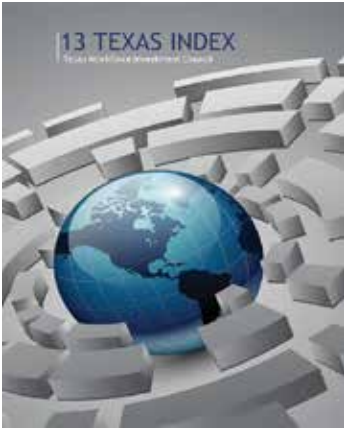


2013 Texas Index

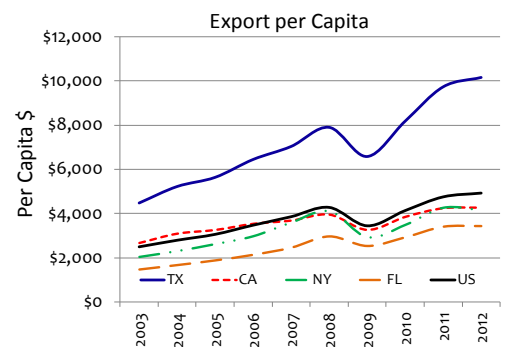


The eighth release of the *2013 Texas Index (2013 Index)* research report compiles data for 38 indicators organized into four domains, which are based on the value proposition that skilled and well-educated people create innovations that result in products and services that are sold in the marketplace. This continuum generates economic activity that builds wealth for the state, and increases the level of wealth for Texans. In support of the proposition, data in this report focuses on four critical, interrelated elements: intellectual capital, human capital, financial capital, and standard of living.

The *2013 Index* includes 10-year trend data, as well as national and international comparative data. Each indicator page includes (where data are available): 1) indicator definition and calculation; 2) a graph comparing large states' trends; 3) U.S. state-ranking table and analysis; 4) an international comparative table and description; and 5) a summary of the importance of the indicator. The report also contains a report card that is a snapshot of how Texas is performing across the four domains, thus identifying achievement as well as areas that need improvement.

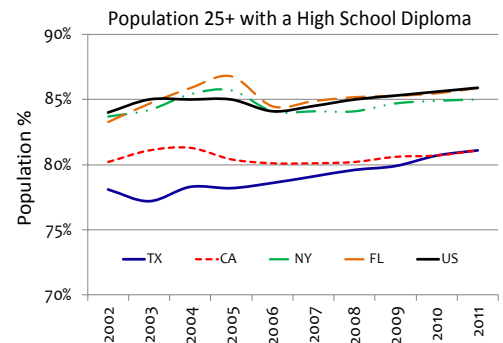
Competitive Advantage

Results in the *2013 Index* show that Texas is doing comparatively well, and continues to invest in the future of its residents. Texas successfully attracted businesses and created jobs, through both the recession and recovery periods. The state's strong jobs climate continues to receive national recognition. Earlier this year, Texas was named the top-ranked state for the best business climate by *Business Facilities Magazine*, the most competitive state by *Site Selection Magazine*, and the best state for global trade by *Global Trade Magazine*. Texas boasts a competitive advantage over other states in areas such as labor productivity, gross state product per capita, and exports. The unemployment rate remained slightly elevated due to natural growth in the workforce and the return of previously discouraged job seekers to those counted as unemployed. However, the Texas unemployment rate is still more than one percent lower than the U.S. average.



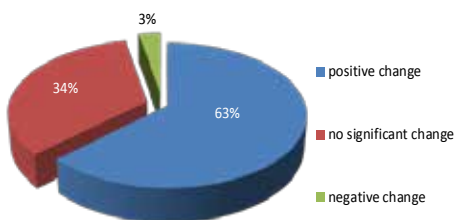
Gaining Ground

There is room for improvement in the areas of educational attainment and workforce educational achievement. Strategies that increase enrollment and completion of post-secondary education, particularly supporting employment in middle-skill occupations continue to be important. Skilled workers in these occupations are highly sought-after by employers. Additionally, the state's 2013 *Closing the Gaps* annual progress report showed that Texas continued to add more students to higher education in fall 2012. The state enrolled nearly 540,500 more students in 2012 than in 2000, shrinking the student gap needed to achieve the 2015 goal of 630,000 students. Higher education concentration in science, technology, engineering, and math disciplines increased over the *2013 Index* cycle. Texas also produced the second greatest number of patents of any state, indicating a strong focus on innovation.



Results

The *Index* displays a comprehensive view of the state's recovery from the recession to date. Texas managed better than most states. Signs of an economy in full recovery are prevalent in the data over the last reporting cycle. Areas in training and education, research and development, and market composition thrive, as the majority of indicators in these domains reflect a positive change. In addition, participant access indicators also show progress, indicating that prosperity in the state is on the rise, as the national recession appears further in the rear view mirror. A total of 63 percent of the participant access and contribution indicators recorded a positive change, while 37 percent recorded no significant change over the *Index* reporting cycle. The data in this report show that Texas has made significant progress in recent years, and based on current trends, more progress is expected in the coming year.



2013 Texas Index

Indicator Report Card - 2013

Trend	Indicator	Value	Page
↑	Academic-Performed R&D Expenditure per \$1,000 of GSP	\$3.49	25
↑	Associate's Degrees Granted as a Percent of the 18- to 24-Year-Old Population	2.2%	13
↑	Average Annual Pay per Worker	\$43,620	33
↑	Average Annual Unemployment Rate	6.8%	31
↑	Business Establishment Entry	52,857	37
↑	Business Establishment Exits	46,709	37
↑	Export Orientation	0.19%	35
↑	Exports per Capita	\$10,158	35
↑	Gross State Product per Capita	\$53,609	34
↑	Labor Productivity	\$63.50	32
↑	Median Household Income	\$49,392	43
↑	NAEP Test Scores - Math	101.60	18
↑	NAEP Test Scores - Science	101.41	18
↑	Number of Patents	8,929	20
↑	Per Capita Income	\$41,471	40
↑	Percent of Bachelor's Degrees Granted in Science and Engineering	15.6%	15
↑	Percent of Graduate Degrees Granted in Science and Engineering	15.8%	17
↑	Percent of Population 25 Years and Older with a High School Diploma	81.1%	11
↑	Percent of Population Living Above 200% of the Federal Poverty Threshold	61%	42
↑	Percent of Population Living Above the Federal Poverty Threshold	82.6%	42
↑	Residential High-Speed Internet Access	64.9%	45
↑	Science and Engineering Graduate and Postgraduate Students	41,798	16
↑	Total R&D Expenditure per \$1,000 of Gross State Product	\$17.55	23
↑	Venture Capital per Capita	\$35.84	21
↔	Average Annual Amount of SBIC Funds Disbursed per \$1,000 of GSP	\$0.25	28
↔	Bachelor's Degrees Granted as a Percent of the 18- to 24-Year-Old Population	4.1%	14
↔	Homeownership Rate	64.3%	46
↔	Industry R&D Expenditure per \$1,000 of GSP	\$13.41	24
↔	Labor Force Participation Rate	65.2%	30
↔	Median Home Value	\$127,700	44
↔	National Institutes of Health (NIH) Support to Texas Institutions per Capita	\$41.32	26
↔	National Science Foundation (NSF) Funding per Capita	\$10.01	27
↔	Per Capita Income Annual Average Growth Rate	4.7%	41
↔	Percentage of Population Enrolled in Degree-Granting Institutions	6.0%	12
↔	Venture Capital Invested as a Percentage of GSP	0.067%	22
↔	Venture Capital Invested per \$1,000 of GSP	\$0.67	22
↔	Workforce Educational Achievement	13.96	10
↓	Number of Technology Fast 500 Companies per 10,000 Business Establishments	0.44	36