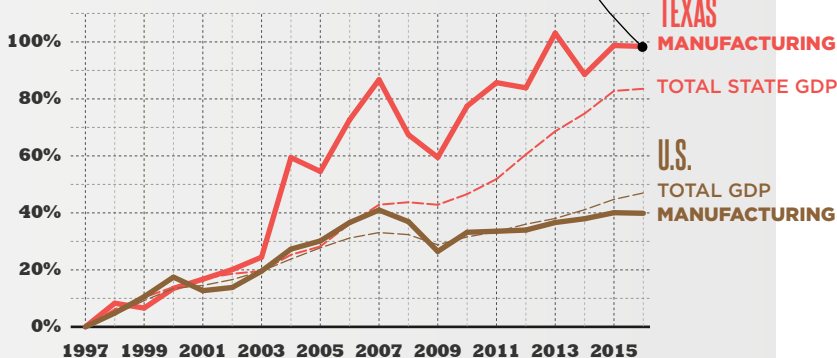
Texas has an extraordinary manufacturing economy. The state's resources make it a natural leader in petroleum and chemical manufacturing; its research institutions have fostered computer-related and other high-tech manufacturing; and a business-friendly environment and skilled labor have helped create a burgeoning automotive manufacturing sector.

**IN ALL, MANUFACTURING CONTRIBUTED \$226 BILLION TO TEXAS' GROSS DOMESTIC PRODUCT (GDP) in 2016, an amount larger than the entire economy of Portugal.**



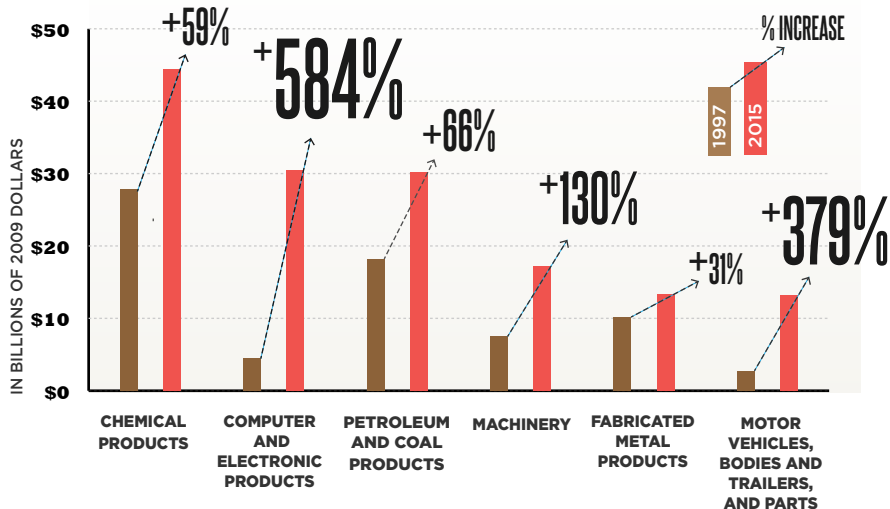
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## PERCENT CHANGE IN REAL GROSS DOMESTIC PRODUCT / 1997-2016



Sources: U.S. Bureau of Economic Analysis, U.S. Bureau of Labor Statistics

## LARGEST MANUFACTURING SUBSECTORS IN TEXAS BY GDP: GROWTH FROM 1997 TO 2015



Sources: U.S. Bureau of Economic Analysis, Texas Comptroller of Public Accounts

## TEXAS MANUFACTURING OUTPUT HAS OUTPACED THE TOTAL TEXAS ECONOMY.

TEXAS MANUFACTURING ACCOUNTED FOR 10.4 PERCENT OF U.S. MANUFACTURING GDP IN 2016.

From 1997 through 2016, growth in Texas manufacturers' economic output more than doubled U.S. manufacturing gains of 40 percent.

BETWEEN 1997 AND 2016, MANUFACTURING REAL GDP INCREASED 98 PERCENT, COMPARED WITH AN 84 PERCENT GAIN ACROSS ALL TEXAS INDUSTRIES.

Sources: U.S. Bureau of Economic Analysis, Texas Comptroller of Public Accounts

**3,000,000**  
DIRECT & INDIRECT EMPLOYMENT

**\$225.8 Billion**  
TEXAS MANUFACTURING GDP

**\$73,738**  
AVERAGE ANNUAL WAGE

**\$210.3 Billion**  
EXPORTS

While Texas' manufacturing employment has diminished as a result of automation, technological advances and other factors, its economic output has increased. From 1997 through 2016, Texas' manufacturing job count fell by 19 percent, but its real GDP rose by 98 percent. Texas has **858,000 DIRECT MANUFACTURING JOBS**, as well as another **2.2 MILLION JOBS** indirectly created or supported by manufacturers. In 2016, average annual Texas wages in manufacturing approached **\$74,000**, much higher than the statewide average of \$54,000.

To see more in-depth Texas manufacturing data, visit:

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Sources: U.S. Bureau of Economic Analysis, Regional Economic Models, Inc., Emsi, U.S. Department of Commerce International Trade Administration

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