8 REGIONAL DEMOGRAPHIC AND ECONOMIC CONDITIONS

A. INTRODUCTION

The redevelopment of the LSAAP and the surplus portion of the RRAD-WEP will be affected by a wide variety of economic factors. Specifically, the existing demographic make-up of the region's populations and existing economic base will influence the redevelopment potential for the property. This chapter provides an overview of demographic and economic trends for the State of Texas, Bowie County and the Texarkana Metropolitan Statistical Area (MSA). Demographic factors, such as population count, households, housing units, and income are also considered in this chapter.

The consultants also evaluated the economic environment within which LSAAP/RRAD-WEP will be redeveloped. Industry trends are included for the regions of Bowie County and the Texarkana MSA. Economic factors considered in this analysis include employment trends, trends in business establishments, employment growth sectors, and major employers. In addition, wage levels have been evaluated by industry and occupation for the Texarkana MSA. Workforce trends, including labor force growth, employment, unemployment, educational attainment and occupational outlook for the region, are also reviewed.

B. SUMMARY OF MAJOR FINDINGS AND CONCLUSIONS

1. Population, Households and Income

- The population of the Texarkana MSA experienced significant growth during the 1990s, increasing from 120,132 in 1990 to 129,749 in 2000 (8.0%). Over the same period, Bowie County grew at a faster rate, increasing by 9.4%, from 81,665 persons to 89,306 persons.

- In the Texarkana MSA, an increase of more than 5,100 households is forecast between 2000 and 2011, a total of 10.6%. Over the same time period, the increase in the number of housing units is projected to be almost 5,500, an increase of 10.1%. The growth in the number of households and housing units at the State level is projected to outpace both the County and the MSA.

- Median household incomes at the State, County and MSA level grew substantially during the 1990s. The Statewide median income grew by almost 50% between 1990 and 2000, while the MSA experienced an increase in median income of 42% and the County median income grew by 37.3%. These increases were more than the rate of inflation, indicating real growth in incomes during the 1990s.

2. Employment and Wages

- Employment within the Texarkana MSA has seen limited growth since 2000, increasing by 3% through 2005. This increase was led by the governmental sector, which gained a reported 1,300 jobs. The private market generated just 400 net new jobs over the same time period.

- A review of industry data indicates that there are segments of certain market sectors that showed significant growth between 2000 and 2005. Of particular note is the growth in the truck transportation and support activities for transportation industries. These two industries combined to create almost 650 jobs between 2001 and 2005, while merchant wholesalers of durable goods added another 181 jobs over the same period. These figures are significant for RRAD-WEP and LSAAP, given the potential of these sites to support warehousing, distribution and multi-modal transportation users.

Redevelopment of LS/RR will be a Significant Challenge for Bowie County

The sheer size of the property available for redevelopment at Lone Star and Red River makes this one of the County's greatest opportunities, but also a most significant challenge. Bowie County is a somewhat rural area, and much of the region's recent job growth has been attributable to increases in employment at RRAD and LSAAP, due to increased military activity. The MSA gained fewer than 2,000 jobs between 2000 and 2005, yet the redevelopment of these properties will have to generate substantially more job growth to help support the anticipated costs of operations, maintenance and marketing for the property.

- The average wage across the Texarkana MSA for all industries was $30,592 in 2005, the equivalent of $588 per week. Overall, average weekly wages in the MSA and the County grew steadily between 2001 and 2005. Average weekly wages in the MSA grew by 11% between 2001 and 2005, while average wages in the County increased by 17% over the same period.

3. Labor Force and Unemployment

- Between 2000 and 2005, the labor force in the Texarkana MSA increased by 7.0%, from 58,593 in 2000 to 62,666 in 2005. Almost 60% of this growth occurred during the past two years. Over the same period, the Bowie County labor force increased by 6.1%, from 40,379 to 42,827. The State's labor force increased by almost 880,000 between 2000 and 2005. This represents an increase of 8.5%, bringing the total labor force to more than 11.2 million.

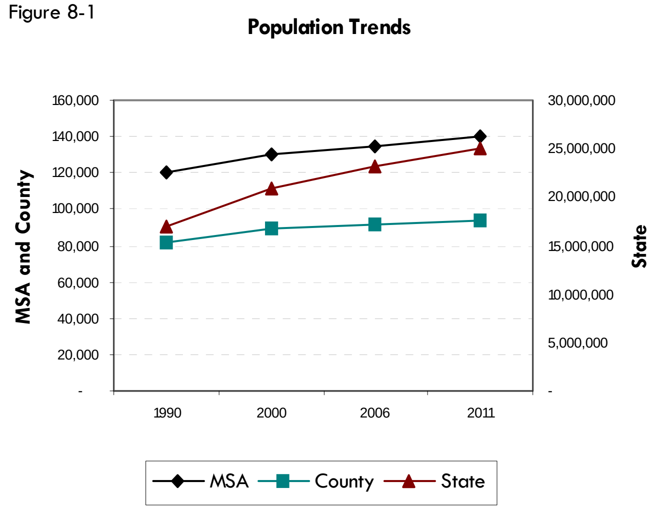
- Unemployment rates have fallen since 2003. In general, the unemployment rate in the Texarkana MSA has been lower than either the State or the County, typically by one-tenth to seven-tenths of a percentage point. Unemployment rates in 2005 were generally below the 2002 levels, though they had not declined to the previous low levels of 2000 and 2001.

- Projections for employment by industry in the North East Texas region through 2012 indicate an expected increase in total employment of 17,750, or an average of 1,775 new jobs each year. This indicates an overall growth in employment of 14.1% between 2002 and 2012.

C. DEMOGRAPHIC TRENDS

This section provides an overview of recent demographic trends in the State of Texas, Bowie County and the Texarkana Metropolitan Statistical Area (MSA). The primary data source for this analysis is the Decennial U.S. Census. In addition, estimates for 2006 and projections for 2011 were acquired from Claritas, Inc., a private sector demographic forecasting service. Among the factors evaluated are population, households, housing units, median income and income distribution.

Figure 8-1



Source: U.S. Census and Claritas. Inc.. 2007

1. Population Trends

The population of the Texarkana MSA experienced steady growth during the 1990s. During that time, the MSA population grew by 8%, increasing from 120,132 in 1990 to 129,749 in 2000 (Figure 8-1). Over the same period, Bowie County grew at a faster rate, increasing by 9.4%, with the population increasing from 81,665 to 89,306. However, both the MSA and the County grew much slower than the State of Texas as a whole, which grew by more than 22% during the 1990s.

Population estimates for 2006 provided by Claritas, Inc., indicate slowing growth between 2000 and 2006 for all regions. While the State continues to experience strong growth, the County's estimated growth rate of 2.5% between 2000 and 2006 is somewhat lower than the MSA's growth rate, which is estimated to be 3.9%. Forecasts through 2011 indicate that the County's population will exceed 94,000, while the MSA will approach a population of 140,000. However, both the County and the MSA are forecast to lag the State's growth rate, which is projected to increase by more than 8%.

2. Households and Housing Units

In the Texarkana MSA and Bowie County, there has been substantial growth in the number of housing units and households. Households are distinguished from housing units in that households are occupied housing units. The universe of housing units includes vacant for-sale and for-rent units, as well as seasonal and vacation homes. In the Texarkana MSA, an increase of more than 5,100 households is forecast between 2000 and 2011, an increase of 10.6% (Table 8-1). Over the same time period, the increase in the number of housing units is projected to be almost 5,500, an increase of 10.1%. This indicates a likely increase in net vacancy, as the difference between the number of housing units and households is projected to increase from less than 5,500 in 2000 to more than 5,800 in 2011.

In Bowie County, the growth in the number of housing units is also projected to outpace the formation of households. Between 2000 and 2011, the number of households is projected to increase by 2,525 (7.6%), while the number of housing units is projected to increase by 2,781 (7.6%). The number of vacant and seasonal units is projected to increase from approximately 3,400 in 2000 to 3,660 in 2011.

Table 8-1
Change in Households and Housing Units
Texarkana MSA, Bowie County and State of Texas
1990 - 2011

Texarkana MSA	Households	Change	Housing Units	Change
1990	44,739	-	50,406	-
2000	48,695	3,956	54,190	3,784
2006	51,434	2,739	57,008	2,818
2011	53,840	2,406	59,683	2,675
Change 00-11	5,145	10.6%	5,493	10.1%
Bowie County, Texas	Households	Change	Housing Units	Change
1990	30,609	-	34,234	-
2000	33,058	2,449	36,463	2,229
2006	34,355	1,297	37,889	1,426
2011	35,583	1,228	39,244	1,355
Change 00-11	2,525	7.6%	2,781	7.6%
State of Texas	Households	Change	Housing Units	Change
1990	6,079,341	-	7,008,999	-
2000	7,393,354	1,314,013	8,157,575	1,148,576
2006	8,166,147	772,793	9,021,343	863,768
2011	8,838,952	672,805	9,750,902	729,559
Change 00-11	1,445,598	19.6%	1,593,327	19.5%

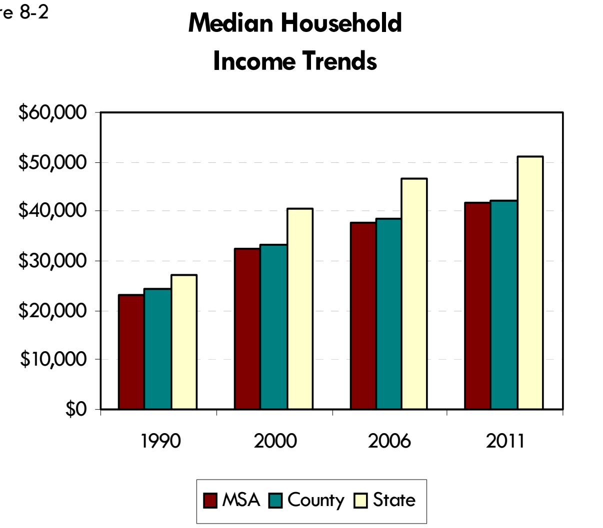
Source: U.S. Census and Claritas, 2007

The growth in the number of households and housing units at the State level is projected to outpace both the County and the MSA. The State is projected to experience an increase in the number of households of almost 20% between 2000 and 2011, well above the County increase (7.6%) and the MSA increase (10.6%). Similarly, the State's increase in the number of housing units is projected to dramatically exceed the County and MSA.

3. Median Income

Median household incomes at the State, County and MSA level grew substantially during the 1990s. The Statewide median income grew by almost 50% between 1990 and 2000, well above the rate of inflation, which was estimated to be 31.7% during the 1990s, according the Bureau of Labor Statistics. The MSA experienced an increase in median income of 42% during the 1990s, while the increase at the County level was 37.3% (Figure 8-2). These increases were more than the rate of inflation, indicating real growth in incomes during the 1990s. However, the disparity between the State as compared to the MSA and County increased. In 1990, the statewide median income level was 17.7% higher than the MSA, and 11.1% higher than the County median. By 2000, the difference had increased, such that the statewide median household income was 24.0% higher than the MSA and 21.1% higher than the County.

Figure 8-2



Source: U.S. Census and Claritas, Inc., 2007

Since 2000, Claritas estimates that median household income levels in the Texarkana MSA have increased slightly faster than the State and County. Forecasts through 2011 indicate that median household incomes in the MSA will continue to grow slightly faster than the State and County.

4. Income Distribution

Given the substantially higher median income levels at the State level as compared to the County and MSA, the stratification of income in 2000 provides some interesting data. For example, in 2000, 60.7% of households in the Texarkana MSA had incomes of less than $50,000, very similar to the statewide average of 60.6% of households (Table 8-2).

In fact, the Texarkana MSA actually had a slightly smaller percentage of households with incomes below $25,000 in 2000 (29.6%) as compared to the State (30.6%). However, Bowie County had a larger concentration of households earning less than $50,000 in 2000, more than 63%.

At the upper end of the income scale, the MSA had 17.6% of households earning more than $75,000 in 2000. This figure was less than the State, which had 21.1% of households in this range. Bowie County lagged both the State and the MSA, with just 14.1% of households earning more than $75,000 in 2000.

Table 8-2
Income Distribution Trends
Texarkana MSA, Bowie County and State of Texas
1990 - 2011

Texarkana MSA	Under $25,000	$25,000 to $49,999	$50,000 - $74,999	Over $75,000
1990	53.5%	31.2%	11.0%	4.3%
2000	29.6%	31.1%	21.7%	17.6%
2006	27.2%	27.8%	21.3%	23.8%
2011	24.1%	26.1%	20.4%	29.5%
Change 00-11	-5.5%	-5.0%	-1.3%	11.9%

Bowie County, Texas	Under $25,000	$25,000 to $49,999	$50,000 - $74,999	Over $75,000
1990	51.3%	32.0%	12.1%	4.5%
2000	33.9%	29.4%	17.3%	14.1%
2006	33.9%	28.2%	18.4%	19.6%
2011	30.9%	26.9%	18.4%	23.8%
Change 00-11	-3.0%	-2.5%	1.1%	9.7%

State of Texas	Under $25,000	$25,000 to $49,999	$50,000 - $74,999	Over $75,000
1990	46.3%	32.3%	13.3%	8.0%
2000	30.6%	30.0%	18.4%	21.1%
2006	25.7%	27.9%	18.7%	27.7%
2011	23.0%	26.1%	18.6%	32.3%
Change 00-11	-7.6%	-3.9%	0.2%	11.2%

Source: U.S. Census and Claritas

Projections through 2011 indicate consistent growth in incomes, and therefore a movement to upper income brackets, as the effects of inflation move households into higher income brackets. However, Bowie County is expected to continue to have the highest concentration of households earning less than $25,000 annually (30.9%), and the lowest concentration of households earning more than $75,000 annually (23.8%).

D. ECONOMIC TRENDS

In order to identify the reuse and redevelopment options for the Lone Star Army Ammunition Plant and the Red River Army Depot, it is important to have an understanding of the external economic factors that affect the region. This section provides an overview of recent employment trends and average wages in the region, as well as information on major employers and growth sectors within the region.

1. Employment Trends

Employment within the Texarkana MSA has seen limited growth since 2000. According to the Texas Workforce Commission, total employment in the MSA increased by 3% between 2000 and 2005, rising from 53,000 to 54,600 (Table 8-3). This increase of 1,600 jobs was led by the government, which gained a reported 1,300 jobs. During the same study period, the private jobs increased by just 400 net jobs. The service market accounted for a net gain of 700 jobs between 2000 and 2005. However, this gain was offset by a net decline of 300 jobs within the goods-producing market.

Table 8-3
Employment Trends
Texarkana MSA
2000 - 2005

	Employment							
	2000	2001	2002	2003	2004	2005	Change	% Change
Total Nonfarm	53,000	53,100	53,400	53,000	53,400	54,600	1,600	3.0%
Total Private	41,800	42,100	42,300	41,900	41,900	42,200	400	1.0%
Goods Producing	8,200	8,300	8,200	7,900	7,900	7,900	-300	-3.7%
Natural Resources, Mining, Construction	2,600	2,800	2,800	2,600	2,400	2,400	-200	-7.7%
Manufacturing	5,600	5,500	5,300	5,400	5,400	5,500	-100	-1.8%
Service Providing	44,800	44,800	45,200	45,100	45,500	46,700	1,900	4.2%
Private Service Providing	33,600	33,800	34,200	34,000	34,100	34,300	700	2.1%
Wholesale Trade	2,600	2,600	2,500	2,300	2,400	2,400	-200	-7.7%
Retail Trade	7,600	7,600	7,400	7,100	7,000	7,100	-500	-6.6%
Transportation, Warehousing, Utilities	2,100	2,300	2,400	2,300	2,400	2,400	300	14.3%
Information	700	600	500	500	500	500	-200	-28.6%
Financial Activities	2,200	2,200	2,200	2,200	2,200	2,400	200	9.1%
Professional and Business Services	3,000	2,900	3,300	3,400	3,300	3,200	200	6.7%
Educational and Health Services	8,700	8,900	9,100	9,200	8,900	9,000	300	3.4%
Leisure and Hospitality	4,500	4,700	4,700	4,700	5,100	5,100	600	13.3%
Other Services	2,300	2,100	2,100	2,200	2,200	2,100	-200	-8.7%
Government	11,100	11,000	11,000	11,100	11,500	12,400	1,300	11.7%
Federal Government	3,300	3,300	3,400	3,300	3,700	4,500	1,200	36.4%
State Government	1,800	1,700	1,700	1,700	1,700	1,700	-100	-5.6%
Local Government	6,100	6,000	5,900	6,000	6,100	6,300	200	3.3%

Source: Texas Workforce Commission, 2007

It is interesting to note that the wholesale and retail trade market sectors each experienced declines, 7.7% and 6.6% respectively, during this period. The information market sector experienced the largest percentage decline, falling by almost 29%. In contrast, the transportation and warehousing market sector gained more than 14%, while the leisure and hospitality market sector gained more than 13%. Federal government employment experienced the largest increase in both percentage and absolute terms, gaining 1,200 jobs (36.4%). It is believed that this increase is closely tied to work at the Red River Army Depot.

In Bowie County, job growth was stronger than in the MSA between 2000 and 2005. Bowie County experienced employment gains of 6.4%, as compared to the MSA's increase of just 3% (Table 8-4). Employment in Bowie County increased from 38,749 in 2000 to 41,220 in 2005, according to the Texas Workforce Commission. This represents an increase of almost 2,500 jobs over the period, including a net gain of 915 private jobs and 1,556 government jobs.

Table 8-4
Employment Trends
Bowie County, Texas
2000 - 2005

	Employment						
Description	**2000**	**2001**	**2002**	**2003**	**2004**	**2005**	**Change**
Total Nonfarm	38,749	38,600	38,713	39,173	39,480	41,220	2,471
Total Private	29,831	29,627	29,646	29,942	29,776	30,746	915
Goods Producing	4,576	4,620	4,502	4,261	4,118	4,322	-254
Natural Resources, Mining	134	113	102	78	92	104	-30
Construction	1,658	1,800	1,628	1,458	1,417	1,482	-176
Manufacturing	2,784	2,707	2,772	2,725	2,609	2,736	-48
Service Providing	34,174	33,980	34,211	34,912	35,362	36,897	2,723
Private Service Providing	25,256	25,007	25,144	25,681	25,658	26,423	1,167
Trade, Transportation, Utilities	9,445	9,082	8,812	8,862	8,870	9,443	-2
Information	579	536	426	402	391	388	-191
Financial Activities	1,671	1,707	1,712	1,695	1,771	2,036	365
Professional and Business Services	1,793	1,842	2344	2,563	2,414	2,310	517
Educational and Health Services	7,553	7,657	7,731	7,804	7,457	7,441	-112
Leisure and Hospitality	3,212	3,150	3,101	3,318	3,713	3,780	568
Other Services	1,000	1,025	997	1,010	964	928	-72
Unclassified	3	8	21	27	78	97	94
Government	8,918	8,973	9,067	9,231	9,704	10,474	1,556
Federal Government	3,078	3,255	3,263	3,379	3,832	4,353	1,275
State Government	1,249	1,236	1,283	1,217	1,250	1,260	11
Local Government	4,591	4,482	4,521	4,635	4,622	4,861	270

Source: Texas Workforce Commission, 2007

The goods-producing market in the County had a net loss of 254 jobs between 2000 and 2005. However, this loss was offset by a gain of 1,167 service market jobs. The largest percentage gain was in the professional and business services market sector (28.8%), while the largest gain in jobs was in the leisure and hospitality market sector (568 jobs).

Understanding Regional Growth

As was the case with the MSA, the Federal government accounted for the majority of increases in government employment (1,275 jobs, or 41.4%), though local governments added 270 jobs (5.9%). Locally, much of these job gains can be traced back to Red River Army Depot, which has seen strong job growth do to War in Iraq. Despite this growth, the region remains vulnerable to fluctuations in RRAD employment levels.

2. Establishment Trends

Bowie County experienced strong growth in the number of private business establishments between 2001 and 2005, according to the Historical Bureau of Labor Statistics. Overall, the number of private establishments increased by 9.5% between 2001 and 2005, increasing from 1,917 to 2,099 (Table 8-5). Overall, the healthcare and accommodation & food services market sectors showed the largest gains in terms of the number of establishments. The finance & insurance and professional services market sectors also showed substantial increases in the number of establishments. These gains were partially offset by losses in the goods-producing market sectors, and losses in the unclassified services market sector.

Table 8-5
Private Business Establishment Trends
Bowie County, Texas
2001-2005

NAICS	Description	Establishments 2001	2002	2003	2004	2005	Change	% Change
11	Agriculture, Forestry and Fishing	22	20	19	21	24	2	9.1%
21	Mining	3	5	4	3	1	-2	-66.7%
22	Utilities	9	8	7	6	7	-2	-22.2%
23	Construction	194	181	167	172	168	-26	-13.4%
31-33	Manufacturing	87	87	84	81	78	-9	-10.3%
42	Wholesale trade	138	133	127	133	133	-5	-3.6%
44-45	Retail trade	415	414	413	411	412	-3	-0.7%
48-49	Transportation & warehousing	78	79	80	86	79	1	1.3%
51	Information	38	31	32	30	33	-5	-13.2%
52	Finance & insurance	144	135	132	142	157	13	9.0%
53	Real estate & rental & leasing	92	91	91	90	98	6	6.5%
54	Professional, scientific, & technical services*	NA	NA	145	161	157	12	8.3%
55	Management of companies & enterprises*	NA	NA	4	5	5	1	25.0%
56	Administrative, waste management & remediation	82	83	84	86	91	9	11.0%
61	Educational services	8	8	8	9	9	1	12.5%
62	Health care & social assistance	243	250	250	256	282	39	16.0%
71	Arts, entertainment, & recreation	23	21	22	26	28	5	21.7%
72	Accommodation & foodservices	128	129	132	144	146	18	14.1%
81	Other services (except public administration)	213	215	205	195	191	-22	-10.3%
-	**Total**	**1,917**	**1,890**	**2,006**	**2,057**	**2,099**	**182**	**9.5%**

* Net change uses 2003 as base year, due to data limitations

Source: Bureau of Labor Statistics, 2007

3. Employment Growth Sectors

The information presented earlier in this section indicates that Bowie County experienced job growth of more than 6% between 2000 and 2005. A more detailed review of employment and establishment data, based on the North American Industrial Classification System (NAICS), indicates there are certain market sectors that have shown significant growth between 2000 and 2005. Each of the industries shown in Table 8-6 experienced growth above the County average. Of particular note is the growth in the truck transportation and support activities for transportation industries. These two industries combined to create almost 650 jobs between 2001 and 2005, while merchant wholesalers of durable goods added another 181 jobs over the same period. These figures are significant for the LSAAP/RRAD-WEP site, given the potential of these sites to support warehousing, distribution and multi-modal transportation users.

Support activities for transportation experienced the strongest growth between 2001 and 2005, both in terms of the number of jobs and the percentage of growth. Employment in this industry more than doubled during this period. The forestry and logging industry and the chemical manufacturing industry also had strong growth, almost doubling during the period (Table 8-6).

Table 8-6
Growth Industries
Bowie County, Texas
2001-2005

	Employment			
Establishment	**2001**	**2005**	**Change**	**% Change**
Forestry and Logging	20	38	18	90%
Chemical Manufacturing	167	314	147	88%
Merchant Wholesalers - Durable Goods	720	901	181	25%
Administrative and Waste Services	1061	1184	123	12%
Truck Transportation	489	608	119	24%
Support Activities for Transportation	327	758	431	132%
Credit Intermediation and Related Activities	731	946	215	29%
Insurance Carriers and Related Activities	337	401	64	19%
Educational Services	179	225	46	26%
Amusements, Gambling and Recreation	220	298	78	35%

Source: Bureau of Labor Statistics, 2007

Though the percentage gain was lower due to the size of the employment base in 2001, the merchant wholesalers-durables goods and credit intermediation industries experienced employment increases of 181 and 215 respectively. The administrative & waste services industry and the truck transportation industry also performed well.

4. Top Regional Employers

The Texarkana MSA is home to a wide variety of industries. In addition to the region's small business base, the MSA has a number of large employers. According to the Texarkana Chamber of Commerce, the region is home to 23 employers that employ 250 or more people. The Red River Army Depot is identified as the region's largest employer, with a reported 3,500 employees (Table 8-7). This is substantially larger than the Cooper Tire plant, the region's second largest employer, which employs 1,900 people. These 23 employers have an estimated 18,500 employees, representing approximately one-third of the 54,600 non-farm employees in the Texarkana MSA in 2005. It should be noted that although Cooper Tire is shown as employing 1,900 people at its local

Table 8-7
Major Regional Employers
Texarkana MSA
2005

Employer	Employees	Industry
Red River Army Depot & Tenants	3,500	Manufacturer/Processor
Cooper Tire & Rubber	1,900	Manufacturer of Passenger Tires
Christus St. Michael Health System	1,680	General Medical Hospital
Domtar	1,201	Fine Finished Papers
Walmart/Sam's Club	1,100	Discount Stores
Wadley Regional Medical	1,000	General Medical Hospital
International Paper	865	Cup and Folding Carton
Texarkana (TX) School District	787	Primary & Secondary Education
Texarkana (AR) School District	785	Primary & Secondary Education
Southern Refrigerated Transport	670	Refrigerated Trucking
City of Texarkana, Texas	615	General Government
Collom & Carney Clinic	536	General Medical Services
Truman Arnold Companies	460	Petroleum Marketing
Day and Zimmermann	425	Small Arms Ammunition
Libery Eylau School District	405	Primary & Secondary Education
Alcoa Mill Products	376	Aluminum Rolling Mill
EZ Mart Stores	350	Convenience Stores
McDonald's	345	Restaurants
Albertson's	283	Supermarkets
Valor Telecom	275	Telephone Service
Pleasant Grove Scool District	270	Primary & Secondary Education
Smith-Blair	268	Large Valves and Couplings
Ledwell & Sons Enterprises	265	Manufacturer of Truck Bodies

Source: Texarkana Chamber of Commerce, 2007 plant, the company has recently announced layoffs that could reportedly impact between 150 and 500 workers.

Region's Largest Manufacturer Downsizing

Cooper Tire, the region's largest manufacturer with over 1,900 employees has recently announced job layoffs that could impact between 150 and 500 employees. The region's economy needs to diversify and grow its job base to protect against corporate downsizing and job losses due to foreign competition.

It is also significant that heavy manufacturing uses account for a significant portion of the jobs at these larger employers. Including the jobs at RRAD, which are essentially manufacturing-related positions, approximately 8,900 of the 18,500 jobs at the major employers in the Texarkana MSA, or 48%, are manufacturing-related. Medical-related jobs account for another 3,200 jobs (17.4%) of the top employers, and education and governmental services account for almost 2,900 additional jobs (15.5%) among the top employers.

5. Average Wages

The average wage across the Texarkana MSA for all industries was $30,592 in 2005, the equivalent of $588 per week (Table 8-8). The mining sector had the highest average wage, at $55,720, or 82% above the average for the region. Other sectors that had wages that were 25% or more above the MSA average wage for all industries included utilities (51%), professional services (30%) and public administration (27%).

Wage Levels Considered an Asset to Redevelopment

Wages levels in the Texarkana MSA may be attractive to companies considering a business location in Texas. The average annual wage in Texarkana of approximately $30,600 is below the median of all Texas MSAs. Among the 27 Texas MSAs reviewed, Texarkana ranks 12th in terms of average wage. The median average among Texas MSAs was $31,400.

The retail trade sector has the lowest average wage of $23,013, or $442 per week, 25% less than the overall average wage for the MSA. Other sectors that were below the MSA average included the real estate sector (-16%), the administrative and waste management sector (-15%), the information sector (-8%) and the construction sector (-4%).

In terms of occupational wages, professional service occupations had the highest average wages in the Texarkana MSA in 2005 (Table 8-9). Life, physical and social science occupations had the highest average wage at $69,346, more than double the average wage in the region. Legal occupations ($56,390) and healthcare practitioners and technical occupations ($51,638) were the only other occupations to average more than $50,000.

The lowest average wage in the MSA was in the food preparation and service occupations, which had an average wage of $14,780, or less than half of the MSA average. Personal care and service occupations ($15,472) had average wages just over one-half of the MSA average. Buildings, grounds and maintenance occupations ($16,879) and healthcare support occupations ($17,904) were more than 40% below the MSA average.

Table 8-8
Wage Levels
Texarkana MSA
2005

Description	Total Employment	Average Wage
Administrative, Support, Waste Management and Remediation Services	1,540	$26,084
Professional, Scientific, and Technical Services	750	$39,844
Real Estate and Rental and Leasing	540	$25,830
Finance and Insurance	1,260	$30,782
Information	370	$28,242
Transportation and Warehousing	1,760	$36,470
Retail Trade	5,750	$23,013
Wholesale Trade	1,930	$31,793
Manufacturing	2,490	$32,941
Construction	1,510	$29,257
Utilities	10	$46,178
Mining	20	$55,720
Agriculture, Forestry, Fishing and Hunting	30	$31,390
Public Administration	5,870	$38,898
Other Services (except Public Administration)	930	$22,042
All Industries	**39,720**	**$30,592**

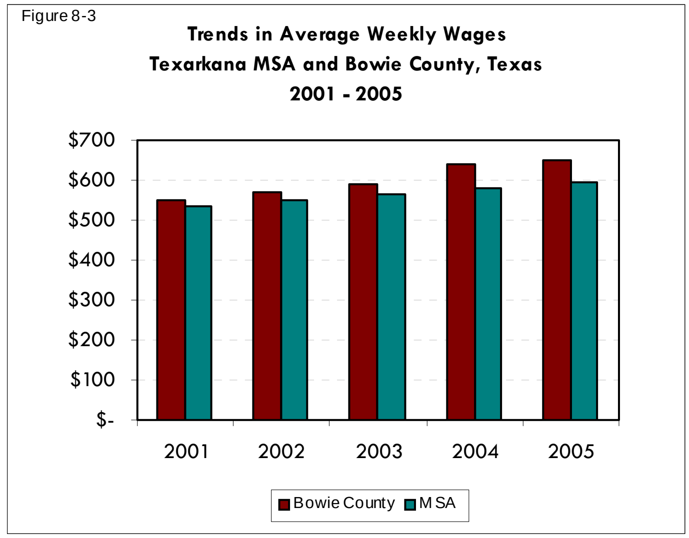
Source: Texas Workforce Commission, 2007

Table 8-9
Wage Levels By Occupation
Texarkana MSA
2005

Occupation	Total Employment	Average Wage
Life, Physical, and Social Science Occupations	220	$69,346
Legal Occupations	220	$56,390
Healthcare Practitioners and Technical Occupations	3,670	$51,638
Installation, Maintenance, and Repair Occupations	3,310	$35,039
Community and Social Services Occupations	290	$34,114
Education, Training, and Library Occupations	2,330	$32,227
Protective Service Occupations	1,040	$31,631
Production Occupations	2,540	$29,996
Construction and Extraction Occupations	1,670	$28,501
Arts, Design, Entertainment, Sports, and Media Occupations	220	$26,288
Office and Administrative Support Occupations	6,820	$25,306
Transportation and Material Moving Occupations	3,040	$24,751
Farming, Fishing, and Forestry Occupations	40	$24,104
Sales and Related Occupations	4,290	$24,076
Healthcare Support Occupations	1,580	$17,904
Building and Grounds Cleaning and Maintenance Occupations	990	$16,879
Personal Care and Service Occupations	1,090	$15,472
Food Preparation and Serving-Related Occupations	3,360	$14,780
Total all occupations	**39,720**	**$30,592**

Source: Texas Workforce Commission, 2007

Overall, average weekly wages in the MSA and the County grew steadily between 2001 and 2005. Average weekly wages in the MSA grew from $536 in 2001 to $595 in 2005, or approximately 11% (Figure 8-3). Wages in Bowie County have grown more rapidly, increasing from $552 per week in 2001 to $691 per week in 2005, an increase of 17%. The rapid increase in the average weekly wage in Bowie County has increased the disparity between the County and the MSA. In 2001, the average weekly wage in the County was just 3.1% higher than the MSA. By 2005, the difference in the average weekly wage was almost 9.5%.



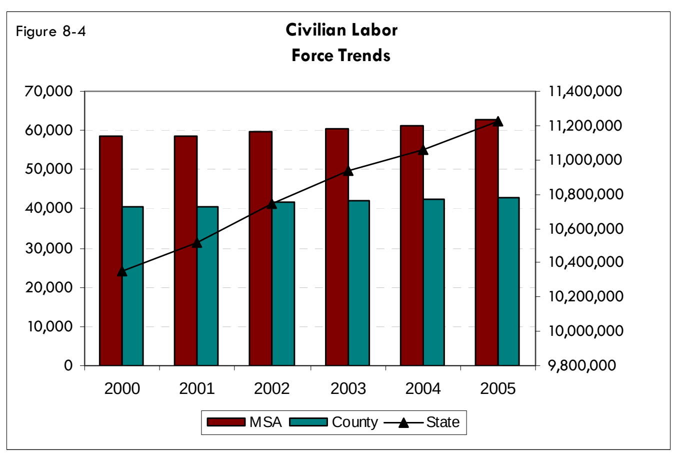
Source: Texas Workforce Commission, 2007

E. WORKFORCE

In order for the redevelopment of the Lone Star Army Ammunition Plant and the excess portion of the Red River Army Depot to be successful, it will be important for the Red River Redevelopment Authority to understand the characteristics and availability of the workforce in the region. This section provides an overview of historic trends in the region's workforce, including the size of the labor force, employment trends, unemployment rates and the educational attainment levels of the workforce. In addition, data is also presented on the occupational skill levels of workers in the region.

1. Civilian Labor Force Trends

Between 2000 and 2005, the labor force in the Texarkana MSA increased by 7.0%, from 58,593 to 62,666 in 2005 (Figure 8-4). Almost 60% of this growth occurred during the past two years, primarily due to changes in the Red River Army Depot workforce, which has swelled to over 3,500 in recent months. Over the same period, the Bowie County labor force increased by 6.1%, from 40,379 to 42,827. During the study period, the State's labor force increased by almost 880,000, representing an increase of 8.5%. The total labor force in Texas was more than 11.2 million in 2005.



Source: Bureau of Labor Statistics

2. Employment and Unemployment Trends

The expansion of the labor force has resulted in increases in both the number of employed individuals and the number of unemployed individuals across all areas. The MSA experienced a 6.6% increase in the number of employed persons between 2000 and 2005 (Table 8-10), and an increase of 14.5% in the number of unemployed persons (Table 8-11). Total employment in the MSA was 59,461 at the end of 2005, and total unemployment was 3,205. The County experienced an increase of 5.5% in the number of employed persons and a 16.9% increase in the number of unemployed persons over the same period. Employment in the County was 40,501 in 2005, while the number of unemployed persons was 2,326. While the State experienced the largest increase in employment (7.4%), the increase in unemployment was also substantially above the County and the MSA, at 32%. More than 10.6 million people were employed in the State in 2005, as compared to almost 600,000 unemployed.

It is significant to note that the State, County and MSA each experienced a reduction in the number of unemployed persons between 2003 and 2005. This indicates that job growth is outpacing the expansion of the labor force, resulting in falling unemployment rates. The number of unemployed persons peaked in 2003 in all three geographic regions. Since 2003, the MSA reduced the number of unemployed persons by almost 500. The number of unemployed persons in the County has been reduced by 460 over the same period, while the State reduced the number of unemployed by more than 135,000.

Table 8-10
Trends in Employment
Texarkana MSA, Bowie County, and State of Texas
2000-2005

Texarkana MSA	Count	Change	% Change
2000	55,795	-	-
2001	55,607	(188)	-0.3%
2002	56,456	849	1.5%
2003	56,590	134	0.2%
2004	57,778	1,188	2.1%
2005	59,461	1,683	2.9%
Total Change	**-**	**3,666**	**6.6%**
Bowie County, Texas	Count	Change	% Change
2000	38,389	-	-
2001	38,406	17	0.0%
2002	39,015	609	1.6%
2003	39,218	203	0.5%
2004	39,737	519	1.3%
2005	40,501	764	1.9%
Total Change	**-**	**2,112**	**5.5%**
State of Texas	Count	Change	% Change
2000	9,896,002	-	-
2001	9,991,920	95,918	1.0%
2002	10,064,621	72,701	0.7%
2003	10,202,696	138,075	1.4%
2004	10,393,900	191,204	1.9%
2005	10,629,606	235,706	2.3%
Total Change	**-**	**733,604**	**7.4%**

Source: Texas Workforce Commission, 2007

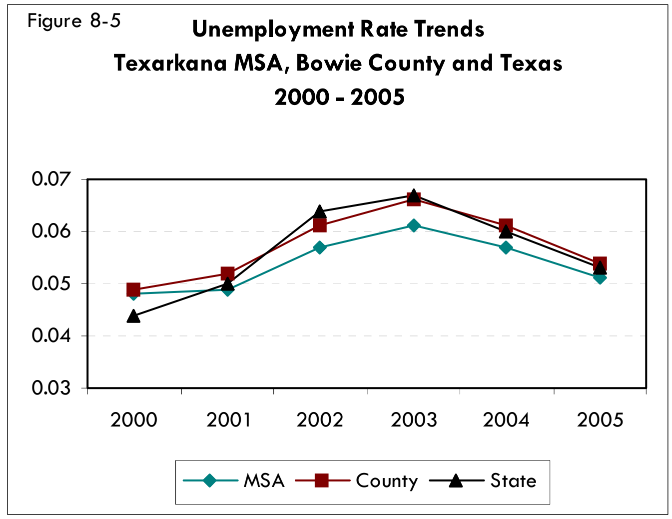
Table 8-11
Trends in Unemployment
Texarkana MSA, Bowie County, and State of Texas
2000-2005

Texarkana MSA	Count	Change	% Change
2000	2,798	-	-
2001	2,867	69	2.5%
2002	3,387	520	18.1%
2003	3,690	303	8.9%
2004	3,496	(194)	-5.3%
2005	3,205	(291)	-8.3%
Total Change	**-**	**407**	**14.5%**
Bowie County, Texas	Count	Change	% Change
2000	1,990	-	-
2001	2,086	96	4.8%
2002	2,535	449	21.5%
2003	2,786	251	9.9%
2004	2,598	(188)	-6.7%
2005	2,326	(272)	-10.5%
Total Change	**-**	**336**	**16.9%**
State of Texas	Count	Change	% Change
2000	451,845	-	-
2001	527,415	75,570	16.7%
2002	682,614	155,199	29.4%
2003	732,313	49,699	7.3%
2004	663,978	(68,335)	-9.3%
2005	596,276	(67,702)	-10.2%
Total Change	**-**	**144,431**	**32.0%**

Source: Texas Workforce Commission, 2007

As a result, unemployment rates have fallen since 2003 (Figure 8-5). In general, the unemployment rate in the Texarkana MSA has been lower than either the State or the County, typically by one-tenth to seven-tenths of a percentage point in a given period. Unemployment rates in 2005 were generally below the 2002 levels, though they had not declined to the previous low levels of 2000 and 2001.

Figure 8-5



Source: Texas Workforce Commission, 2007

3. Education Attainment Levels

A key measure of a workforce's ability level is the level of educational attainment. The U.S. Census tracks education attainment for persons age 25 and over. Table 8-12 provides an overview of the education attainment levels for the State, County and MSA. All of the geographic regions experienced a reduction in the percentage of the population that had not completed high school. In general, the percentage of the population that had not completed high school in 1990 was between 28% and 30%, but by 2000, the percentages had fallen sharply to 22% to 23%. This is considered to be a significant reduction. While the three geographic regions were relatively close in terms of the percentage that had not completed high school, the percentage of the population holding a college degree was substantially higher at the State level than at the County or MSA level. The State had 25.5% college graduates in 1990, which had increased to 28.5% by 2000 (Table 8-12). In contrast, the County and MSA had just 20.1% and 18.2% respectively in 1990, and 21.3% and 19.8% respectively in 2000.

When those holding a Bachelor's, graduate or professional degree are considered, the difference is even more pronounced. The State had 20.4% of its population holding a Bachelor's degree or higher in 1990, which increased to 23.2% by 2000. The County had 14.3% of its population holding a Bachelor's degree or higher in 1990, which increased to 16.1% in 2000. The MSA lagged both the State and County, with just 12.8% holding a Bachelor's degree or higher, which increased to 15.0% in 2000.

Table 8-12
Educational Attainment
Texarkana MSA, Bowie County, and Texas
1990 and 2000

	State		County		MSA	
Attainment Level	**1990**	**2000**	**1990**	**2000**	**1990**	**2000**
Less than 9th grade	13.5%	11.5%	9.6%	7.5%	11.3%	7.8%
9th to 12th grade, no diploma	14.4%	12.9%	18.3%	15.2%	19.2%	15.8%
High school graduate (includes equivalency)	25.6%	24.8%	31.1%	31.8%	32.0%	33.0%
Some college, no degree	21.1%	22.4%	21.0%	24.2%	19.4%	23.5%
Associate degree	5.2%	5.2%	5.8%	5.2%	5.4%	4.8%
Bachelor's degree	13.9%	15.6%	9.2%	10.1%	8.3%	9.6%
Graduate or professional degree	6.5%	7.6%	5.1%	6.0%	4.5%	5.4%
College Degrees	25.5%	28.5%	20.1%	21.3%	18.2%	19.8%

Source: U.S. Census Bureau, 2007

4. Occupational Outlook

The Workforce Investment Board defines the service delivery area for North East Texas as including Bowie, Cass, Delta, Franklin, Hopkins, Lamar, Morris, Red River, and Titus Counties. Projections for employment by industry through 2012 indicate an expected increase in total employment in the North East Texas region of 17,750, or an average of 1,775 new jobs each year. This indicates an overall growth in employment of 14.1% between 2002 and 2012. Personal care occupations and healthcare support occupations are projected to have the highest rate of growth. Other occupational categories that are projected to exceed 20% growth by 2012 include:

- Computer and mathematical occupations;
- Community and social service occupations;
- Legal occupations;
- Education, training and library occupations;
- Healthcare practitioners and technical occupations; and
- Food preparation and serving-related occupations.

The projected increase in these occupational categories is indicative of the shift in the regional economy, from a manufacturing focus to a service- and knowledge-based economy. It is interesting to note, however, that the five occupational categories at the bottom of Table 8-13 (including forestry, construction, installation, production and transportation), all of which are consistent with likely redevelopment scenarios for LSAAP and RRAD-WEP, are projected to gain 2,450 jobs between 2002 and 2012. This equates to an average gain of almost 250 jobs annually, many of which could be supported at LSAAP and RRAD-WEP.

Table 8-13
Occupational Outlook
North East Texas Region
2002-2012

	Employment				Annual Job Openings		
Occupational Outlook	**2002**	**2012**	**Change**	**% Change**	**Growth**	**Replacement**	**Total**
Management Occupations	13,750	15,000	1,250	9.1%	125	155	280
Business & Financial Operations Occupations	3,050	3,550	500	16.4%	50	55	105
Computer & Mathematical Occupations	950	1,250	300	31.6%	30	15	45
Architecture & Engineering Occupations	1,100	1,150	50	4.6%	5	25	30
Life, Physical, & Social Science Occupations	550	650	100	18.2%	10	15	25
Community & Social Services Occupations	1,700	2,050	350	20.6%	35	30	65
Legal Occupations	650	800	150	23.1%	15	10	25
Education, Training, & Library Occupations	7,850	9,800	1,950	24.8%	195	160	355
Arts, Design, Entertainment, Sports, & Media Occupations	1,000	1,150	150	15.0%	15	20	35
Healthcare Practitioners & Technical Occupations	6,850	8,750	1,900	27.7%	190	135	325
Healthcare Support Occupations	4,150	5,600	1,450	34.9%	145	60	205
Protective Service Occupations	2,300	2,750	450	19.6%	45	65	110
Food Preparation & Serving Related Occupations	7,700	9,750	2,050	26.6%	205	305	510
Building & Grounds Cleaning & Maintenance Occupations	3,800	4,300	500	13.2%	50	75	125
Personal Care & Service Occupations	4,850	6,500	1,650	34.0%	165	105	270
Sales & Related Occupations	12,450	14,150	1,700	13.7%	170	425	595
Office & Administrative Support Occupations	16,450	17,350	900	5.5%	90	380	470
Farming, Fishing, & Forestry Occupations	3,450	3,650	200	5.8%	20	15	35
Construction & Extraction Occupations	4,800	5,150	350	7.3%	35	95	130
Installation, Maintenance, & Repair Occupations	5,000	5,600	600	12.0%	60	115	175
Production Occupations	14,050	14,900	850	6.1%	85	335	420
Transportation & Material Moving Occupations	9,050	9,500	450	5.0%	45	205	250
Total, All Occupations	**125,550**	**143,300**	**17,750**	**14.1%**	**1,775**	**2,805**	**4,580**

Note: Totals may not add due to suppression and rounding.
Source: Texas Workforce Commission, 2007

F. CONCLUSIONS

The Texarkana MSA has been experiencing steady growth over the past 15 years. However, much of the job growth has been driven by changes in federal government employment, primarily at Red River Army Depot, which has seen its mission expand with the on-going conflict in Iraq. In addition, with the announced job layoffs at Cooper Tire in 2006, the region's largest private employer, the area's economic reliance on RRAD is a point of growing concern for local leaders. The redevelopment of LSAAP and RRAD-WEP is the region's best opportunity to diversify the regional economy.

FACTORS INFLUENCING THE ACHIEVEMENT OF BASE REUSE GOALS

- **Job Creation & Economic Development** - The redevelopment of the LSAAP/RRAD-WEP properties is the best opportunity for the region to create new jobs and diversity the economic base.
- **Supports Military Mission** – Focusing reinvestment at LSAAP will allow the RRRA to target its economic development activities. As new private users occupy LSAAP, utility systems will be replaced and expanded, so of which could be shared with the Depot.
- **Retains Existing Job Base** – The redevelopment of LSAAP will incorporate existing companies, allowing them to continue operation at LSAAP.
- **Redevelopment Should Not Utilize Economic Development Land for Residential Uses** – The reuse master plan will focus exclusively on employment generating uses and does not include residential development.