

Midland County ranks second in state wealth

By Kathleen Thurber
Staff Writer

With oil inching toward \$120 a barrel Monday, experts say it's no surprise Midland County ranks among the wealthiest areas in Texas according to a recently released study.

"This area is very focused on energy so it's going to be very correlated with fuel prices," said Scott Carson, economics professor at the University of Texas at the Permian Basin.

With a per capita income of \$48,644 according to 2006 data released from the

Bureau of Economic Analysis last week, Midland County landed at No. 2 statewide in wealth, topped only by fellow oil-dependent area Loving County — population of around 60 by generous accounts — which has a per capita income of \$83,569.

Of Midland County's \$772 million in economic growth from 2005 to 2006, nearly \$500 million of that was in the mining industry, which includes the oil and gas sector, said David Lenze, an economist with the Bureau of Economic Analysis and author of the report.

Carson said such oil dependent

economies are great during booms, but will fall even harder than other areas if the industry declines.

"The key to remediating that cycle is diversification and this area is just not diversified," Carson said.

Whether that bust will come, though, is not a certainty, according to some.

"As long as we continue our appetite for oil and gas and things of that nature, the price will continue," said Dan Swart, director of the North Texas United States Export Assistance Center.

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Plus, Lenze said, other sectors in Midland saw growth as well with about a \$15 million increase in the professional and technical services industry. The only areas declining in the county are military and farming, which are both small industries that have been fading from Midland for years, he said.

Lenze said counties in southwestern mining states have experienced the most growth in the last four years. Parishes in and around New Orleans also have ranked among the highest in economic growth during recent years because of rebuilding efforts after Hurricane Katrina.

Collin County, which is part of the Metroplex, came in third statewide with a per capita income of \$47,202, up from \$45,209 in 2005. Harris County, which encompasses Houston, came in fourth with \$45,961 and Dallas County in fifth at \$43,520, according to the income report.

Nationwide, incomes ranged from \$110,292 in New York County, N.Y., to \$9,140 in Loup County, Neb., according to the report.

The study is based on average personal incomes, which includes wages and salaries as well as employer-provided income sources such as benefits, according to the report.

To get a more accurate picture, Carson said, one would need to analyze the median income of the area as studies like this can be skewed by high earners.

The median household income of \$45,437 in Midland during

2006 is actually slightly lower than the national median income for 2006 of \$48,451, said Robert Bernstein, public affairs specialist at the U.S. Census Bureau.

When looking at medians, Bernstein said, both Texas as a whole and Midland County have a wealth that is comparable to the rest of the country, rather than one that ranks as particularly high, though the cost of living obviously varies among regions.

Part of the reason for a median income that is lower than the per capita income could be attributed to a variance in wealth that also occurs in cities with single-sector economies, Carson said.

Texas ranks fifth in the nation for the size of its wealth gap between the richest families and the middle class and ninth between the richest and poorest families, according to the Economic Policy Institute.

In Midland, part of that can be attributed to rising rental costs caused by a demand that continues to outpace supply, Carson said. Those and other costs that increase for workers outside the oil industry mean they experience a decrease in spending power that others don't, he said.

Despite these setbacks, Midland County not only topped the charts in wealth, but also in growth with an income increase of more than 14 percent from 2005 data to 2006 compared to an average growth of 5.8 percent statewide, Lenze said.

"That's really where the big growth is," he said.

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Per capita income

Top five counties:

	2006	2005	2004
Loving:	\$83,569	\$79,426	\$100,711
Midland:	\$48,644	\$42,615	\$38,101
Collin:	\$47,202	\$45,209	\$41,903
Harris:	\$45,961	\$43,225	\$39,202
Dallas:	\$43,520	\$41,524	\$39,202

Bottom five counties:

	2006	2005	2004
Starr:	\$12,971	\$12,364	\$11,373
Zavala:	\$14,607	\$14,799	\$14,022
Maverick:	\$15,667	\$14,999	\$14,884
Presidio:	\$16,534	\$15,585	\$14,884
Zapata:	\$16,598	\$15,222	\$14,096

Source: the Bureau of Economic Analysis