

Texas Business Review

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Cover: Ruins on original campus of Baylor University near Independence, Texas.
Photograph courtesy of Robert M. Lockwood.

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Stimulating the Economy

President Carter's Economic Recovery Package

Charles B. Knapp

One of the central issues in the 1976 presidential campaign was the pace at which the U.S. economy was recovering from the 1974-1975 recession. Candidate Jimmy Carter pointed to rising unemployment and falling economic indicators as evidence that the recovery, which had seemed genuine earlier in 1976, was faltering. At that time President Gerald Ford sent administration economists in front of television cameras to characterize the slowdown as a "pause" that, although unfortunately timed from his standpoint, would soon end.

In hotly contested states the sluggish performance of the economy may have given President Carter the critical edge necessary to bring about his narrow victory. Although this factor probably was of particular importance in the industrial Northeast, where the most serious implications of the "pause" were in evidence, states like Texas, where the slowdown was hardly felt, may also have been affected. Two explanations are possible: Texans may have felt, justifiably, that their state economy would have been in even better shape without the slowdown, and Texans may have feared that the slowdown in the rest of the country would eventually affect them.

Be that as it may, President Carter was, because of his emphasis on the economic situation during the campaign, committed to some type of government-induced economic stimulation package. The proposed economic recovery package was worked out in a series of meetings with the new administration's economic advisers and congressional leaders and was announced early in January. It is interesting to review *ex post* the reasoning that led to the proposal of this particular stimulation package at this time.

The Options

The slowdown that began in the last half of 1976 has at least two features that distinguish it from most previous

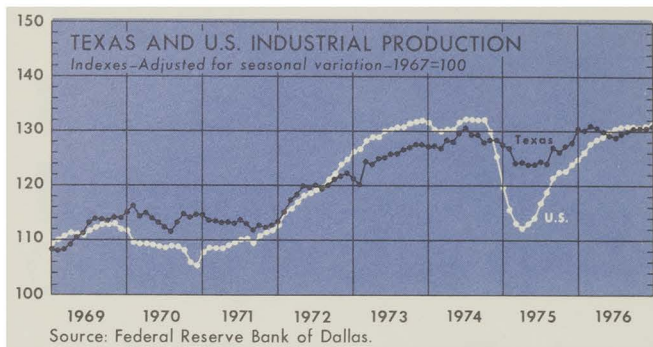
periods of sluggish economic performance. First, although the national unemployment rate climbed from a post-recession low of 7.3 percent in May to 8.1 percent in November 1976, a renewal of double-digit inflation still poses a threat with the annualized rate of increase in prices continuing to hover around 5 percent. The U.S. Department of Labor reports, in fact, that wholesale prices jumped nine tenths of a percent in December alone. Second, as mentioned above, the slump has not affected all regions and socioeconomic groups in the country in a uniform fashion. For example, in some central cities over one half of the minority teenagers in the work force are without a job, while the overall unemployment rate in Texas was only 5.4 percent last November.

Faced with this situation, President Carter had several policy options. What were the advantages and disadvantages of each course of action? Basically, three types of economic policies (not necessarily mutually exclusive) were considered:

Aggregate Fiscal and/or Monetary Policy

Until recently many economists felt that the textbook prescription of aggregate fiscal and/or monetary policy in response to an economic downturn was sufficient. Such a response involves increasing the level of demand in the economy either by increasing government spending, or by reducing personal or business taxes (fiscal policy), or by stimulating aggregate demand through increases in the rate of growth in the money supply. The appropriate mix of fiscal-monetary policy was thought to depend mainly on such considerations as the relative speed with which fiscal policy could be enacted and the independence of the Federal Reserve Board in its control of the money supply.

However, skepticism among economists concerning the appropriateness of such macroeconomic policies is now widespread. The basic problem is that in a heterogeneous



economy like that of the United States, across-the-board stimulation is likely to have little effect on entrenched areas outside the economic mainstream (such as minority teenage unemployment), but inflation may result in those parts of the economy already operating at or near capacity.

Targeted Fiscal Policy

As at least a partial response to the shortcomings of aggregate fiscal and monetary policy discussed above, some economists have suggested focusing tax cuts and increased public expenditures more specifically toward regions of the country and socioeconomic groups perceived as being in

Index of Consumer Prices, United States (1967=100)

Classification	Dec 1976	Percent change	
		Dec 1976 from Nov 1976	Dec 1976 from Dec 1975
All items	174.3	0.3	4.8
Food	181.7	0.3	0.6
Housing	181.6	0.0	4.5
Apparel and upkeep	151.8	0.5	5.5
Transportation	171.4	0.0	8.8
Health and recreation	168.0	0.4	6.7

Source: U.S. Department of Labor, Bureau of Labor Statistics.

particular need. For example, government revenues might be reduced by forgiving the nominal payments currently required from Medicare recipients. This policy would increase the income of what is one of the most needy groups in the society by about \$3 billion per year. Increased government expenditures (military and otherwise) might be targeted toward states or regions that are particularly depressed economically. Thus, although the overall Texas economy may not be in need of stimulation, public expenditures in lagging areas, such as South Texas cities with high unemployment rates, might be required.

Job Creation and Training Programs

Closely related to the specifically targeted fiscal policies discussed above are federal efforts at job creation and training. Job creation can take place through either of two major routes—public service or public works employment—and is attractive because it “directly” tackles the unemployment problem. Public service employment usually involves a federal transfer to state or local government units that are in turn supposed to use the money to hire otherwise unemployed people in useful public sector jobs. A serious danger with this technique is the so-called leakage problem, or use of federal money to hire those who would have been hired anyway.

Public works employment puts people to work on federally sponsored capital projects (such as buildings, dams, etc.). The disadvantage of this route is that the cost

Selected Barometers of Texas Business (Indexes—Adjusted for seasonal variation—1967=100)

Index	Dec 1976	Nov 1976	Year-to-date average 1976	Percent change	
				Dec 1976 from Nov 1976	Year-to-date average 1976 from 1975
Business activity	246.9	240.3	228.3	3	17
Estimated personal income	271.9 ^P	265.9 ^P	254.9	2	12
Bank debits	461.4	445.5	417.2	4	22
Crude oil production	105.8 ^P	106.9 ^P	106.7	— 1	— 3
Total electric power use	204.4 ^P	185.6 ^P	186.7	10	14
Residential	294.1 ^P	230.9 ^P	234.7	27	13
Industrial	157.6 ^P	157.0 ^P	155.2	**	14
Total industrial production	133.1 ^P	131.0 ^P	130.3	2	4
Urban building permits issued	249.8 ^P	241.9 ^P	233.4	3	24
New residential	294.1 ^P	254.0 ^P	253.7	16	34
New nonresidential (unadjusted)	218.6 ^P	227.1 ^P	211.0	— 4	14
Total nonfarm employment	140.8 ^P	140.7 ^P	139.2	**	3
Manufacturing employment	125.7 ^P	125.9 ^P	124.5	**	3
Average weekly earnings—manufacturing	189.4 ^P	184.7 ^P	181.7	3	9
Average weekly hours—manufacturing	99.3 ^P	98.0 ^P	98.8	1	1
Total unemployment	177.1	172.6	177.7	3	— 17
Insured unemployment	260.7	304.9	272.0	— 14	— 20

^P Preliminary.

** Change is less than one half of 1 percent.

Weekly Department-Store Sales in Five Texas Metropolitan Areas

Metropolitan areas	Percentage changes in dollar volume of retail sales from same period last year	
	Four weeks ended Dec 31, 1976	Jan 3, 1976 through Dec 31, 1976
Austin	13	13
Dallas	15	11
El Paso	23	13
Houston	13	12
San Antonio	15	9

Source: Federal Reserve Bank of Dallas Research Department.

per job created is much greater (often four to five times greater) than the cost per job under public service employment. On the other hand, a clear and important advantage is that social overhead capital is created in the process. This capital can produce a return on investment through time in the form of such goods as electricity or water.

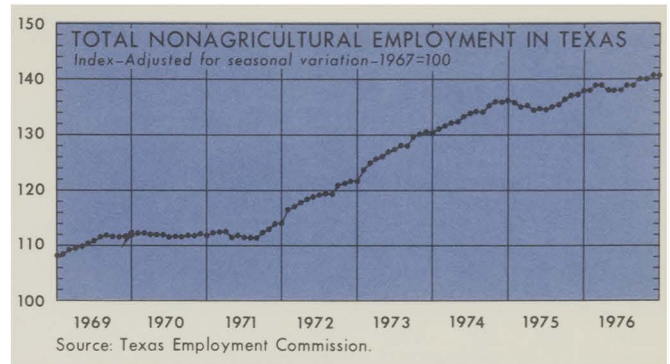
Job training programs (under the Comprehensive Employment Training Act) are also a popular policy tool during periods of sluggish economic activity and may be a particularly attractive route given the stubborn nature of unemployment in the current slowdown. Jobs programs attempt to upgrade the skills of the unemployed so that those persons will become attractive to private sector businesses. Such programs have often been faulted for their poor performance although most of the past problems appear to have been managerial rather than substantive in nature.

The Carter Program

What type of an economic recovery package is President Carter proposing? The package will give the economy during fiscal year 1977 (which ends next October 1) a modest and noninflationary boost of between \$10 and \$14 billion in direct fiscal stimulation in the form of tax cuts and at least \$3 billion in additional jobs programs. For fiscal year 1978, about \$8 billion in tax cuts and an additional \$3 billion to \$5 billion in jobs spending (above the 1977 level) is planned. The exact size of the stimulation will depend on the state of the economy.

While substantial, the package falls far short of the \$30 billion per year programs proposed by some liberal members of Congress and the AFL-CIO. A number of prominent economists, including two ex-chairmen of the Council of Economic Advisers, Walter Heller (Kennedy-Johnson) and Paul McCracken (Nixon), predicted this program would fall short of reaching President Carter's campaign goal of reducing the unemployment rate to 6.5 percent by the end of this year. The limited size of the program apparently resulted from fears of renewing high inflation rates.

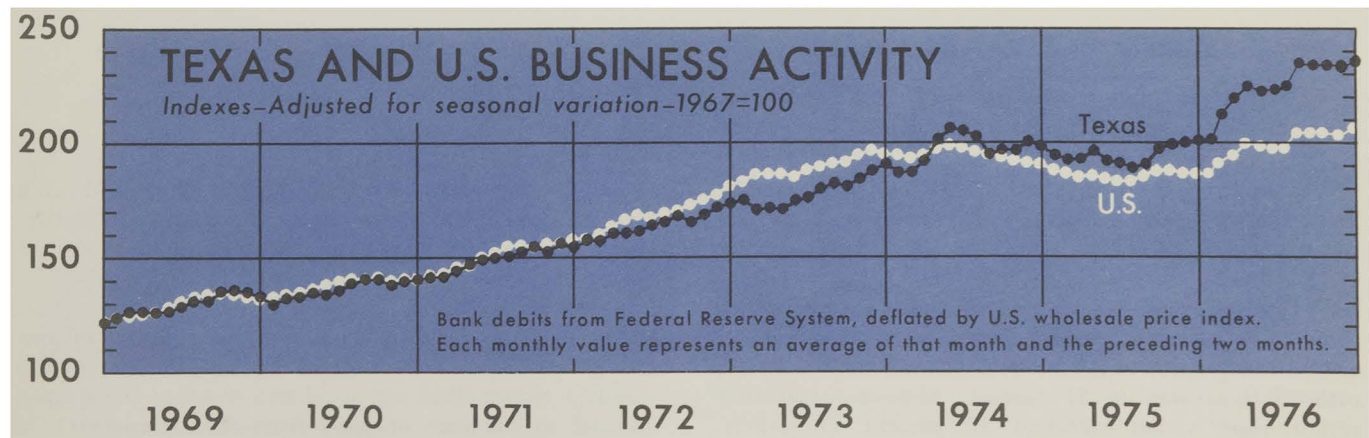
The package is heavily "targeted" in the sense discussed above. The major portion of the tax cuts is likely to come



in the form of flat rebates of \$100 to \$200 on each 1976 personal income tax return. These flat rebates would return proportionately more to poorer taxpayers. The available standard deduction will also be raised, another move that will benefit the poor the most.

The jobs program proposed would increase public works programs \$2 to \$4 billion in the remainder of fiscal year 1977 and an additional \$2 billion in fiscal year 1978. The base level of spending for public service employment would be increased \$.7 billion this fiscal year (290,000 jobs) and about another \$2.3 billion next year (125,000 jobs). Base spending for job training targeted especially toward youth and minorities would be increased an extra \$.3 billion (200,000 training slots) in fiscal year 1977 and another \$1.3 billion (150,000 training slots) in fiscal year 1978. State and regional allocations of all these funds will be determined by differences in economic indicators. Thus Texas, with a relatively healthy economy, will receive less than it would otherwise. It should also be noted that the total size of this jobs program represents a sharp increase not only over current expenditure levels but also over the size of the jobs programs originally thought to be under consideration by the new administration.

President Carter's economic recovery package clearly represents a compromise between both the tradeoff of unemployment versus inflation and the various schools of thought on economic stimulation. It will be interesting to observe, over the next year or so, how effective the package is in attaining the president's goal of reducing unemployment without causing a new surge of inflation.



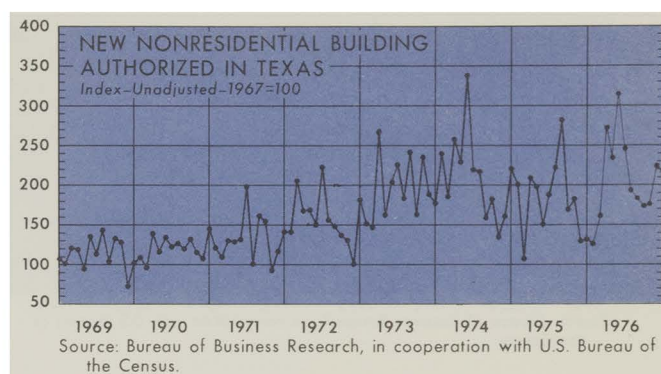
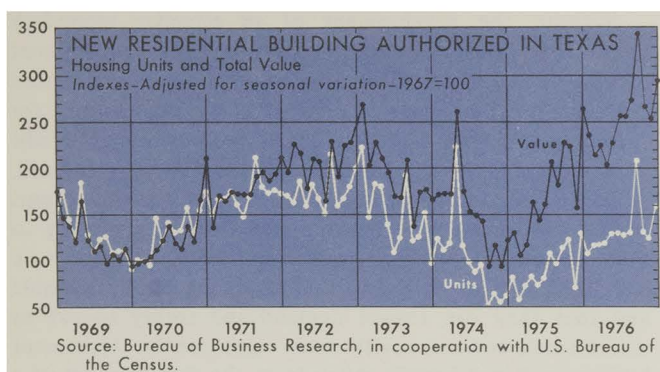
Texas Construction in 1976

Charles H. Wurtzebach

Year-end figures for building construction authorized in Texas show that 1976 was a much better year for the construction industry than was 1975. The cumulative value of total building construction authorized through December 1976 was 30 percent higher than the year-earlier level. Residential construction contributed more than nonresidential construction to this increase; the value of residential authorizations was up 51 percent, while nonresidential authorization values increased 15 percent. One-family

dwelling unit authorizations through December of 1976 rose 41 percent from the 1975 authorization level; two-family and apartment unit authorizations jumped 124 and 99 percent respectively.

Gains in residential authorizations were not spread uniformly throughout the state. In the category of one-family dwelling units authorized in 1976 the San Angelo standard metropolitan statistical area recorded the greatest increase in numbers of units from the December 1975



cumulative figures: 68 percent. The San Angelo SMSA was followed by the Waco SMSA (67 percent), the Bryan-College Station SMSA (59 percent), and the Galveston-Texas City SMSA (57 percent). Three SMSAs reported declines in the number of one-family dwelling units authorized: Texarkana (10 percent), Killeen-Temple (9 percent), and Midland (7 percent).

While apartment units authorized through December 1976 increased by 89 percent from the year-earlier figure, gains and losses in the SMSAs varied widely. The greatest increase in number of units was recorded by the Abilene SMSA (1925 percent). The Austin SMSA reported an increase of 891 percent in the apartment unit category, followed by the Laredo and Beaumont-Port Arthur-Orange SMSAs with 850 and 505 percent increases. Three SMSAs reported declines from a year earlier in the cumulative number of apartment units authorized in 1976—Odessa (53 percent), San Angelo (22 percent), and San Antonio (16 percent).

From January through December 1976, 91,635 dwelling units were authorized for construction throughout the state. Of that total, 83,916 were issued building permits within the Texas SMSAs, while 7,719 were issued permits outside the SMSAs. The Houston and Dallas-Fort Worth SMSAs led the state in number of authorizations issued, with 25,058 and 23,436 respectively. The San Antonio, El Paso, and Austin SMSAs followed with 3,988, 3,580, and 3,218.

As the accompanying table indicates, approximately 52 percent of the dwelling units authorized in Texas during 1976 were one-family units; two-family units represented nearly 3 percent of total dwelling unit authorizations, and apartment units represented slightly more than 45 percent. During 1975 one-family unit authorizations made up about 61 percent and apartment units 37 percent of the total dwelling units. Perhaps more significant, however, was the actual increase in the number of dwelling unit authorizations. One-family unit authorizations in 1976 exceeded those in 1975 by 10,624, a 27 percent increase. Apartment unit authoriza-

tions increased by 19,305, or approximately 89 percent. This rather large increase in apartment unit authorizations was spread rather uniformly throughout the year; that is, total gains in apartment unit authorizations exceeded those in the one-family category on a monthly basis.

From 1970 through 1973 one-family unit authorizations represented approximately 40 percent of total authorizations, while apartment unit authorizations accounted for 58 percent of total authorizations. Over the past three years one-family units represented a greater proportion of total authorizations, ranging from 49 to 61 percent of the total. During this same three-year period, apartment authorizations represented 36 to 48 percent of total authorizations. These figures would suggest that while the increase in apartment unit authorizations was impressive relative to total authorizations during 1976, they have not yet reached the levels that were recorded in the early 1970s.

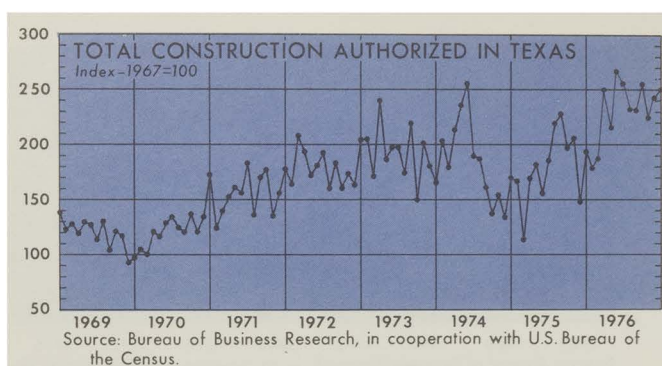
Factors Affecting Authorization Levels

Many factors affect the rate at which dwelling unit authorizations are issued. Some of the more significant ones include housing demand, population growth, income, governmental policy, and the availability of financing. Of these factors, perhaps the one that affects the entire state most evenly is the availability of financing. As a result of programs sponsored by the federal government, housing has received an uneven supply of mortgage money throughout the years. While Federal Housing Administration (FHA)

Texas Residential Construction Authorized, 1966-1976

Year	One-family units	Percent of total	Two-family units	Percent of total	Apartment units	Percent of total	Total
1966	30,794	57.9	1,376	2.6	20,970	39.5	53,140
1967	35,368	49.0	2,062	2.9	34,699	48.1	72,129
1968	35,429	36.3	2,080	2.1	60,119	61.6	97,628
1969	30,066	33.4	1,620	1.8	58,439	64.8	90,125
1970	33,832	37.4	1,832	2.0	54,814	60.6	90,478
1971	48,767	41.1	3,466	2.9	66,280	56.0	118,513
1972	49,249	40.2	3,446	2.8	69,587	57.0	122,282
1973	39,791	38.6	1,804	1.7	61,574	59.7	103,169
1974	33,834	49.0	1,508	2.2	33,778	48.8	69,120
1975	37,094	61.3	1,248	2.1	22,204	36.6	60,546
1976	47,718	52.1	2,408	2.6	41,509	45.3	91,635

Source: Bureau of Business Research in cooperation with the U.S. Department of Commerce.



and Veterans Administration (VA) programs have aided the one-family dwelling unit market, programs designed for apartment units and low-income housing units have been unreliable. The most significant accomplishment of the FHA and VA programs has been in the development of a viable and active secondary market for one-family dwelling unit mortgages. The development of a secondary market has encouraged a large number of institutional investors to lend funds throughout the country on the basis of FHA and VA insurance and loan guarantees. Until recently, however, this secondary market activity did not include conventional mortgage loans.

In December of last year the Mortgage Corporation introduced a pilot program designed to list for sale special packages of mortgages to be underwritten by the Federal Home Loan Mortgage Corporation. The original pilot program will involve only the Mortgage Corporation's Atlanta and Dallas regional offices. If the pilot program wins investor acceptance, consideration will be given to establishing the underwriting service as a regular fee-producing program of the Mortgage Corporation. This year the corporation will buy and sell more than \$1 billion in mortgages. As part of its secondary market development effort, the firm is emphasizing the development of uniform loan documents and a computer-aided underwriting system.

Uniform loan documents are necessary for the development of a viable secondary market for conventional one-family dwelling unit mortgages. Uniform documents allow the bringing together of similar grade mortgages into the same block even if they are from different cities. Also, investors will be able to invest in mortgages that represent properties throughout the United States and not be concerned with the need to evaluate each one. Finally, uniform loan documents facilitate the transfer of mortgage blocks between financial institutions. This allows institutional investors to make periodic portfolio changes without suffering the effects of attempts to sell nonliquid assets.

In the case of apartment units the development of an effective secondary market has not occurred. The primary reason for this deficiency lies in the characteristics of apartment financing techniques. The preponderance of second mortgages, wraparound mortgages, and large mortgage value has encouraged specialists to invest in apartments. Unusual mortgage terms also have made uniformity in legal documents the exception rather than the rule.

Without the development of an effective secondary market the flow of mortgage funds to the apartment industry is unreliable. Each apartment complex is financed individually. Borrowers cannot rely on one source for financing, and they find that during periods of tight credit conditions their loan applications are the first to be refused.

As the secondary market for one-family dwelling unit mortgages continues to develop, the flow of financing to that segment of the construction industry will tend to be stabilized. Builders will find that financing will be available and that they can expect demand and ability to pay to affect construction activity more significantly. Apartment builders will not benefit much from the development of a secondary mortgage market for one-family dwelling unit mortgages. They can expect to face uncertain financing conditions in addition to changing demands in the housing market.

Estimated Values of Building Authorized in Texas[#]

Classification	Dec ^P 1976 (thousands of dollars)	Jan-Dec ^P 1976	Percent change	
			Dec 1976 from Nov 1976	Jan-Dec 1976 from Jan-Dec 1975
<i>All Permits</i>	376,705	4,448,015	1	24
New construction	341,875	3,940,304	4	24
Residential				
(housekeeping)	182,617	2,095,818	11	35
One-family dwellings	129,939	1,632,131	6	24
Multiple-family dwellings	52,678	463,687	25	99
Nonresidential	159,258	1,844,486	- 4	14
Hotels, motels, and tourist courts	2,893	93,822	171	177
Amusement buildings	3,269	24,007	70	- 43
Churches	7,756	64,211	44	- 11
Industrial buildings	11,439	139,219	- 47	7
Garages (commercial and private)	1,078	23,058	- 48	27
Service stations and repair garages	817	11,675	- 24	33
Hospitals and institutions	5,286	181,613	- 25	- 12
Office-bank buildings	36,766	403,045	- 20	29
Works and utilities	13,181	118,349	200	- 27
Educational buildings	49,192	301,479	41	13
Stores and mercantile buildings	24,402	366,083	- 21	35
Other buildings and structures	3,179	105,920	- 18	9
Additions, alterations, and repairs	34,830	507,711	- 21	19
<i>SMSA vs. non-SMSA</i>				
Total SMSA [†]	344,450	4,044,798	3	23
Central cities	248,460	2,799,207	11	32
Outside central cities	95,990	1,245,591	- 12	5
Total non-SMSA	32,255	403,217	- 19	35
10,000 to 50,000 population	20,335	227,640	- 11	39
Less than 10,000 population	11,920	175,577	- 29	30

[#]Only building for which permits were issued within the incorporated area of a city is included. Federal contracts and public housing are not included.

^PPreliminary.

[†]Standard metropolitan statistical area as defined in 1975 census.

**Change is less than one half of 1 percent.

Source: Bureau of Business Research in cooperation with the Bureau of the Census, U.S. Department of Commerce.

Industrial Dispersal in a Growing Metropolitan

Economy: The Case of Dallas

Bernard L. Weinstein

Robert E. Firestine

The fiscal distress of the older, industrial cities of the Northeast has been much in the news over the past year. New York City, Buffalo, Newark, Detroit, and other cities have been forced to lay off personnel and cut back on the level of services in order to avert bankruptcy.

All of these cities have shown similar demographic and economic changes over the past twenty years: an influx of older, less educated, and poorer people into the central city; an outmigration of educated, middle-income families to the suburbs; the loss of manufacturing jobs to suburban or exurban areas; and a growth of public sector jobs to compensate for the loss of private sector employment. By

the mid-1970s the economic bases of these cities had eroded to the point that further tax increases to finance the going level of public services were untenable; the only solution was to cut local government spending.

So far, the fast-growing Texas cities have retained their economic vitality and avoided the ravages of urban fiscal distress. The rapid industrialization of Texas over the past decade has benefited both central cities and suburbs by creating more jobs and housing and boosting other measures of economic well-being. However, this apparent good health of Texas's major metropolitan areas should not be permitted to generate totally unguarded optimism about

the future. In fact the city of Dallas is beginning to show some early signs of the economic and fiscal erosion that has plagued the older cities of the manufacturing belt.

Demographic Changes since 1960 for the Dallas Metropolitan Area

For the purposes of demographic and industrial comparisons, the Dallas metropolitan area is defined as Dallas City, Richardson, Farmers Branch, Carrollton, Garland,

San Diego, and Phoenix showed faster population growth during this period. It should be pointed out, however, that Dallas's population growth decelerated dramatically after 1970 so that the increase between 1970 and 1976 averaged less than 1 percent a year. By contrast, Fort Worth showed a mere 8 percent population gain during the 1960-1976 period and has actually lost population since 1970.

In 1970, 7.8 percent of Dallas's resident population was over 65 years of age; in 1960, 7.0 percent fell in that category (see table 2). Fort Worth and Denton also showed relatively high proportions of elderly residents in 1970. In

So far, the fast-growing Texas cities have retained their economic vitality and have avoided the ravages of urban fiscal distress.

Grand Prairie, Irving, Mesquite, DeSoto, and Duncanville. Fort Worth and Denton are not, of course, suburbs contiguous to the city of Dallas but are included in this review because their changing demographic and industrial characteristics conform more to the pattern of the city of Dallas than do those of Dallas's suburban ring cities.

Population Growth

Not surprisingly, the city of Dallas is growing much more slowly than all of its suburbs (see table 1). Nonetheless, total population increased some 31 percent between 1960 and 1976. Of the major Sun Belt cities, only Houston,

Dallas's suburbs, by contrast, elderly residents typically accounted for 2 or 3 percent of the population in 1970 and in some cases declined as a percentage of total population between 1960 and 1970.

Income Levels

Between 1959 and 1969 median family income grew 67.7 percent in Dallas (see table 3). Most of the suburbs, as well as Fort Worth and Denton, showed a somewhat greater increase during this period. In both 1959 and 1969, the

Table 1
Population Change
Dallas and Selected Suburbs
1960-1976

City	1960 population	1976 population	Percent change 1960-1976
Dallas	679,684	888,450	30.7
Richardson	16,810	64,350	282.8
Farmers Branch	13,441	29,250	117.6
Carrollton	4,242	30,200	611.9
Garland	38,501	123,250	220.1
Grand Prairie	30,386	63,900	110.3
Irving	45,985	117,550	155.6
Mesquite	27,526	65,900	139.4
De Soto	1,969	12,000	509.4
Duncanville	3,774	22,850	505.5
Fort Worth	356,268	384,300	7.9
Denton	26,844	47,250	76.0

Sources: U.S. Department of Commerce, Bureau of the Census, *Census of Population: 1960* and NCTCOG *Current Population Estimates 1976*.

Table 2
Percentage of Population 65 and over
Dallas and Selected Suburbs
1960 and 1970

City	Percent population 65 and over 1960	Percent population 65 and over 1970	Percent change 1960-1970
Dallas	7.0	7.8	11.4
Richardson	2.6	2.2	- 15.4
Farmers Branch	1.9	2.6	36.8
Carrollton	5.6	3.5	- 37.5
Garland	2.7	3.1	14.8
Grand Prairie	3.8	4.5	18.4
Irving	3.0	3.1	3.3
Mesquite	2.1	2.5	19.0
De Soto	n.a.	3.4	n.a.
Duncanville	3.8	3.2	- 15.8
Fort Worth	8.1	9.5	17.3
Denton	7.9	7.0	- 11.4

n.a. Not available.

Sources: U.S. Department of Commerce, Bureau of the Census, *Census of Population: 1960* and *Census of Population: 1970*.

latest year for which such data are available, median family income was lower in Dallas than in any of the ring suburbs. Nonetheless, Dallas's median family income of \$10,019 in 1969 was well above the U.S. overall median of \$9,596.

More recent data are available on changes in per capita income for Dallas and its suburbs (see table 4). In 1972 per capita income in Dallas was \$4,432; the national average was \$4,492. Per capita income was much higher in Dallas than in Fort Worth or Denton, and Dallas also surpassed six of the nine ring suburbs by this income measure. The growth of per capita income in Dallas between 1969 and 1972 also compared favorably with suburban income growth. However, the slow increase in the population since 1970, the rise of the median age, and lagging median family income in Dallas are manifestations of the changing matrix of the Dallas resident labor force.

Labor Force Changes

Between 1960 and 1970 the fastest-growing job category for Dallas residents was professional, technical, and kindred. However, there was a notable decline in the relative share of managers and administrators over the 1960-1970 period for the city of Dallas. This drop may be a reflection of the flight of white, middle-class families to suburbs such as Farmers Branch, Carrollton, DeSoto, and Duncanville. Fort Worth and Denton also show dramatic declines in the managerial and administrative category between 1960 and 1970.

The second fastest-growing job category for Dallas appears to be service work. In both 1960 and 1970 a larger proportion of Dallas's labor force was classified as service workers than was the case in any of the suburban ring cities. *Service work* covers a broad range of unskilled and semiskilled jobs ranging from barbers and drycleaners to hospital orderlies and hotel maids. Such jobs are usually more abundant in large, central cities than in small or

suburban cities. Fort Worth and Denton also show relatively high proportions of their work force in service occupations.

Of course, the occupational mix of the labor force does not necessarily match the employment patterns or job availability in a city. In the case of Dallas the employment pattern differs considerably from the skills distribution of its resident labor force.

Changing Industrial Patterns in the Dallas Metropolitan Area

Over the past few years there has been a growing awareness of the deterioration of Dallas's competitive advantage in attracting new business. Although the metropolitan area as a whole continues to draw businesses and people from other regions, the city of Dallas has not been the recipient of much of this growth in recent years. In addition, a number of existing Dallas-based businesses are shifting all or part of their operations to the suburban cities. In fact Dallas is beginning to take on the appearance of a "doughnut" economy with a diminishing level of business activity in its core and job growth limited to the perimeter and the suburbs.

The nature of the industrial shifts occurring in the Dallas metropolitan area can be best illustrated by pointing to trends in manufacturing employment since 1967 for Dallas and its suburbs. Manufacturing employment is singled out in part because Texas has the fastest-growing manufacturing sector of any state in the United States. A large portion of this expansion (a gain of nearly 200,000 jobs since 1967) has occurred in the Dallas-Fort Worth region. Additionally, most studies of economic development and decline have focused on manufacturing as the critical sector affecting the overall performance of the region. Finally, more and better data are available for changes in manufacturing employment since 1967 than for nonmanufacturing employment.

Table 3

Median Family Income Dallas and Selected Suburbs 1959 and 1969

City	Median family income 1959 (in dollars)	Median family income 1969 (in dollars)	Percent change 1959-1969
Dallas	5,976	10,019	67.7
Richardson	8,520	14,387	68.9
Farmers Branch	7,272	13,317	83.1
Carrollton	6,247	10,976	75.7
Garland	6,792	11,429	68.3
Grand Prairie	5,764	10,230	77.5
Irving	6,843	11,454	67.4
Mesquite	6,241	10,983	76.0
De Soto	n.a.	13,031	n.a.
Duncanville	6,252	11,256	80.0
Fort Worth	5,484	9,271	69.1
Denton	4,994	9,093	82.1

n.a. Not available.

Sources: U.S. Department of Commerce, Bureau of the Census, *Census of Population: 1960* and *Census of Population: 1970*.

Table 4

Per Capita Income Dallas and Selected Suburbs 1969 and 1972

City	1969 (in dollars)	1972 (est.) (in dollars)	Percent change 1969-1972
Dallas	3,697	4,432	19.9
Richardson	4,167	5,025	20.6
Farmers Branch	3,925	4,435	13.0
Carrollton	3,224	3,994	23.9
Garland	3,300	3,873	17.4
Grand Prairie	3,206	3,619	12.9
Irving	3,491	4,158	19.1
Mesquite	2,962	3,600	21.5
De Soto	3,926	4,915	25.2
Duncanville	3,169	3,806	20.1
Fort Worth	3,236	3,747	15.8
Denton	2,793	3,305	18.3

Source: U.S. Department of Commerce, Bureau of the Census, *Current Population Reports*, series P-25, no. 588, June 1975.

The 1972 *Census of Manufactures* revealed a surprising decline in manufacturing employment for the city of Dallas between 1967 and 1972 (see table 5). In part this drop can be attributed to the relatively high unemployment rate in 1972 relative to that in 1967. But in a dynamic sense it suggests that Dallas was not benefiting from the overall expansion of the manufacturing sector that occurred over this period. By contrast, all of the suburban cities showed increases in manufacturing employment between 1967 and 1972, and in some cases these increases were dramatic. Fort Worth lost twice as many manufacturing jobs as Dallas during this period, but in the main these job losses can be related to the misfortunes of General Dynamics.

Special Analysis from the Directory of Texas Manufacturers

Since there are no census figures on intrametropolitan industrial location since 1972, locational and employment data for the Dallas metropolitan area were updated with information from the 1975 *Directory of Texas Manufacturers*. Using the 1975 *Directory* tapes, the Bureau of Business Research at the University of Texas at Austin performed a special computer run that sorted each manufacturing enterprise by Standard Industrial Classification (S.I.C.) and by zip code. These data were supplemented by current reports from the North Texas Commission so that the manufacturing establishment and employment data would be complete and comprehensive through the first quarter of 1976. Together, these two data sources allowed the development of current estimates of employment for each major manufacturing group in Dallas and each of the suburban ring cities. The data sources also permitted an examination of the temporal distribution of manufacturing establishments in Dallas and its suburbs. Column 7 in table 5 shows manufacturing employment estimates for Dallas, Fort Worth, Denton, and seven suburbs in 1976 as derived from the abovementioned sources. Since 1972 Dallas and Fort Worth both appear to have regained some of the

manufacturing jobs lost in the 1967-1972 period. Garland, Mesquite, and Grand Prairie continue to show impressive job growth in relative terms while Richardson, Irving, and Farmers Branch are holding their own.

Not only have the suburbs gained manufacturing employment faster than the city of Dallas, but most new plant openings have also been sited in the suburban cities. A look at table 6 substantiates this assertion. About 40 percent of Dallas's manufacturing establishments were opened prior to 1950. During the 1950-1970 period, Dallas was quite successful in attracting new firms, and nearly half of the existing manufacturing firms in Dallas today went into business during this period. But since 1970 very few new manufacturing firms have chosen Dallas as a location.

Table 6

Percentage Distribution of Manufacturing Establishments by Age for Dallas, Nine Suburbs, Fort Worth, and Denton

City	Unknown year	Before 1950	1950-1960	1961-1970	After 1970
Dallas	5.0	38.8	25.8	23.0	7.3
Richardson	—	25.9	18.5	40.7	14.8
Carrollton	—	7.7	19.2	50.0	23.1
Farmers Branch	4.0	12.0	32.0	32.0	20.0
Garland	1.5	10.7	13.8	53.6	20.4
Grand Prairie	—	15.4	19.8	39.6	25.3
Irving	6.7	11.7	20.0	45.0	16.7
Mesquite	3.7	11.1	37.0	37.0	11.1
Duncanville	—	—	27.3	36.4	36.4
De Soto	—	50.0	—	—	50.0
Fort Worth	2.3	35.7	26.4	28.2	7.4
Denton	2.4	29.3	22.0	34.1	12.2

Source: 1975 *Directory of Texas Manufacturers* (Austin, 1976); North Texas Commission.

The suburbs stand out in remarkable contrast. For most of the suburban cities, industrial expansion really began in 1960. In Richardson, for example, 56 percent of the existing manufacturing plants have opened since 1960. For Carrollton the figure is 73 percent and for Garland, 74

Table 5

Changes in Manufacturing Employment and Value Added Dallas and Suburban Cities, 1967-1972

City	Manufacturing employment, 1967 (thousands)	Manufacturing employment, 1972 (thousands)	Percent change 1967-1972	Value added 1967 (millions)	Value added 1972 (millions)	Percent change 1967-1972	Employment estimate, 1976 (thousands)
Dallas	113.1	106.9	- 5.5	\$1,340.4	\$1,793.0	33.8	110.9
Richardson	n.a.	4.7		n.a.	45.1		4.7
Carrollton	2.4	3.8	58.3	39.1	75.1	92.1	2.5
Farmers Branch	0.6	2.5	316.7	5.8	39.7	584.5	2.4
Garland	6.9	12.5	81.2	75.8	227.9	200.7	16.5
Grand Prairie	2.1	5.2	147.6	23.0	120.5	423.9	7.9
Irving	1.5	3.5	133.3	44.2	92.3	108.8	3.5
Mesquite	n.a.			n.a.	49.9		4.7
Fort Worth	62.3	46.5	- 25.4	938.0	854.3	- 8.9	58.9
Denton	2.3	3.3	43.5	32.0	44.7	39.7	2.9
Arlington	7.0	9.3	32.9	164.4	283.3	72.3	
McKinney	1.3	1.1	- 15.4	9.7	11.3	16.5	

n.a. Not available.

Sources: U.S. Department of Commerce, Bureau of the Census, 1972 *Census of Manufactures, Texas*; 1975 *Directory of Texas Manufacturers* (Austin: Bureau of Business Research, 1976); reports from the North Texas Commission.

percent. The trend in plant sitings is even more dramatic if we look at the post-1970 period. All of the suburbs show continued rapid relative growth; the city of Dallas does not.

Another interesting aspect of suburban manufacturing expansion is that employment growth has been concentrated in industries where Dallas does not have a strong relative position. Dallas's dominant manufacturing industries are food processing, apparel, printing and publishing, and transportation equipment. In the suburban cities the dominant industries are electrical and electronic equipment, machinery, and fabricated metals—industries that account for a relatively small share of Dallas's employment. Those industries growing fastest in the suburbs have substantial plant and equipment requirements that have helped to increase the tax base. They have also provided jobs for both professional and blue-collar workers.

Dallas's Industrial Growth

Is the rapid growth of suburban industrialization unique to the city of Dallas? Do other Sun Belt cities show the same pattern of manufacturing dispersal? The Atlanta metropolitan area, which has an industrial structure quite similar to that of Dallas, follows the Dallas pattern of rapid suburban growth with considerable central-city employment decline (see table 7). Kansas City also shows substantial central-city manufacturing job losses. By contrast, Houston, Phoenix, and Oklahoma City show manufacturing employment growth in *both* the central city and the suburbs during the 1967-1972 period.

On balance it appears that the Sun Belt cities, including Dallas, are not immune from the economic erosion that has plagued the older industrial cities of the Northeast. Why some Sun Belt cities continue to show vigorous industrial

growth while others have declined can only be understood through in-depth case-by-case analysis.

Tax Base Erosion and Potential Fiscal Disparities

There are several reasons for concern about the loss of manufacturing jobs in the city of Dallas. In the first place, manufacturing decline implies a potentially serious erosion of the tax base. While it is true that service and government jobs have continued to grow in the city of Dallas, these types of employment aren't nearly as productive in terms of local tax revenue as are manufacturing jobs. Furthermore, a decline in the manufacturing sector today may forebode a decline in the service sector tomorrow.

The experience of New York City over the last several decades is instructive in this regard. New York began losing manufacturing jobs in the mid-1950s. For twenty years the conventional wisdom suggested that as long as service and government jobs were growing, manufacturing losses didn't matter. In fact, New York was losing its basic export industries and substituting local service industries with a much narrower economic and tax base. By the early 1970s the service and government sectors in New York City had begun to contract since there was no longer a large and productive industrial sector to support these tertiary jobs. The end result is well known: municipal insolvency and massive cuts in the quantity and quality of public services.

If the suburbs continue to attract the lion's share of commercial and industrial development, increased local tax receipts from these sources may result in noticeable fiscal disparities between any central city and its ring cities, on both the revenue and expenditure side. An increase in commercial and industrial ratables helps to keep down residential property taxes and also permits a higher level of local government spending for education, recreation, and other public services.

Finally, a continuing drop in manufacturing employment means lost opportunities for high-paying jobs that could be filled by the inner city work force. A number of the suburban ring cities around Dallas, for example—Mesquite, Grand Prairie, and Garland in particular—are largely blue-collar communities. Both the number of manufacturing establishments and the resident work force have grown in tandem. In Dallas, by contrast, there is a growing disparity between job opportunities and the skills distribution of the resident labor force. While the recent job growth in Dallas has required professional, managerial, and office workers for the government and financial sectors, the demographic changes since 1960 suggest that Dallas's inner-city residents are increasingly unskilled or semiskilled.

Although the Dallas metropolitan area is in good economic health overall, the central city has been losing population, jobs, and tax base to the suburbs for some time. Dallas is still a long way from the gross intrametropolitan disparities that characterize the older industrial cities of the Northeast. But recent developments suggest that Dallas—and other Sun Belt cities—must take strong remedial actions to reverse the incipient indicators of economic and fiscal erosion.

Table 7

City-Suburban Comparisons of Manufacturing Employment Growth for Dallas and Other Sun Belt Cities, 1967-1972

	1967 manufacturing employment	1972 manufacturing employment	Percent change 1967-1972
Dallas metropolitan area*			
Central city	113,100	106,900	- 5.5
Suburbs	24,700	36,900	49.4
Houston SMSA			
Central city	97,900	105,000	7.2
Suburbs	40,200	54,700	36.1
Atlanta SMSA			
Central city	54,000	47,800	- 11.5
Suburbs	60,000†	84,100	40.2
Phoenix SMSA			
Central city	42,200	52,400	24.2
Suburbs	17,100	19,500	14.0
Kansas City SMSA			
Central city	86,200	77,100	- 10.6
Suburbs	43,200	42,500	- 1.6
Oklahoma City			
Central city	26,300	33,800	28.5
Suburbs	3,000	7,200	140.0

*Defined as Dallas County.

†Estimate.

Source: U.S. Department of Commerce, Bureau of the Census, 1972 *Census of Manufactures*.

Do Finance Companies Need to Raise Their Rates?

Through the debate format introduced in this issue of the *Review* the Bureau of Business Research intends to expand coverage of issues on which opinions diverge sharply. In the present instance the question of a change in the ceiling and rates of finance companies in Texas is argued by representatives of the finance industry and a consumer association. Each group was asked to submit a list of ten questions from which the editors were to select five; representatives were to offer rebuttals after seeing the answers of the opposition. Mr. Boyle of the Texas Consumer Association chose not to submit questions so the plan was changed to selection of five questions from those submitted by the finance industry representatives, submission of answers by the finance industry group, comments on the answers by the representative of the consumer association, and a rebuttal by the finance industry group.

Prefatory comments by Lewis Spellman, associate professor of finance at the University of Texas at Austin, define the position of consumer finance associations in the overall structure of financial institutions.

Lorna Monti
Acting Director

There are numerous financial institutions serving the credit needs of the U.S. economy. Each type of institution specializes in a particular loan market. Commercial bank loans are generally secured with assets and income, savings and loan association loans are secured with buildings, and consumer finance company loans are generally unsecured. Because the risk associated with these loans varies with the collateral, the income of the borrower, and the length of the loan period, commercial banks charge the lowest loan rates, which reflect the smallest risk premiums. Savings and loans charge somewhat higher rates, reflecting the uncertainties of the future, and consumer finance companies offer loans at higher rates, which reflect the higher risk premiums. Despite differences in loan rates, there is little evidence of differences in the profits of these types of financial institutions. If differences in profits existed, such differences would encourage the other institutions to enter the more profitable market, regardless of the presence or absence of laws or regulations fostering entry. Moreover, laws or regulations restricting lending activity merely create gaps (in the lending market) that are filled in some manner, whether condoned by law or not.

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Associate Professor of Finance

Participants

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Finance Companies Group

During the current legislative session the Texas legislature will consider an increase in the maximum interest rates and ceiling for Article 3.15 consumer loans. Financial institutions licensed under Article 3.15 of the Texas Credit Code are those making loans in excess of \$100 (Article 3.16 lenders make loans under \$100). Most bank, some savings and loan institutions, and a few credit unions, as well as finance companies, are licensed to make such loans between \$100 and \$2,500.

The current law provides for an annual interest rate of \$18 per hundred on loans of \$100 to \$300 and \$8 per hundred on loans of \$300 to the maximum of \$2,500. Under the proposed amendment the annual interest rates would be \$18 (31.72 annual percentage rate, or APR) per hundred on loans of \$100 to \$300, \$12 (21.46 APR) per hundred on loans of \$300 to \$1,200, and \$8 (14.45 APR) per hundred on loans from \$1,200 to the new ceiling of \$5,000. The maximum amount of time for repayment of loans for amounts between \$2,501 and \$5,000 would be 60 calendar months.

Consumer Group

The introductory passage by the consumer finance group is misleading in its description of the various brackets used in small loan legislation. For example, one of the statements reads "under the proposed amendment, the annual interest rates would be \$18 per hundred on loans of \$100 to \$300, \$12 per hundred on loans of \$300 to \$1,200, and \$8 per hundred on loans from \$1,200 to the new ceiling of \$5,000." Most readers of that statement would conclude that a loan of \$1,000 would bear interest at the rate of \$12 per hundred per annum (not even necessarily as an "add-on" charge*) and that a loan of \$1,500 would bear a charge of \$8 per hundred per annum as an add-on charge. This statement is misleading. A loan of \$1,000 includes the high rates prescribed from \$0 to \$300. Furthermore, a loan of \$1,500 includes both the high rate bracket of \$18 per hundred per annum add-on charge for the bracket \$0 to \$300 and the proposed new add-on rate of \$12 per hundred per annum on the portion of the loan between \$300 and \$1,200. Only that portion of the loan above \$1,200 would bear the lower add-on interest charge of \$8 per hundred per annum, but the reader is likely to interpret the charge for the entire \$1,500 to be \$8 per hundred per annum. The annual percentage rate on a \$1,000, 37-month loan under the terms of the proposal by the loan companies is 24.04 percent, an increase of 19.54 percent from the present annual percentage rate.

Do consumer finance companies licensed under Article 3.15 serve a worthwhile purpose in Texas?

Finance Companies Group

We believe we do and so do our borrowers, according to the McAlister-Durkin study on consumer lending in Texas. Consumer finance companies licensed under Article 3.15 are virtually the only source of credit for high-risk borrowers. They are arbitrarily considered high-risk borrowers because credit is not available to them from other financial institutions.

Lenders licensed under Article 3.15 had just over 900,000 loans outstanding in 1968. Now the number has fallen to just over 600,000. Still approximately one in five Texas families is served by a finance company.

Both the Texas Legislative Council studies of fifteen years ago and the McAlister-Durkin study in the mid-1970s indicate that skilled, semiskilled, and unskilled workers constitute the majority of persons who borrow from finance companies. Over 75 percent of the customers surveyed in the mid-1970s had incomes of less than \$15,000.

The most impressive affirmation of 3.15 consumer finance companies has come from the customers. In interviews with 3.15 borrowers, McAlister and Durkin found that 354 out of 402 borrowers considered their loan to have been worthwhile despite its high cost. Only 52 respondents indicated dissatisfaction, and the reason most often cited was the high rate of interest. It is interesting to note that, despite the concern with interest rates as with all prices, 84 percent of those indicating a desire for lower prices also indicated that their loan had been worth the money.

The majority of 3.15 finance company customers borrow to consolidate debts, buy or repair cars, buy large appliances, or pay medical and hospital bills. Bank and credit union loans are more frequently sought for the purchase of

*By the add-on method the total amount of interest to be paid is determined and then tacked onto the principal. An add-on rate of 6 percent means that a borrower pays \$6 to borrow \$100 for a year. If a borrower makes monthly payments, the amount outstanding diminishes each month; yet the add-on fee is calculated as though the principal were not to be repaid until the end of the year. If the amount outstanding diminishes each month, a \$6 fee on a \$100 loan to be paid in installments amounts to a real interest charge of 11.4 percent of the amount of the principal the borrower actually had over the entire year, or 11.4 APR.

cars. It appears that finance companies are considered more likely to accept the higher risk inherent in debt consolidation loans than are banks and credit unions.

Consumer Group

If these companies can provide credit under reasonable terms with a minimum of customer molestation, a curtailment of abuses commonly associated with their business (such as the imposition of additional borrowing charges for unnecessary insurance), and furnish money to borrowers capable of making the necessary repayments, then such companies do have a place. The idea of a consumer finance company charging exorbitant interest rates in order to provide credit to extremely high-risk borrowers is ridiculous. Low credit rates encourage consumer finance companies to loan money to borrowers who are able to repay their loans and who are credit-worthy. Such companies should not be encouraged to lend money with the expectation of offsetting their losses from bad loans by charging high rates to more credit-worthy borrowers.

Should credit be available to families with middle-to-low incomes?

Finance Companies Group

Yes. The people of Texas have clearly mandated that credit should be made available to middle- and low-income persons. Prior to the 1960s Texas had no small loan law, only a 10 percent constitutional usury limit. Legitimate lenders were unable to make many small loans at that rate so hip-pocket and unscrupulous lenders had a field day. Texas became known as a loan shark state. The electorate recognized that to rid themselves of the loan shark and encourage legitimate lenders to make credit available to more persons, fair and reasonable rates of charge in excess of 10 percent had to be authorized. By a margin of 4 to 1 the voters in 1960 approved a constitutional amendment giving the legislature authority to license and regulate lenders and to set interest rates, and in 1963 the legislature passed its first small loan law.

Some think that middle- and low-income borrowers cannot afford credit and/or are unable to handle credit wisely and that the legislature should protect these borrowers by selecting an arbitrary income figure below which no one would be able to borrow. The Supreme Court would probably find that prohibition unconstitutional.

The irony is that the effect of the current law is to eliminate more and more middle- and low-income borrowers from the credit market. Note the 30 percent decrease in loans made by 3.15 lenders in the last ten years. The profit squeeze in which 3.15 lenders find themselves demands that they select only the best risks, and many borrowers are thus forced to look elsewhere.

Consumer Group

The answer to this question is almost identical to the answer to the first question; that is, of course credit should be available to middle-to-low-income families. However, these families are done no favor when the interest rates are such that the families cannot cope with everyday problems because of their inability to pay back borrowed money. In the last few years bankruptcy courts in all parts of Texas have had dramatic rises in numbers of cases, and, according to at least one bankruptcy judge, much of the increase is the result of loans made by consumer finance companies (that is, the inability of consumers to repay those loans). In the last legislative session the finance industry reported that if finance companies did not get a rate increase, they would be out of business before the next session rolled around. Following that session, however, the *El Paso Times* reported that one area borrower was able to borrow from ten different loan companies; the collateral for each loan was the same. The individual was incapable of repaying any of the loans. This, of course, is an indication that money was available to loan to the very high-risk borrower at a time when the prime interest rate was much higher than it is today.

What alternate sources of credit are available to the average borrower who uses 3.15 lenders?

Finance Companies Group

According to the McAlister-Durkin study 76 percent of those borrowing from 3.15 lenders do not use bank cards and 38.6 percent do not use retail credit cards. One third of our borrowers have no bank checking account; 60 percent have no bank savings account; 82 percent have no savings and loan savings account. As might be expected, the absence of any one of these accounts is more prevalent among the lower-income borrowers than among those with incomes of \$15,000 or above. In most cases the absence of a bank checking or savings and loan deposit account precludes a loan from that institution.

In this same study, 3.15 borrowers were asked if they had a loan with any other financial institution. Less than half (43.9 percent) had a loan with a bank; less than one fourth of the borrowers were making payments to a credit union. Again, as income and educational levels rose, the incidence of bank and credit union loans increased substantially. For example, among families with incomes of \$15,000 or above, 30 percent had credit union loans—15 times as many as those making less than \$5,000 (2.8 percent).

Among certain groups of higher income, educational, and occupational levels there is some duplication of markets served by finance companies and other financial institutions. These groups might be characterized as a “lower-risk” category. On the other hand, a finance company may be the only source of funds for a majority of families with incomes of \$10,000 or less. It may not be realistic to expect other segments of the credit industry to serve these customers effectively should 3.15 lenders curtail available credit.

Consumer Group

The answer supplied by the finance company representatives indicates that the individuals who borrow from loan companies are reluctant to use other sources of credit. I believe, however, that the study quoted (McAlister-Durkin) is out of date. In the last two years there has been a tremendous increase in the use of credit unions and other sources of credit. Furthermore, the McAlister-Durkin study was financed by the lending industry; reputedly McAlister and Durkin were paid some \$25,000 to produce these statistics. In other words, the study must not be accepted without reservation.

Are 3.15 lenders making credit available to middle- and low-income families?

Finance Companies Group

Unfortunately the answer is no. Spiraling costs of providing these loans without concomitant rate increases have forced us to consolidate and abandon a number of offices. The industry cancelled 159 licenses in Texas between January 1975 and July 1976. We have had to ration the money we make available for borrowing. The number of loans made each year has decreased from over 900,000 in 1968 to approximately 600,000 in 1975. From 1968 to 1973 the number of \$100 to \$300 loans decreased 49 percent; \$300 to \$500 loans, 27 percent; \$1,500 to \$2,500 loans increased 225 percent. While the trend toward larger loan amounts undoubtedly is in part a result of higher prices for goods and services, the fact that we are seeking better credit risks (those who want and can afford larger loans at rates that make these loans more profitable to us) supports the trend.

One can conclude, and in fact the McAlister-Durkin study shows, that a tightening of our credit standards does not affect all income groups equally. At this time, the burden is heaviest on families with incomes under \$10,000.

Can 3.15 lenders assure availability of credit under the present rates?

Finance Companies Group

There is no way we can assure available credit under the present conditions. Between 1968 and 1973 our return on investment in Texas dropped from 11.3 percent to 6.5 percent. In 1974 we made no profit. Although the Consumer Credit Commissioner's industry figures for 1975 are not yet available, those returns will not look much better.

The current interest rates, established in 1967, were set at a level to provide the lender a fair and reasonable return. What was fair and reasonable in 1967 was determined by the cost of making a loan in 1967. But this is 1977, and the cost of making loans has increased dramatically.

Rebuttal

Mr. Boyle is correct when he says that the various rates are applied to *balances*, not *loans*. Our offer to correct the inadvertent error was declined by Mr. Boyle.

On the other hand his argument contains unsubstantiated allegations and erroneous information: (1) Under our proposal the increase in APR for a \$1,000, 37-month loan will not be 19.54 percent. (2) We do not loan money to persons who cannot repay, as shown by the fact that industry loss ratios have not exceeded 3.2 percent of net outstandings since regulatory enactment. (3) Research shows that the *El Paso Times* reporter failed to distinguish between the two kinds of statutory finance companies in Texas. None of the ten companies approached was a 3.15 lender. (4) Since the interest charged by 3.15 lenders has not increased in ten years, their loss ratio has remained constant, and they have 33 percent fewer customers, the likelihood of their contributing to the rise in bankruptcy filings is remote. (5) *Barron's* reported in August 1976 that the average annual income of a credit union member has risen to \$17,000 and that credit unions are attempting to appeal to higher-income workers. Over 75 percent of the finance company borrowers make less than \$15,000 annually. Credit unions and 3.15 lenders appeal to borrowers at different income levels, and there is no reason to expect a change in the future.

Local Business Conditions

Statistical data compiled by Mildred Anderson, Kay Davis, Marylyn Donaldson, and Joan Holloway.

The following section reports business conditions first by metropolitan areas, second by cities, listed under their counties. Standard metropolitan statistical areas (SMSAs) include one or more entire counties, as shown. All SMSAs are designated as such by the U.S. Bureau of the Census. Population figures are from the 1970 census and 1975 estimates by the Bureau of the Census.

Building permit data are collected from municipalities by the Bureau of Business Research in cooperation with the Bureau of the Census. They represent only building authorizations within city limits and exclude federal contracts and public works projects, such as highways, waterways, and reservoirs. Building statistics for the latest month are subject to revision.

Bank debit statistics for SMSAs and for most central metropolitan cities are collected by the Federal Reserve Bank of Dallas. Most other bank debits figures shown are collected from cooperating banks by the Bureau of Business Research; the published figures represent all banks in the city shown.

Employment estimates include only wage and salary workers and are compiled by the Texas Employment Commission in cooperation with the U.S. Bureau of Labor Statistics.

Footnote symbols are defined on pages 39, 49, and 52.

Indicators of Local Business Conditions for Texas Standard Metropolitan Statistical Areas

Reported area and indicator	Dec 1976	Percent change from		Jan-Dec 1976	Jan-Dec 1975	Percent change
		Nov 1976	Dec 1975			1976 from 1975
ABILENE SMSA						
Callahan, Jones, and Taylor Counties; population: 122,164 (1970); 128,400 (1975 est.)						
Urban building permits (\$1,000)	6,870	190	248	38,982	28,678	36
Bank debits, seas. adj. (\$1,000)	471,299#	5	10	5,375,472#	4,582,154#	17
Nonfarm employment	44,420	1	3	43,323*	42,359*	2
Manufacturing employment	6,620	- 1	2	6,640*	6,703*	- 1
Unemployed (percent)	3.7	**	- 5	3.7*	3.5*	6
AMARILLO SMSA						
Potter and Randall Counties; population: 144,396 (1970); 152,000 (1975 est.)						
Urban building permits (\$1,000)	4,969	- 44	- 4	93,636	82,227	14
Bank debits, seas. adj. (\$1,000)	1,140,002	- 3	9	13,376,824	11,483,724	16
Nonfarm employment	65,830	1	5	66,359*	61,563*	8
Manufacturing employment	8,990	**	9	8,929*	7,193*	24
Unemployed (percent)	2.9	- 12	- 6	3.3*	3.4*	- 3
AUSTIN SMSA						
Hays and Travis Counties; population: 323,158 (1970); 394,800 (1975 est.)						
Urban building permits (\$1,000)	44,040	267	593	208,097	151,330	38
Bank debits, seas. adj. (\$1,000)	3,166,739#	7	28	33,842,375#	23,569,329#	44
Nonfarm employment	174,800	**	3	172,613*	166,979*	3
Manufacturing employment	16,800	- 1	12	16,142*	14,546*	11
Unemployed (percent)	4.4	- 4	**	4.4*	4.2*	5
BEAUMONT-PORT ARTHUR-ORANGE SMSA						
Hardin, Jefferson, and Orange Counties; population: 347,568 (1970); 349,500 (1975 est.)						
Urban building permits (\$1,000)	4,921	- 28	33	99,082	66,533	49
Bank debits, seas. adj. (\$1,000)	1,158,491#	**	21	13,122,561#	11,126,356#	18
Nonfarm employment	137,100	1	5	134,196*	126,129*	6
Manufacturing employment	41,650	1	1	41,429*	39,733*	4
Unemployed (percent)	6.6	- 10	8	6.8*	7.2*	- 6
BROWNSVILLE-HARLINGEN-SAN BENITO SMSA						
Cameron County; population: 140,368 (1970); 169,300 (1975 est.)						
Urban building permits (\$1,000)	3,674	173	82	32,016	37,692	- 15
Bank debits, seas. adj. (\$1,000)	970,934	15	95	8,954,682	4,312,280	108
Nonfarm employment	48,430	1	3	48,048*	46,197*	4
Manufacturing employment	8,860	1	- 1	9,003*	9,016*	**
Unemployed (percent)	11.5	4	20	10.4*	9.5*	9
BRYAN-COLLEGE STATION SMSA						
Brazos County; population: 57,978 (1970); 72,300 (1975 est.)						
Urban building permits (\$1,000)	4,923	50	239	38,531	21,116	82

Reported area and indicator	Percent change from			Jan-Dec 1976	Jan-Dec 1975	Percent change
	Dec 1976	Nov 1976	Dec 1975			1976 from 1975
BRYAN-COLLEGE STATION SMSA (continued)						
Bank debits, seas. adj. (\$1,000)	226,726	— 5	28	2,535,330	1,939,634	31
(Monthly employment reports are not available for the Bryan-College Station SMSA.)						
CORPUS CHRISTI SMSA						
Nueces and San Patricio Counties; population: 284,832 (1970); 297,300 (1975 est.)						
Urban building permits (\$1,000)	6,041	46	— 23	66,345	61,564	8
Bank debits, seas. adj. (\$1,000)	1,252,350	4	10	13,989,470	12,386,971	13
Nonfarm employment	99,600	**	1	98,529*	97,558*	1
Manufacturing employment	11,450	— 1	**	11,542*	11,446*	1
Unemployed (percent)	6.4	3	2	6.5*	6.5*	**
DALLAS-FORT WORTH SMSA						
Collin, Dallas, Denton, Ellis, Hood, Johnson, Kaufman, Parker, Rockwall, Tarrant, and Wise Counties; population: 2,378,353 (1970); 2,552,800 (1975 est.)						
Urban building permits (\$1,000)	77,801	— 16	35	1,219,786	938,227	30
Bank debits, seas. adj. (\$1,000)	32,598,398#	— 1	25	358,450,343#	295,047,802#	21
Nonfarm employment	1,113,200	1	2	1,091,142*	1,077,358*	1
Manufacturing employment	250,000	**	4	245,825*	237,067*	4
Unemployed (percent)	4.0	— 7	— 18	4.7*	5.3*	— 11
EL PASO SMSA						
El Paso County; population: 359,291 (1970); 414,700 (1975 est.)						
Urban building permits (\$1,000)	12,869	41	49	147,130	115,454	27
Bank debits, seas. adj. (\$1,000)	1,333,464	— 10	20	17,001,928	15,076,486	13
Nonfarm employment	128,650	**	— 1	130,717*	128,229*	2
Manufacturing employment	26,800	— 1	— 7	28,583*	28,275*	1
Unemployed (percent)	11.9	— 6	32	10.6*	9.0*	18
GALVESTON-TEXAS CITY SMSA						
Galveston County; population: 169,812 (1970); 182,000 (1975 est.)						
Urban building permits (\$1,000)	2,245	7	— 21	40,654	30,572	33
Bank debits, seas. adj. (\$1,000)	518,412	— 1	19	5,743,675	5,054,805	14
Nonfarm employment	63,570	1	4	62,223*	61,044*	2
Manufacturing employment	11,960	**	— 2	12,094*	11,788*	3
Unemployed (percent)	7.8	22	62	6.3*	4.6*	37
HOUSTON SMSA						
Brazoria, Fort Bend, Harris, Liberty, Montgomery, and Waller Counties; population: 1,999,316 (1970); 2,297,300 (1975 est.)						
Urban building permits (\$1,000)	86,002	3	10	1,091,205	829,643	32
Bank debits, seas. adj. (\$1,000)	29,190,186#	— 2	26	328,498,898#	268,109,743#	23
Nonfarm employment	1,051,700	**	3	1,030,675*	996,608*	3
Manufacturing employment	175,800	**	1	175,933*	174,058*	1
Unemployed (percent)	5.2	— 2	6	5.4*	5.2*	4
KILLEEN-TEMPLE SMSA						
Bell and Coryell Counties; population: 159,794 (1970); 210,500 (1975 est.)						
Urban building permits (\$1,000)	4,508	— 7	115	78,007	55,482	41
Bank debits, seas. adj. (\$1,000)	316,758	— 4	7	3,484,807	3,000,409	16
(Monthly employment reports are not available for the Killeen-Temple SMSA.)						
LAREDO SMSA						
Webb County; population: 72,859 (1970); 78,100 (1975 est.)						
Urban building permits (\$1,000)	2,003	125	321	22,976	12,129	89
Bank debits, seas. adj. (\$1,000)	180,471	— 7	— 8	2,408,171	2,136,781	13
Nonfarm employment	24,500	1	4	24,731*	23,123*	7
Manufacturing employment	1,830	— 1	16	1,776*	1,527*	16
Unemployed (percent)	18.4	8	1	15.1*	15.3*	— 1
LONGVIEW SMSA						
Gregg and Harrison Counties; population: 120,770 (1970); 125,300 (1975 est.)						
Urban building permits (\$1,000)	14,227	275	217	62,299	41,998	48
Bank debits (\$1,000)	385,548	10	8	4,179,083	3,508,114	19

Reported area and indicator	Percent change from					Percent change
	Dec 1976	Nov 1976	Dec 1975	Jan-Dec 1976	Jan-Dec 1975	1976 from 1975
LONGVIEW SMSA (continued)						
Nonfarm employment	48,780	1	3	47,827*	46,720*	2
Manufacturing employment	15,500	**	4	15,434*	14,988*	3
Unemployed (percent)	6.0	- 3	- 10	6.6*	6.8*	- 3
LUBBOCK SMSA						
Lubbock County; population: 179,295 (1970); 196,700 (1975 est.)						
Urban building permits (\$1,000)	6,013	- 48	- 5	93,609	116,006	- 19
Bank debits, seas. adj. (\$1,000)	1,319,489	14	58	13,047,147	10,116,091	29
Nonfarm employment	77,010	1	4	72,964*	71,353*	2
Manufacturing employment	12,950	- 1	32	10,922*	9,828*	11
Unemployed (percent)	2.6	- 4	- 26	3.5*	4.0*	- 13
McALLEN-PHARR-EDINBURG SMSA						
Hidalgo County; population: 181,535 (1970); 220,700 (1975 est.)						
Urban building permits (\$1,000)	5,478	49	93	66,523	49,376	35
Bank debits, seas. adj. (\$1,000)	478,436	2	10	5,931,261	4,920,902	21
Nonfarm employment	53,230	2	1	55,474*	50,124*	11
Manufacturing employment	6,980	5	3	6,713*	6,098*	10
Unemployed (percent)	12.0	- 4	26	10.9*	9.4*	16
MIDLAND SMSA						
Midland County; population: 65,433 (1970); 69,700 (1975 est.)						
Urban building permits (\$1,000)	4,403	- 72	135	59,975	29,281	105
Bank debits, seas. adj. (\$1,000)	792,656	- 7	45	8,925,818	5,080,443	76
Nonfarm employment	29,660	1	3	28,703*	27,993*	3
Manufacturing employment	2,370	**	- 6	2,412*	2,483*	- 3
Unemployed (percent)	2.4	- 17	4	3.0*	3.0*	**
ODESSA SMSA						
Ector County; population: 92,660 (1970); 98,800 (1975 est.)						
Urban building permits (\$1,000)	3,056	- 44	- 10	54,054	31,440	72
Bank debits, seas. adj. (\$1,000)	649,182	2	21	6,615,498	4,473,656	48
Nonfarm employment	41,260	**	2	40,683*	39,844*	2
Manufacturing employment	4,890	**	**	4,910*	4,966*	- 1
Unemployed (percent)	2.8	- 7	- 7	3.5*	3.1*	13
SAN ANGELO SMSA						
Tom Green County; population: 71,047 (1970); 74,800 (1975 est.)						
Urban building permits (\$1,000)	6,339	84	141	44,285	25,943	71
Bank debits, seas. adj. (\$1,000)	345,181	8	3	4,292,672	3,198,904	34
Nonfarm employment	26,590	1	3	25,933*	25,539*	2
Manufacturing employment	5,590	**	7	5,511*	5,263*	5
Unemployed (percent)	3.3	- 6	**	3.8*	3.8*	**
SAN ANTONIO SMSA						
Bexar, Comal, and Guadalupe Counties; population: 888,179 (1970); 977,200 (1975 est.)						
Urban building permits (\$1,000)	13,154	- 12	- 31	199,379	178,542	12
Bank debits, seas. adj. (\$1,000)	3,432,798#	2	- 3	39,181,204#	35,547,519#	10
Nonfarm employment	321,850	**	2	317,617*	310,758*	2
Manufacturing employment	40,600	**	6	39,879*	36,954*	8
Unemployed (percent)	6.3	- 9	- 12	7.3*	7.5*	- 3
SHERMAN-DENISON SMSA						
Grayson County; population: 83,225 (1970); 79,000 (1975 est.)						
Urban building permits (\$1,000)	171	- 73	- 77	17,769	8,832	101
Bank debits, seas. adj. (\$1,000)	190,186	8	7	2,026,583	1,788,268	13
Nonfarm employment	29,250	1	7	28,533*	26,983*	6
Manufacturing employment	10,410	1	13	9,915*	9,112*	9
Unemployed (percent)	7.5	4	- 23	8.7*	13.3*	- 35
TEXARKANA SMSA						
Bowie County, Texas; Little River and Miller Counties, Arkansas; population: 113,488 (1970); 114,700 (1975 est.)						
Urban building permits (\$1,000)	2,368	69	266	18,471	10,855	70
Bank debits, seas. adj. (\$1,000)	239,977	- 3	7	2,729,865	2,467,469	11
Nonfarm employment	38,710	**	- 1	38,317*	37,499*	2
Manufacturing employment	7,710	**	- 6	7,825*	8,108*	- 4
Unemployed (percent)	7.0	- 8	- 22	8.4*	9.4*	- 11
(Since the Texarkana SMSA includes Bowie County in Texas and Little River and Miller Counties in Arkansas, all data, including population, refer to the three-county region.)						

Reported area and indicator	Dec 1976	Percent change from		Jan-Dec 1976	Jan-Dec 1975	Percent change
		Nov 1976	Dec 1975			1976 from 1975
TYLER SMSA						
Smith County; population: 97,096 (1970); 107,400 (1975 est.)						
Urban building permits (\$1,000)	4,381	1	60	40,392	29,616	36
Bank debits, seas. adj. (\$1,000)	448,489	— 9	26	5,165,191	4,004,124	29
Nonfarm employment	39,530	**	4	38,827*	38,112*	2
Manufacturing employment	11,490	**	10	11,249*	10,925*	3
Unemployed (percent)	4.9	— 4	— 29	5.5*	6.9*	— 20
WACO SMSA						
McLennan County; population: 147,553 (1970); 156,700 (1975 est.)						
Urban building permits (\$1,000)	4,760	77	53	41,232	30,772	34
Bank debits, seas. adj. (\$1,000)	591,286	— 3	13	7,206,287	6,242,914	15
Nonfarm employment	57,830	— 1	2	57,081*	55,571*	3
Manufacturing employment	12,980	**	5	12,929*	12,263*	5
Unemployed (percent)	4.1	— 11	— 31	5.3*	7.0*	— 24
WICHITA FALLS SMSA						
Clay and Wichita Counties; population: 128,642 (1970); 130,700 (1975 est.)						
Urban building permits (\$1,000)	2,280	1	— 26	35,428	21,261	67
Bank debits, seas. adj. (\$1,000)	518,962 [#]	16	17	5,321,311 [#]	5,171,032 [#]	3
Nonfarm employment	45,410	1	2	44,358*	43,628*	2
Manufacturing employment	7,160	— 1	3	7,185*	7,018*	2
Unemployed (percent)	3.9	— 5	— 17	4.2*	4.5*	— 7

[#]Bank debit reports are based on the 1970 census definition for standard metropolitan statistical areas.

*Monthly average.

**Absolute change is less than one half of 1 percent.

Urban-building data are preliminary and subject to revision.

Indicators of Local Business Conditions for Individual Texas Municipalities

COUNTY City	Population	Urban building permits						Bank debits					
		Dec 1976 (dollars)	Percent change		Jan-Dec 1976	Jan-Dec 1975 (dollars)	Percent change Jan-Dec 1976 from Jan-Dec 1975	Dec 1976 (thousands of dollars)	Percent change		Jan-Dec 1976 (thousands of dollars)	Jan-Dec 1975 (thousands of dollars)	Percent change Jan-Dec 1976 from Jan-Dec 1975
			Dec 1976 from Nov 1976	Dec 1976 from Dec 1975					Dec 1976 from Nov 1976	Dec 1976 from Dec 1975			
ANDERSON Palestine	27,789 14,525	313,200	60	324	2,679,811	4,382,067	— 39	51,137	16	27	531,315	444,645	19
ANDREWS Andrews	10,372 8,625	12,200	— 95	— 73	1,751,580	1,009,612	73	18,363	— 1	12	200,503	175,674	14
ANGELINA Lufkin	49,349 23,049	481,035	— 82	— 20	13,250,937	10,178,868	30	...	...	...	...	...	...
ARANSAS Aransas Pass (see San Patricio)	8,902												
ATASCOSA Pleasanton	18,696 5,407	...	...	...	...	...	...	10,823	6	13	...	...	...
AUSTIN Bellville	13,831 2,371	120,000	669	422	1,006,713	573,026	76	12,632	— 2	— 12	158,049	146,556	8
BAILEY Muleshoe	8,487 4,525	...	...	...	...	...	...	37,508	24	13	362,231	331,239	9
BASTROP Smithville	17,297 2,959	41,200	353	23	703,932	421,265	67	4,190	— 1	7	53,283	47,667	12
BEE Beeville	22,737 13,506	222,480	111	85	3,056,323	...	...	41,226	6	— 6	...	...	...
BELL (in Killeen-Temple SMSA)	124,483												
Bartlett (see Williamson)													
Belton	8,696	261,300	44	...	3,900,650	...	...	...	...	...	...	...	...
Harker Heights	4,216	401,848	33	— 34	...	...	...	...	...	...	...	...	...
Killeen	35,507	587,615	— 42	— 30	24,380,387	19,971,235	22	82,390	— 22	2	969,460	794,644	22
Temple	33,431	2,858,368	**	400	34,893,210	16,186,583	116	137,929	2	5	1,788,205	1,440,067	24
BEXAR (in San Antonio SMSA)	830,460												
San Antonio	654,153	12,253,806	14	— 24	160,179,926	148,340,087	8	3,521,189	8	— 4	38,236,127	34,587,045	11
BOWIE (in Texarkana SMSA)	68,909												
Texarkana	52,179	1,728,613	262	481	10,340,048	5,599,461	85	249,545	7	41	2,482,140	2,154,223	15
BRAZORIA (in Houston SMSA)	108,312												
Angleton	9,770	...	...	...	...	...	...	44,439	31	15	432,040	358,809	20
Clute	6,023	94,800	— 80	131	6,406,913	6,935,887	— 8	11,050	6	11	138,526	110,559	25
Freeport	11,997	622,150	862	3	7,433,267	1,253,738	493	74,755	6	11	870,996	669,516	30
Pearland	6,444	1,634,660	73	59	20,693,689	13,334,320	55	20,320	— 2	5	227,902	193,374	18

BRAZOS (constitutes Bryan- College Station SMSA)	57,978													
Bryan	33,719	1,934,182	38	201	16,931,692	11,018,739	54	191,856	— 3	26	2,097,449	1,646,905	27	
College Station	17,676	2,988,856	59	269	21,599,091	10,097,419	114	42,282	9	51	459,851	290,346	58	
BREWSTER	7,780													
Alpine	5,971	6,300	— 91	100	...	...	...	11,031	**	35	114,043	97,412	17
BROWN	25,877													
Brownwood	17,368	124,700	— 55	...	3,610,979	...	...	...	...	...	...	...	...
BURLESON	9,999													
Caldwell	2,308	...	...	...	...	...	...	6,995	— 2	— 5	83,840	73,706	14
BURNET	11,420													
Marble Falls	2,209	...	...	...	...	...	...	27,495	11	64	293,612	233,445	26
CALDWELL	21,178													
Lockhart	6,489	132,128	6	484	1,511,924	1,096,392	38	19,737	15	17	201,634	166,483	21	
CALHOUN	17,831													
Port Lavaca	10,491	48,250	...	871	...	...	...	35,245	9	— 13	454,546	433,576	5
Seadrift	1,092	5,000	— 90	— 50	216,426	140,852	54	2,402	10	13	26,279	22,344	18	
CAMERON	140,368													
(constitutes Brownsville- Harlingen-San Benito SMSA)														
Brownsville	52,522	2,696,921	367	205	18,214,012	19,403,735	— 6	326,962	32	84	2,687,623	1,745,047	54	
Harlingen	33,503	606,672	13	— 33	9,602,852	13,083,043	— 27	559,376	19	183	5,126,689	1,741,423	194	
La Feria	2,642	19,000	— 14	764	453,380	246,670	84	6,124	46	14	56,240	52,160	8	
Los Fresnos	1,297	...	...	...	...	...	...	4,293	— 14	— 11	69,418	52,651	32
Port Isabel	3,067	12,624	— 84	— 84	651,997	2,946,749	— 78	10,442	— 26	7	130,279	101,667	28	
San Benito	15,176	337,565	163	154	2,897,512	1,890,533	53	16,798	21	11	191,939	173,854	10	
CASTRO	10,394													
Dimmitt	4,327	136,100	105	— 57	2,657,950	3,369,951	— 21	48,549	**	4	476,316	431,326	10	
CHEROKEE	32,008													
Jacksonville	9,734	24,500	— 89	— 73	2,977,302	2,107,305	41	45,851	**	15	539,099	443,609	22	
COLEMAN	10,288													
Coleman	5,608	1,483,000	2,097	...	2,918,245	248,600	1,074	...	...	...	...	...	...
COLLIN	66,920													
(in Dallas-Fort Worth SMSA)														
McKinney	15,193	74,494	24	— 60	1,535,788	2,513,373	— 39	27,177	22	— 13	305,872	298,989	2	
Plano	17,872	6,218,430	11	67	...	...	...	71,443	6	34	779,349	621,484	25
COLORADO	17,638													
Eagle Lake	3,587	...	...	...	...	...	...	13,356	40	20	153,660	139,174	10
COMAL	24,165													
(in San Antonio SMSA)														
New Braunfels	17,859	...	...	...	...	...	...	38,048	6	8	461,976	445,315	4
COOKE	23,471													
Gainesville	13,830	366,947	164	...	4,632,365	...	...	48,562	17	25	501,709	417,591	20
Muenster	1,411	15,000	— 86	...	348,000	915,250	— 62	7,038	7	2	78,646	67,492	17	
CORYELL	35,311													
(in Killeen-Temple SMSA)														
Copperas Cove	10,818	390,580	— 5	380	8,352,417	9,735,454	— 14	14,930	5	— 7	...	...	...
Gatesville	4,683	...	...	...	...	...	...	16,698	4	10	197,012	169,285	16

COUNTY City	Population	Urban building permits						Bank debits					
		Dec 1976 (dollars)	Percent change		Jan-Dec 1976 (dollars)	Jan-Dec 1975 (dollars)	Percent change Jan-Dec 1976 from Jan-Dec 1975	Dec 1976 (thousands of dollars)	Percent change		Jan-Dec 1976 (thousands of dollars)	Jan-Dec 1975 (thousands of dollars)	Percent change Jan-Dec 1976 from Jan-Dec 1975
			Dec 1976 from Nov 1976	Dec 1976 from Dec 1975					Dec 1976 from Nov 1976	Dec 1976 from Dec 1975			
CRANE Crane	4,172 3,427	0	...	...	...	...	...	6,063	- 16	18	72,337	54,889	32
DALLAS (in Dallas-Fort Worth SMSA)	1,327,695												
Carrollton	13,855	2,032,993	- 47	515	...	...	...	34,091	- 24	- 31	521,497	518,846	1
Dallas	844,401	20,329,657	- 22	75	413,658,484	241,557,817	71	29,683,133	18	25	295,536,805	238,073,897	24
Farmers Branch	27,492	...	...	...	...	...	...	56,119	5	19	624,421	464,103	35
Garland	81,437	2,675,645	- 12	**	...	...	...	151,484	- 19	9	1,943,165	1,404,501	38
Grand Prairie	50,904	1,281,917	32	- 26	...	...	...	55,665	4	18	606,946	544,157	12
Irving	97,260	...	...	...	...	...	...	139,475	5	4	1,633,459	1,703,469	- 4
Lancaster	10,522	339,324	- 31	339	4,693,016	1,876,400	150	18,040	- 11	29	199,890	145,512	37
Mesquite	55,131	1,330,989	2	18	...	...	...	...	...	...	...	...	...
Richardson	48,582	4,946,275	119	30	...	...	...	183,378	2	20	1,874,473	1,592,084	18
Seagoville	4,390	55,235	50	137	948,296	1,175,571	- 19	...	...	...	...	...	...
DAWSON Lamesa	16,604 11,559	69,500	165	- 53	...	...	...	87,105	77	84	541,133	435,145	24
DEAF SMITH Hereford	18,999 13,414	351,900	143	- 14	7,458,550	4,192,441	78	...	...	...	...	...	...
DENTON (in Dallas-Fort Worth SMSA)	75,633												
Denton	39,874	1,468,780	- 18	115	...	...	...	...	...	...	...	...	...
Justin	741	...	...	...	...	...	...	2,937	2	10	...	...	...
Lewisville	9,264	487,395	9	76	9,721,525	6,953,091	40	52,137	30	33	505,102	378,860	33
Pilot Point	1,663	6,200	- 94	- 39	750,423	154,978	384	3,881	3	- 1	47,017	38,795	21
DE WITT Yoakum (see Lavaca)	18,660												
EASTLAND Cisco	18,092 4,160	...	...	...	...	...	...	6,965	19	12	75,155	69,620	8
ECTOR (constitutes Odessa SMSA)	92,660												
Odessa	78,380	3,056,387	- 44	- 10	54,053,935	31,439,444	72	...	...	...	...	...	...
ELLIS (in Dallas-Fort Worth SMSA)	46,638												
Midlothian	2,322	107,000	98	238	...	...	...	7,154	7	5	89,811	68,395	31
Waxahachie	13,452	141,600	31	329	2,913,660	2,716,745	7	43,582	11	28	410,703	352,648	16
EL PASO (constitutes El Paso SMSA)	359,291												
El Paso	322,261	12,868,610	41	49	147,052,261	115,033,594	28	1,579,435	11	20	17,205,749	15,006,560	15
ERATH Stephenville	18,141 9,277	214,925	- 15	- 42	7,120,135	2,207,323	223	37,121	179	23	368,674	306,259	20
FANNIN Bonham	22,705 7,698	0	...	...	642,305	607,922	6	28,347	8	30	291,217	253,561	15

FAYETTE Schulenburg	17,650 2,294	190,575	581	...	954,718	973,386	- 2	...	...	...	...	...	...
FORT BEND (in Houston SMSA)	52,314												
Richmond	5,777	224,987	- 53	- 70	2,885,607	6,468,274	- 55	...	...	...	...	...	...
Rosenberg	12,098	329,848	- 73	197	7,912,635	3,435,819	130	22,949	**	5	262,753	223,958	17
GAINES	11,593												
Seagraves	2,440	92,500	370	...	300,725	93,830	120	...	...	...	...	...	...
Seminole	5,007	105,300	- 64	39	...	...	...	38,460	20	44	324,081	333,562	- 3
GALVESTON (constitutes Galveston-Texas City SMSA)	169,812												
Dickinson	10,776	...	...	...	...	...	...	28,137	5	- 8	324,904	276,714	17
Galveston	61,809	1,152,647	- 24	355	15,341,425	8,744,407	75	331,356	15	27	3,394,160	3,119,065	9
La Marque	16,131	127,580	...	71	...	...	...	31,368	7	6	382,247	338,276	13
Texas City	38,908	739,385	34	- 62	11,293,100	11,389,125	- 1	67,166	2	15	808,195	650,817	24
GILLESPIE Fredericksburg	10,553 5,326	224,900	53	- 34	2,759,551	2,479,070	11	31,189	- 5	3	376,028	334,573	12
GONZALES Gonzales	16,375 5,854	9,470	- 58	373	1,653,586	625,265	164	38,123	- 7	- 2	474,452	403,255	18
Nixon	1,925	10,000	...	...	...	...	...	...	...	...	...	...	...
GRAY Pampa	26,949 21,726	152,100	- 24	225	2,301,071	2,671,700	- 14	63,020	7	5	702,383	707,879	- 1
GRAYSON (constitutes Sherman- Denison SMSA)	83,225												
Denison	24,923	86,296	- 63	- 70	3,454,174	3,620,026	- 5	62,620	7	12	653,736	546,687	20
Sherman	29,061	83,940	- 76	- 80	13,388,718	4,639,067	189	101,253	15	14	1,086,504	1,002,378	8
GREGG (in Longview SMSA)	75,929												
Gladewater	5,574	238,700	108	73	2,018,820	1,407,365	43	12,406	23	29	125,047	109,205	15
Kilgore	9,495	296,850	6	67	5,995,987	3,230,345	86	55,567	17	15	529,672	456,248	16
Longview	45,547	13,344,000	411	239	48,885,500	33,437,679	46	249,245	8	8	2,770,258	2,301,882	20
GUADALUPE (in San Antonio SMSA)	33,554												
Schertz	4,061	12,575	- 74	- 90	1,346,947	1,491,360	- 10	4,748	3	- 14	68,119	65,156	5
Seguin	15,934	284,118	22	- 60	5,628,852	5,179,061	9	46,746	- 2	5	549,457	469,768	17
HALE Hale Center	34,137 1,964	0	...	...	...	...	...	...	...	...	...	...	...
Plainview	19,096	1,109,150	198	100	...	...	...	141,137	34	27	1,293,651	1,194,683	8
HARDEMAN Quanah	6,795 3,948	24,500	390	7	748,150	817,245	- 8	...	...	...	...	...	...
HARDIN (in Beaumont-Port Arthur- Orange SMSA)	29,996												
Silsbee	7,271	...	...	...	...	...	...	28,424	- 11	7	352,533	285,489	23
HARRIS (in Houston SMSA)	1,741,912												
Baytown	43,980	695,463	- 16	- 77	18,437,941	15,692,459	17	169,189	- 3	- 4	1,879,138	1,797,270	5
Bellaire	19,009	257,240	- 55	88	3,404,349	33,745,788	- 90	124,857	12	8	1,369,521	1,209,042	13

COUNTY City	Population	Urban building permits						Bank debits					
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			Dec 1976 from Nov 1976	Dec 1976 from Dec 1975					Dec 1976 from Nov 1976	Dec 1976 from Dec 1975			
HARRIS (continued)													
Deer Park	12,773	1,333,521	— 27	— 11	27,006,442	14,668,048	84	41,527	6	21	505,085	381,913	32
Houston	1,232,802	57,303,261	— 10	— 8	777,877,454	602,680,581	29	31,021,451	19	26	306,640,772	252,099,929	22
Humble	3,278	109,200	361	...	...	...	...	...	...	...	...	...	...
La Porte	7,149	460,300	42	698	...	...	...	10,816	18	19	123,692	94,103	31
Pasadena	89,277	5,582,636	57	457	...	...	...	271,338	8	5	3,103,846	2,521,474	23
South Houston	11,527	640,000	35	...	2,773,599	...	...	...	...	...	...	...	...
Tomball	2,734	562,000	...	378	...	...	...	46,687	39	66	420,790	324,622	30
HARRISON (in Longview SMSA)	44,841												
Hallsville	1,038	...	...	...	...	...	...	3,467	5	10	40,961	39,692	3
Marshall	22,937	347,833	— 56	51	5,398,300	3,923,775	38	64,863	9	1	692,715	595,654	16
HASKELL	8,512												
Haskell	3,655	35,300	76	67	549,800	...	...	11,838	49	14	108,623	107,664	1
HAYS	27,642												
(in Austin SMSA)													
San Marcos	18,860	141,400	— 37	70	...	...	...	26,880	— 5	7	307,617	248,801	24
HENDERSON	26,466												
Athens	9,582	235,700	40	247	...	...	...	40,362	4	7	454,391	394,095	15
HIDALGO	181,535												
(constitutes McAllen-Pharr-Edinburg SMSA)													
Alamo	4,291	...	...	...	...	...	...	12,820	12	148	146,675	100,704	46
Donna	7,365	22,850	— 95	— 53	1,329,677	1,179,267	13	10,826	15	— 7	122,656	...	...
Edinburg	17,163	747,227	162	203	8,999,830	5,878,808	53	71,282	6	13	836,227	671,593	25
Elsa	4,400	...	...	...	...	...	...	19,718	4	27	213,199	211,511	1
McAllen	37,636	4,050,351	162	178	38,252,924	29,287,819	31	216,683	17	16	2,518,649	1,958,020	29
Mercedes	9,355	49,200	— 54	— 38	1,811,720	863,889	110	15,311	— 11	— 12	212,211	200,690	6
Mission	13,043	355,959	— 1	47	5,607,646	3,966,697	41	45,912	16	1	...	...	...
Pharr	15,829	103,360	— 60	— 68	3,459,128	2,110,683	64	12,449	10	1	140,170	124,728	12
San Juan	5,070	102,750	186	...	...	...	...	10,280	— 1	— 25	...	...	...
Weslaco	15,313	45,952	— 92	— 88	...	...	...	44,493	35	28	505,839	421,983	20
HOCKLEY	20,396												
Levelland	11,445	377,800	1	— 5	4,028,332	4,573,779	— 12	61,581	25	15	608,244	518,500	17
HOOD	6,368												
(in Dallas-Fort Worth SMSA)													
Granbury	2,473	31,500	...	...	...	...	...	10,634	11	46	105,594	74,632	41
HOPKINS	20,710												
Sulphur Springs	10,642	107,300	2	69	7,027,687	2,292,129	207	55,894	5	8	630,915	526,205	20
HOWARD	37,796												
Big Spring	28,735	53,600	— 89	— 70	4,824,138	4,619,276	4	153,991	25	84	1,505,156	...	...
HUNT	47,948												
Greenville	22,043	89,780	— 41	— 87	5,283,998	4,981,408	6	57,637	— 3	— 11	680,292	623,815	9

HUTCHINSON Borger	24,443 14,195	294,900	231	342	...	...	...	...	...	...	...	...	...
JACKSON Edna	12,975 5,332	...	...	...	...	...	...	19,444	6	24	212,017	189,975	12
JASPER Jasper	24,692 6,251	19,215	- 26	...	...	...	...	32,434	- 6	- 2	406,318	347,491	17
Kirbyville	1,869	...	...	...	...	...	...	8,178	- 7	30	89,697	65,180	38
JEFFERSON (in Beaumont-Port Arthur- Orange SMSA)	246,402												
Beaumont	115,919	2,482,902	- 57	40	59,044,132	43,627,018	35	821,021	10	23	8,602,897	7,256,081	19
Groves	18,067	957,829	226	266	6,383,752	2,295,014	178	40,260	14	1	480,722	417,871	15
Nederland	16,810	139,103	17	- 27	4,118,558	3,850,471	7	29,053	1	15	...	...	...
Port Arthur	57,371	583,975	13	88	8,814,304	5,317,857	66	177,898	18	19	1,843,359	1,597,906	15
Port Neches	10,894	605,000	- 71	332	9,331,633	5,232,809	78	38,493	6	7	431,611	357,034	21
JIM WELLS Alice	33,032 20,121	...	...	...	...	...	...	102,522	16	8	1,151,126	991,533	16
JOHNSON (in Dallas-Fort Worth SMSA)	45,769												
Burleson	7,713	348,300	38	233	...	...	...	21,577	8	17	238,326	196,678	21
Cleburne	16,015	387,000	- 48	130	...	...	...	53,361	2	9	591,560	517,750	14
KARNES Karnes City	13,462 2,926	15,000	- 88	- 49	613,185	545,859	12	9,490	13	8	...	...	...
KIMBLE Junction	3,904 2,654	...	...	...	...	...	...	7,559	- 1	4	87,944	74,369	18
KLEBERG Kingsville	33,166 28,711	553,500	52	302	5,826,139	2,953,910	97	52,662	- 15	- 39	...	...	...
LAMAR Paris	36,062 23,441	476,700	- 31	74	...	...	...	...	...	...	...	...	...
LAMB Littlefield	17,770 6,738	109,300	63	- 35	3,419,614	1,990,202	72	32,527	50	15	293,906	231,994	27
LAMPASAS Lampasas	9,323 5,922	40,000	- 78	300	1,060,305	1,420,822	- 25	18,677	4	12	215,942	184,716	17
LAVACA Hallettsville	17,903 2,712	700	- 95	100	341,902	1,833,446	- 81	11,557	7	17	124,627	102,007	22
Yoakum	5,755	51,950	145	- 51	1,172,526	1,756,439	- 33	22,074	5	6	256,517	227,288	13
LEE Giddings	8,048 2,783	74,200	- 12	397	...	...	...	14,400	- 2	- 1	167,596	143,284	17
LIBERTY (in Houston SMSA)	33,014												
Dayton	3,804	187,200	17	274	2,264,729	964,223	135	16,032	30	3	176,901	176,050	**
Liberty	5,591	145,400	- 66	40	4,764,079	4,050,492	18	35,399	**	17	368,649	316,571	16
LIMESTONE Mexia	18,100 5,943	43,000	- 56	- 81	...	...	...	20,457	- 6	10	245,466	200,972	22
LLANO Kingsland	6,979 1,262	17,254	8	3	180,887	151,156	20
Llano	2,608	42,250	- 4	- 26	678,950	584,041	16	19,032	29	33	180,139	149,130	21

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			Dec 1976 from Nov 1976	Dec 1976 from Dec 1975					Dec 1976 from Nov 1976	Dec 1976 from Dec 1975			
LUBBOCK (constitutes Lubbock SMSA)	179,295												
Lubbock	149,101	5,934,930	— 48	— 4	91,904,380	114,822,830	— 20	1,619,613	42	58	12,730,891	9,758,239	30
Slaton	6,583	40,275	1,088	934	810,445	573,370	41	16,205	55	20	...	...	...
LYNN	9,107												
Tahoka	2,956	149,700	...	...	331,683	125,500	164	20,231	54	37	157,114	141,039	11
McCULLOCH	8,571												
Brady	5,557	190,900	20	114	1,394,110	1,465,025	— 5	19,539	**	13	225,943	195,333	16
McLENNAN (constitutes Waco SMSA)	147,553												
McGregor	4,365	48,710	395	— 61	544,035	1,022,670	— 47	9,617	1	5	117,245	103,663	13
Waco	95,326	2,415,028	61	— 4	24,587,323	20,356,810	21	573,037	4	14	6,698,998	5,764,653	16
MATAGORDA	27,913												
Bay City	11,733	543,900	— 65	30	7,986,064	3,958,079	102	57,739	11	7	685,307	574,364	19
MAVERICK	18,093												
Eagle Pass	15,364	691,347	435	218	...	...	...	25,447	7	— 6	292,356	244,944	19
MEDINA	20,249												
Castroville	1,893	13,200	300	— 47	389,944	...	...	3,306	— 6	— 12	45,614	36,174	26
Hondo	5,487	400	— 96	— 99	...	...	...	9,545	22	16	107,321	...	...
MIDLAND (constitutes Midland SMSA)	65,433												
Midland	59,463	4,403,381	— 72	135	59,975,313	29,281,030	105	910,954	16	44	8,831,643	5,025,040	76
MILAM	20,028												
Cameron	5,546	...	...	...	...	...	...	14,823	7	9	179,406	161,913	11
Rockdale	4,655	267,900	437	2,332	1,550,096	845,182	83	14,966	4	— 7	191,380	176,532	8
MILLS	4,212												
Goldthwaite	1,693	...	...	...	...	...	...	11,495	31	2	134,857	120,736	12
MITCHELL	9,073												
Colorado City	5,227	...	...	...	...	...	...	13,821	10	7	141,084	119,828	18
MONTGOMERY (in Houston SMSA)	49,479												
Conroe	11,969	1,278,600	217	— 14	6,775,127	...	...	117,991	24	24	1,225,432	972,020	26
MOORE	14,060												
Dumas	9,771	1,307,002	299	99	6,825,366	4,892,060	40	...	...	...	...	...	...
NACOGDOCHES	36,362												
Nacogdoches	22,544	498,050	— 3	24	9,904,880	7,433,738	33	...	...	...	...	...	...
NAVARRO	31,150												
Corsicana	19,972	794,311	318	182	6,559,645	3,166,952	107	74,773	8	15	796,192	707,959	12

NOLAN	16,220													
Sweetwater	12,020	148,400	− 94	2	5,330,982	5,181,075	3	44,491	30	13	467,624	373,639	25	
NUECES	237,544													
(in Corpus Christi SMSA)														
Bishop	3,466	150	...	...	...	...	...	3,422	11	5	51,970	43,817	19
Corpus Christi	204,525	3,845,168	8	− 41	55,909,285	54,769,228	2	1,174,132	16	10	12,344,426	10,775,342	15	
Port Aransas	1,218	...	...	...	...	...	...	1,533	− 6	− 32	28,078	24,988	12
Robstown	11,217	9,400	− 42	− 99	738,137	1,408,783	− 48	34,656	11	2	428,456	397,007	8	
ORANGE	71,170													
(in Beaumont-Port Arthur-Orange SMSA)														
Orange	24,457	146,253	− 6	− 85	10,694,186	5,173,511	107	101,516	7	15	1,132,575	961,492	18	
PALO PINTO	28,962													
Mineral Wells	18,411	25,000	− 52	179	822,536	2,371,640	− 65	42,629	6	3	500,371	441,663	13	
PANOLA	15,894													
Carthage	5,392	103,000	145	− 31	1,577,850	1,365,183	16	9,642	3	9	106,373	98,476	8	
PARKER	33,888													
(in Dallas-Fort Worth SMSA)														
Weatherford	11,750	366,900	...	...	...	...	...	48,355	10	19	518,402	434,834	19
PARMER	10,509													
Friona	3,111	9,300	145	− 46	1,203,450	789,051	53	36,946	37	− 1	374,034	359,816	4	
PECOS	13,748													
Fort Stockton	8,283	268,000	129	432	3,042,380	2,117,932	44	26,643	− 2	8	311,844	267,397	17	
POTTER	90,511													
(in Amarillo SMSA)														
Amarillo	127,010	4,787,296	− 42	− 6	86,443,799	75,631,414	14	1,156,418	6	6	13,033,554	11,174,515	17	
RANDALL	53,885													
(in Amarillo SMSA)														
Amarillo (see Potter)														
Canyon	8,333	181,300	− 73	120	7,192,485	6,596,174	9	21,412	− 19	− 4	280,072	231,905	21	
REEVES	16,526													
Pecos	12,682	161,290	102	− 94	2,073,001	5,444,254	− 62	44,201	11	− 8	478,902	468,672	2	
REFUGIO	9,494													
Refugio	4,340	0	...	...	887,650	104,250	751	11,347	− 26	18	128,267	112,106	14
RUSK	34,102													
Henderson	10,187	1,001,150	20	249	5,715,541	...	...	74,238	18	29	691,692	582,338	19
Kilgore (see Gregg)														
SAN PATRICIO	47,288													
(in Corpus Christi SMSA)														
Aransas Pass	5,813	70,300	− 53	− 42	...	...	...	53,226	109	169	282,936	214,874	32
Sinton	5,563	1,262,492	402	992	1,882,312	739,933	154	18,757	7	− 1	199,203	203,261	− 2	
SAN SABA	5,540													
San Saba	2,555	0	...	...	242,164	469,686	− 48	17,827	16	12	187,007	156,289	20
SCURRY	15,760													
Snyder	11,171	1,520,132	348	711	...	...	...	47,972	18	15	491,582	430,565	14
SHACKELFORD	3,323													
Albany	1,978	0	427,001	349,003	22	12,063	48	37	100,251	78,611	28	

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			Dec 1976 from 1976	Dec 1976 from 1975					Dec 1976 from 1976	Dec 1976 from 1975			
			Nov 1976	Dec 1975					Nov 1976	Dec 1975			
SHERMAN Stratford	3,657 2,139	125,000	60	983	1,138,418	264,711	330	22,699	— 1	— 6	244,169	214,913	14
SMITH (constitutes Tyler SMSA) Tyler	97,096 57,770	4,285,200	1	63	38,535,423	28,952,276	33	429,507	— 4	24	4,823,052	3,727,602	29
STEPHENS Breckenridge	8,414 5,944	131,000	142	— 28	1,054,586	1,298,976	— 19	...	...	...	...	...	...
SUTTON Sonora	3,175 2,149	21,100	— 97	...	1,576,512	963,510	64	9,957	23	9	100,016	81,890	22
TARRANT (in Dallas-Fort Worth SMSA)	716,317												
Arlington	90,643	...	...	...	...	...	...	231,831	14	16	2,373,077	2,015,446	18
Bedford	10,049	1,062,244	— 33	70	...	...	...	33,233	18	14	322,826	236,802	36
Burleson (see Johnson)													
Eules	19,316	49,200	— 93	— 41	4,307,421	1,641,772	162	...	...	...	...	...	...
Fort Worth	393,476	18,958,556	— 14	120	190,815,899	170,256,110	12	4,357,201	16	19	42,307,200	36,141,965	17
Grapevine	7,023	396,550	— 52	198	6,836,108	2,990,792	129	28,550	49	60	214,546	168,929	27
North Richland Hills	16,514	972,656	— 27	22	12,580,083	...	...	49,149	9	10	548,676	446,066	23
White Settlement	13,449	37,480	— 58	— 72	2,925,122	2,322,236	26	14,844	30	9	147,663	142,377	4
TAYLOR (in Abilene SMSA) Abilene	97,853 89,653	6,604,628	208	235	37,135,844	28,478,635	30	461,596	16	8	4,891,254	4,140,490	18
TERRY Brownfield	14,118 9,647	262,400	— 46	230	2,900,670	1,550,551	87	51,994	21	8	536,076	504,116	6
TITUS Mount Pleasant	16,702 8,877	155,600	38	...	...	...	...	47,266	3	19	547,564	465,134	18
TOM GREEN (constitutes San Angelo SMSA) San Angelo	71,047 63,884	6,339,246	84	142	44,284,622	25,942,007	71	356,665	16	2	4,309,521	3,201,563	35
TRAVIS (in Austin SMSA) Austin	295,516 251,808	43,730,023	278	618	202,436,907	147,300,372	37	3,001,901	— 2	27	33,704,055	23,487,065	44
UPSHUR Gladewater (see Gregg)	20,976												
UPTON McCamey	4,697 2,647	30,000	...	...	...	...	...	3,176	16	— 18	...	...	...
UVALDE Uvalde	17,348 10,764	218,932	— 16	— 27	5,080,759	2,352,587	116	53,225	11	8	574,048	486,533	18
VAL VERDE Del Rio	27,471 21,330	293,695	— 80	100	4,820,408	5,198,548	— 7	51,301	3	12	591,601	515,221	15

VICTORIA	53,766													
Victoria	41,349	2,916,013	178	110	23,722,190	18,893,347	26	283,130	18	19	2,824,679	2,622,737	8	
WALKER	27,680													
Huntsville	17,610	1,247,313	— 52	333	8,000,034	3,201,360	150	49,022	— 5	6	592,767	510,057	16	
WARD	13,019													
Monahans	8,333	39,190	— 15	25	927,229	2,050,907	— 55	24,679	15	— 7	270,891	275,256	— 2	
WASHINGTON	18,842													
Brenham	8,922	272,562	— 23	— 37	6,304,742	5,974,897	6	58,522	— 2	18	620,544	518,312	20	
WEBB	72,859													
(constitutes Laredo SMSA)														
Laredo	69,024	2,002,974	125	321	22,976,279	12,128,697	89	201,458	8	— 7	2,414,448	2,137,870	13	
WHARTON	36,729													
El Campo	8,563	190,265	— 5	122	...	...	...	46,301	9	**	578,839	547,598	6
WICHITA	120,563													
(in Wichita Falls SMSA)														
Burkburnett	9,230	176,488	— 8	...	3,215,920	...	...	22,153	8	— 4	250,739	227,541	10
Iowa Park	5,796	20,800	— 81	17	...	...	...	8,109	— 1	5	91,298	84,887	8
Wichita Falls	97,564	2,082,477	6	— 32	31,393,726	18,536,206	69	493,086	28	15	4,837,071	4,726,342	2	
WILBARGER	15,355													
Vernon	11,454	420,942	251	224	3,672,952	1,531,429	140	...	...	...	...	...	...
WILLACY	15,570													
Raymondville	7,987	14,000	— 5	36	893,150	1,070,100	— 17	20,506	— 4	— 11	305,569	279,840	9	
WILLIAMSON	37,305													
Bartlett	1,622	...	...	...	...	...	...	2,502	13	— 3	29,003	28,627	1
Georgetown	6,395	261,300	— 12	4	7,939,889	5,482,482	45	21,483	— 5	14	247,731	214,111	16	
Taylor	9,616	147,072	541	232	...	...	...	26,788	4	— 3	315,611	288,695	9
WINKLER	9,640													
Kermit	7,884	50,300	— 10	— 68	574,141	638,426	— 10	...	...	...	...	...	...
WISE	19,687													
(in Dallas-Fort Worth SMSA)														
Decatur	3,240	500	100	— 98	884,500	409,600	116	11,275	4	6	133,367	110,715	20	
YOUNG	15,400													
Graham	7,477	244,361	30	155	3,714,093	3,471,085	7	...	...	...	...	...	...
Olney	3,624	83,990	13	281	692,192	1,351,732	— 49	14,937	13	18	168,493	142,658	18	
ZAVALA	11,370													
Crystal City	8,104	0	...	...	...	...	...	9,852	— 23	— 7	118,406	113,293	5

** Absolute change is less than one half of 1 percent.

... No data, or inadequate basis for reporting.

Gross Retail Sales by Kind of Business for Texas Standard Metropolitan Statistical Areas

Reported area and kind of business	Jul-Sep 1976 (\$000)	Percent change Jul-Sep 1976 from	
		Apr-Jun 1976	Jul-Sep 1975
ABILENE SMSA			
Apparel, accessories	4,913	9	8
Automotive dealers, service stations	35,530	- 8	24
Building materials, farm equipment	9,394	6	25
Drugstores	2,231	- 4	- 14
Eating and drinking	8,439	14	17
Food	23,530	9	- 1
Furniture, home furnishings	6,289	12	10
General merchandise	14,262	**	1
Liquor	1,324	5	3
Miscellaneous retail	21,596	- 7	22
AMARILLO SMSA			
Apparel, accessories	9,568	12	11
Automotive dealers, service stations	81,658	17	38
Building materials, farm equipment	13,086	- 6	10
Drugstores	7,014	- 3	8
Eating and drinking	15,569	8	14
Food	30,439	- 3	5
Furniture, home furnishings	10,414	- 6	27
General merchandise	21,949	**	5
Liquor	3,912	4	6
Miscellaneous retail	24,365	1	- 7
AUSTIN SMSA			
Apparel, accessories	15,262	- 2	5
Automotive dealers, service stations	92,288	14	35
Building materials, farm equipment	33,241	10	19
Drugstores	8,826	2	14
Eating and drinking	37,191	3	17
Food	59,915	- 9	- 22
Furniture, home furnishings	20,689	15	22
General merchandise	52,760	5	8
Liquor	5,832	1	2
Miscellaneous retail	44,268	- 17	- 12
BEAUMONT-PORT ARTHUR-ORANGE SMSA			
Apparel, accessories	8,110	- 1	8
Automotive dealers, service stations	76,685	- 3	15
Building materials, farm equipment	20,514	6	39
Drugstores	12,284	2	9
Eating and drinking	21,277	- 8	13
Food	78,400	2	9
Furniture, home furnishings	14,294	3	24
General merchandise	43,346	- 2	14
Liquor	4,284	1	7
Miscellaneous retail	37,612	- 5	40
BROWNSVILLE-HARLINGEN-SAN BENITO SMSA			
Apparel, accessories	8,860	- 13	6
Automotive dealers, service stations	21,826	- 8	8
Building materials, farm equipment	10,027	9	39
Drugstores	3,667	- 11	5
Eating and drinking	9,451	1	20
Food	23,954	- 25	- 17
Furniture, home furnishings	7,582	- 3	22
General merchandise	30,828	- 11	9
Liquor	883	3	27
Miscellaneous retail	15,863	3	24
BRYAN-COLLEGE STATION SMSA			
Apparel, accessories	2,137	3	31
Automotive dealers, service stations	15,449	- 2	10
Building materials, farm equipment	7,938	9	64
Drugstores	1,057	16	43
Eating and drinking	5,280	14	33
Food	13,777	7	9
Furniture, home furnishings	2,451	25	41
General merchandise	8,391	- 1	9
Liquor	846	8	12
Miscellaneous retail	5,620	39	20
CORPUS CHRISTI SMSA			
Apparel, accessories	7,395	- 4	5
Automotive dealers, service stations	68,141	- 1	13
Building materials, farm equipment	16,346	- 4	18
Drugstores	6,374	- 4	- 60
Eating and drinking	20,650	6	13
Food	40,567	1	- 35
Furniture, home furnishings	11,067	3	16
General merchandise	29,912	- 3	4
Liquor	2,861	**	6
Miscellaneous retail	41,918	- 5	4
DALLAS-FORT WORTH SMSA			
Apparel, accessories	140,428	5	8
Automotive dealers, service stations	733,200	- 21	20
Building materials, farm equipment	179,940	2	31
Drugstores	82,419	3	12
Eating and drinking	225,591	4	13
Food	438,618	- 16	- 17
Furniture, home furnishings	133,007	6	10
General merchandise	299,084	13	7
Liquor	45,118	- 1	4
Miscellaneous retail	519,479	7	13
EL PASO SMSA			
Apparel, accessories	17,894	- 5	3
Automotive dealers, service stations	133,306	8	23
Building materials, farm equipment	11,185	- 9	9
Drugstores	10,221	- 5	12
Eating and drinking	23,278	- 16	12
Food	66,302	- 2	7
Furniture, home furnishings	18,235	- 3	9
General merchandise	58,833	- 4	6
Liquor	5,251	**	14
Miscellaneous retail	46,386	- 12	3
GALVESTON-TEXAS CITY SMSA			
Apparel, accessories	4,876	2	13
Automotive dealers, service stations	160,833	- 1	980
Building materials, farm equipment	8,794	- 8	24
Drugstores	5,066	1	7
Eating and drinking	14,541	- 2	9
Food	39,664	2	9
Furniture, home furnishings	4,527	- 2	17
General merchandise	16,375	3	- 6
Liquor	2,431	2	11
Miscellaneous retail	18,717	19	6

Reported area and kind of business	Jul-Sep 1976 (\$000)	Percent change Jul-Sep 1976 from	
		Apr-Jun 1976	Jul-Sep 1975
HOUSTON SMSA			
Apparel, accessories	86,184	— 7	8
Automotive dealers, service stations	931,789	**	6
Building materials, farm equipment	193,216	— 5	33
Drugstores	68,673	**	6
Eating and drinking	194,104	3	19
Food	495,494	**	6
Furniture, home furnishings	117,052	4	19
General merchandise	340,296	**	12
Liquor	34,795	— 1	11
Miscellaneous retail	506,530	7	15
KILLEEN-TEMPLE SMSA			
Apparel, accessories	5,100	9	37
Automotive dealers, service stations	30,460	— 9	4
Building materials, farm equipment	9,515	7	26
Drugstores	1,923	— 3	3
Eating and drinking	9,616	2	10
Food	18,379	— 5	— 18
Furniture, home furnishings	4,641	— 4	12
General merchandise	16,979	4	13
Liquor	1,267	34	46
Miscellaneous retail	10,608	10	14
LAREDO SMSA			
Apparel, accessories	11,979	— 13	18
Automotive dealers, service stations	12,036	— 12	— 41
Building materials, farm equipment	3,606	**	32
Drugstores	1,907	— 14	**
Eating and drinking	4,218	2	9
Food	13,341	— 6	— 16
Furniture, home furnishings	6,202	— 15	20
General merchandise	21,754	— 7	1
Liquor	131	— 39	— 30
Miscellaneous retail	15,251	— 6	27
LUBBOCK SMSA			
Apparel, accessories	10,021	19	13
Automotive dealers, service stations	55,570	— 2	16
Building materials, farm equipment	19,275	— 6	12
Drugstores	2,952	— 2	6
Eating and drinking	17,428	4	15
Food	39,602	6	15
Furniture, home furnishings	14,228	13	24
General merchandise	26,195	5	3
Liquor	4,919	13	8
Miscellaneous retail	31,395	— 26	— 15
McALLEN-PHARR-EDINBURG SMSA			
Apparel, accessories	10,341	— 6	19
Automotive dealers, service stations	36,108	— 6	12
Building materials, farm equipment	14,687	— 7	32
Drugstores	3,444	— 19	2
Eating and drinking	9,302	— 4	13
Food	32,683	— 4	— 18
Furniture, home furnishings	7,763	1	25
General merchandise	27,343	— 8	15
Liquor	826	10	19
Miscellaneous retail	19,741	— 41	25

Reported area and kind of business	Jul-Sep 1976 (\$000)	Percent change Jul-Sep 1976 from	
		Apr-Jun 1976	Jul-Sep 1975
MIDLAND SMSA			
Apparel, accessories	3,285	15	2
Automotive dealers, service stations	20,765	2	38
Building materials, farm equipment	4,750	3	17
Drugstores	4,894	**	5
Eating and drinking	4,700	8	9
Food	11,448	- 7	1
Furniture, home furnishings	4,312	22	28
General merchandise	9,089	- 2	5
Liquor	910	2	- 10
Miscellaneous retail	33,443	5	6
ODESSA SMSA			
Apparel, accessories	3,831	7	11
Automotive dealers, service stations	39,362	- 17	14
Building materials, farm equipment	7,989	- 14	- 21
Drugstores	1,421	- 3	**
Eating and drinking	7,547	1	7
Food	19,076	- 3	4
Furniture, home furnishings	6,128	34	48
General merchandise	18,814	- 2	4
Liquor	3,176	6	7
Miscellaneous retail	56,047	2	- 3
SAN ANGELO SMSA			
Apparel, accessories	2,676	14	19
Automotive dealers, service stations	19,367	- 2	7
Building materials, farm equipment	7,115	12	12
Drugstores	7,202	99	122
Eating and drinking	4,670	2	4
Food	12,675	**	4
Furniture, home furnishings	3,225	- 29	10
General merchandise	10,368	3	- 1
Liquor	739	4	12
Miscellaneous retail	5,177	- 9	4
SAN ANTONIO SMSA			
Apparel, accessories	33,878	- 3	8
Automotive dealers, service stations	218,020	- 9	18
Building materials, farm equipment	44,929	1	13
Drugstores	15,485	1	**
Eating and drinking	64,530	1	7
Food	122,592	5	- 28
Furniture, home furnishings	36,763	7	23
General merchandise	99,954	2	11
Liquor	11,490	16	30
Miscellaneous retail	94,575	4	12
SHERMAN-DENISON SMSA			
Apparel, accessories	2,761	2	7
Automotive dealers, service stations	19,816	4	27
Building materials, farm equipment	5,567	- 1	23
Drugstores	2,939	2	7
Eating and drinking	4,251	1	9
Food	14,858	6	5
Furniture, home furnishings	3,669	23	38
General merchandise	9,583	5	11
Liquor	1,117	14	23
Miscellaneous retail	7,805	- 1	46

Reported area and kind of business	Jul-Sep 1976 (\$000)	Percent change Jul-Sep 1976 from	
		Apr-Jun 1976	Jul-Sep 1975
TEXARKANA SMSA			
Apparel, accessories	1,830	- 2	11
Automotive dealers, service stations	20,553	14	34
Building materials, farm equipment	7,058	- 1	61
Drugstores	1,375	- 5	8
Eating and drinking	3,814	5	8
Food	13,379	1	5
Furniture, home furnishings	3,550	4	54
General merchandise	8,339	**	**
Liquor	§	...	...
Miscellaneous retail	5,416	- 7	14
TYLER SMSA			
Apparel, accessories	5,648	1	3
Automotive dealers, service stations	27,567	10	22
Building materials, farm equipment	14,070	3	34
Drugstores	2,722	- 1	14
Eating and drinking	6,912	8	12
Food	20,113	- 6	- 4
Furniture, home furnishings	5,758	7	41
General merchandise	13,355	- 1	4
Liquor	§	...	...
Miscellaneous retail	12,949	- 26	5

Reported area and kind of business	Jul-Sep 1976 (\$000)	Percent change Jul-Sep 1976 from	
		Apr-Jun 1976	Jul-Sep 1975
WACO SMSA			
Apparel, accessories	4,093	**	3
Automotive dealers, service stations	48,091	5	21
Building materials, farm equipment	21,389	11	30
Drugstores	3,710	1	11
Eating and drinking	12,451	15	14
Food	23,593	- 7	- 24
Furniture, home furnishings	5,625	7	12
General merchandise	17,952	- 1	5
Liquor	1,608	1	6
Miscellaneous retail	18,329	- 6	13
WICHITA FALLS SMSA			
Apparel, accessories	4,585	4	8
Automotive dealers, service stations	38,252	- 2	16
Building materials, farm equipment	9,318	**	23
Drugstores	4,692	- 1	87
Eating and drinking	8,589	- 3	9
Food	20,387	- 10	- 12
Furniture, home furnishings	5,642	5	5
General merchandise	15,036	5	1
Liquor	2,182	2	5
Miscellaneous retail	17,206	4	- 10

§ Omitted to avoid disclosure.

** Absolute change is less than one half of 1 percent.

... No data, or inadequate basis for reporting.

Source: Sales Tax Division, State Comptroller of Public Accounts.

Barometers of Texas Business

(All figures are for Texas unless otherwise indicated.)

All indexes are based on the average months for 1967=100 except where other specification is made; all except annual indexes are adjusted for seasonal variation unless otherwise noted. Employment estimates are compiled by the Texas Employment Commission in cooperation with the Bureau of Labor Statistics of the U.S. Department of Labor. The symbols used below impose qualifications as indicated here: p—preliminary data subject to revision; r—revised data; *—dollar totals for the fiscal year to date; †—employment data for wage and salary workers only.

	Dec 1976	Nov 1976	Dec 1975	Year-to-date average 1976	1975
GENERAL BUSINESS ACTIVITY					
Business activity (index)	246.9	240.3	211.9	228.3	195.5
Estimates of personal income (millions of dollars, seasonally adjusted) \$	6,845.9 ^p	\$ 6,694.9 ^p	\$ 6,224.5 ^r	\$ 6,417.8	\$ 5,741.9
Income payments to individuals in U.S. (billions, at seasonally adjusted annual rate) \$	1,440.7 ^p	\$ 1,421.4 ^p	\$ 1,308.2 ^r	\$ 1,375.4	\$ 1,249.7
Wholesale prices in U.S. (unadjusted index)	187.2	185.6	178.7	182.9	174.9
Consumer prices in Dallas (unadjusted index) . . . . .	...	171.7	...	...	...
Consumer prices in U.S. (unadjusted index)	174.3	173.8	166.3	170.5	161.2
Business failures (number) . . . . .	...	...	0	...	49
Business failures (liabilities, thousands) . . . . . \$	...	\$ ...	\$ 0	\$...	\$ 13,852
Sales of ordinary life insurance (index)	290.2	255.3	253.7	253.8	215.3
PRODUCTION					
Total electric power use (index)	204.4 ^p	185.6 ^p	173.3 ^r	186.7	163.9
Residential electric power use (index)	294.1 ^p	230.9 ^p	226.6 ^r	234.7	207.4
Industrial electric power use (index)	157.6 ^p	157.0 ^p	145.4 ^r	155.2	136.5
Crude oil production (index)	105.8 ^p	106.9 ^p	109.4 ^r	106.7	109.5
Average daily production per oil well (bbl.)	18.2	18.4	19.0	18.7	19.6
Crude oil processed by refineries (index) . . . . .	...	...	130.7	...	128.3
Industrial production—total (index)	133.1 ^p	131.0 ^p	130.4 ^r	130.3	125.8
Industrial production—total manufactures (index)	140.0 ^p	135.3 ^p	133.6 ^r	135.2	127.6
Industrial production—durable manufactures (index)	141.5 ^p	135.9 ^p	134.8 ^r	134.5	129.9
Industrial production—nondurable manufactures (index)	138.9 ^p	134.8 ^p	132.7 ^r	135.6	125.8
Industrial production—mining (index)	113.0 ^p	116.4 ^p	116.9 ^r	114.1	116.0
Industrial production—utilities (index)	165.6 ^p	165.6 ^p	174.0 ^r	168.8	166.7
Industrial production in U.S. (index)	132.8 ^p	131.9 ^p	124.4 ^r	129.8	117.8
Urban building permits issued (index)	249.8 ^p	241.9 ^p	193.6 ^r	233.4	188.6
New residential building authorized (index)	294.1 ^p	254.0 ^p	264.2 ^r	253.7	189.1
New residential units authorized (index)	153.0 ^p	120.4 ^p	125.5 ^r	129.4	86.6
New nonresidential building authorized (unadjusted index)	218.6 ^p	227.1 ^p	132.4 ^r	211.0	185.3
AGRICULTURE					
Prices received by farmers (unadjusted index)	193	187	185	194	178
Prices paid by farmers in U.S. (unadjusted index)	195	193	184	194	182
Ratio of Texas farm prices received to U.S. prices paid by farmers	99	97	101	100	98
FINANCE					
Bank debits (index)	461.4	445.5	378.7	417.2	342.0
Bank debits, U.S. (index)	363.6	352.9	296.0	335.4	288.3
Bank commercial loans outstanding (index)	200.3	193.1	192.2	187.7	185.1
Weekly condition report of large commercial banks, Dallas Federal Reserve District					
Loans (millions) \$	12,011	\$ 11,667	\$ 11,226	\$ 11,245	\$ 10,644
Loans and investments (millions) \$	17,992	\$ 17,560	\$ 16,637	\$ 17,013	\$ 15,534
Adjusted demand deposits (millions) \$	5,335	\$ 5,008	\$ 5,268	\$ 4,910	\$ 4,712
Revenue receipts of the state comptroller (thousands) \$	497.3	\$ 685.4	\$ 448.1	\$ 574.6	\$ 499.0
Federal Internal Revenue collections (millions) \$	1,975.8	\$ 1,139.4	\$ 935.5	\$ 4,160.4*	\$ 3,285.2*
Securities registrations—original applications					
Mutual investment companies (thousands) \$	99,665	\$ 62,182	\$ 62,342	\$ 308,437*	\$ 212,502*
All other corporate securities					
Texas companies (thousands) \$	13,734	\$ 14,078	\$ 10,868	\$ 55,232*	\$ 32,019*
Other companies (thousands) \$	14,435	\$ 5,523	\$ 11,544	\$ 44,955*	\$ 45,574*
Securities registration—renewals					
Mutual investment companies (thousands) \$	39,913	\$ 29,188	\$ 38,359	\$ 129,254*	\$ 144,133*
Other corporate securities (thousands) \$	529	\$ 0	\$ 1,016	\$ 3,021*	\$ 1,116*
LABOR					
Total nonagricultural employment (index)†	140.8 ^p	140.7 ^p	137.7 ^r	139.2	135.7
Manufacturing employment (index)†	125.7 ^p	125.9 ^p	122.5 ^r	124.5	120.6
Average weekly hours—manufacturing (index)†	99.3 ^p	98.0 ^p	100.2 ^r	98.8	97.6
Average weekly earnings—manufacturing (index)†	189.4 ^p	184.7 ^p	177.9 ^r	181.7	166.8
Total nonagricultural employment (thousands)†	4,602.5 ^p	4,582.8 ^p	4,491.7 ^r	4,525.4	4,504.8
Total manufacturing employment (thousands)†	831.2 ^p	834.1 ^p	809.0 ^r	826.1	800.2
Durable-goods employment (thousands)†	453.9 ^p	456.2 ^p	443.1 ^r	451.3	442.0
Nondurable-goods employment (thousands)†	377.3 ^p	377.9 ^p	365.9 ^r	374.8	358.1
Total civilian labor force in selected labor market areas (thousands)	4,296.2 ^p	4,280.1 ^p	4,194.7 ^r	4,244.0	4,152.0
Nonagricultural employment in selected labor market areas (thousands)†	3,760.9 ^p	3,743.5 ^p	3,661.9 ^r	3,693.1	3,601.3
Manufacturing employment in selected labor market areas (thousands)†	699.4 ^p	699.5 ^p	678.7 ^r	692.1	669.4
Total unemployment in selected labor market areas (thousands)	233.8 ^p	242.8 ^p	232.8 ^r	243.9	238.8
Percent of labor force unemployed in selected labor market areas	5.4 ^p	5.7 ^p	5.5 ^r	5.7	5.9
Percent of total labor force unemployed	5.2 ^p	5.4 ^p	5.3 ^r	5.5	5.6

Texas Trade and Professional Associations and Other Selected Organizations 1977

Rita Wright and Kathryn McMillen

This annual list of Texas trade and professional associations and other selected organizations is compiled as an aid in answering the requests of many persons who call the Bureau of Business Research each year for information on various phases of Texas business. The associations are alphabetized by key word in the association title. Two indexes—a city index and a title index—accompany the list.

For the purposes of this listing, a trade association is defined as a voluntary organization of business enterprises engaging in a particular trade or industry and dealing with the problems of that trade or industry. Generally only statewide associations are listed. Number of members and title of official publication are reported, as well as names of officials and addresses if available.

Rita Wright and Kathryn McMillen are librarians at the Bureau of Business Research.

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