



GOVERNOR GREG ABBOTT

January 2025

My Fellow Texans,

We are blessed to live in Texas. Our state has risen to historic heights as a national leader in population growth, employment, business, industry, and overall economic expansion. We have also firmly established ourselves as a leader in the global economy, competing at the highest level and driving the conversation in critical industries such as advanced manufacturing, aerospace and aviation, energy, technology, and more. Now the eighth-largest economy in the world, we proudly compete on the international stage with a clear message: Texas is and will remain a global economic powerhouse.

Texas is one of the best places in the world to do business thanks to our business-friendly environment, our young, skilled, diverse, and growing workforce, and our robust infrastructure and transportation systems. It is easy to understand why more people and businesses are choosing to make Texas their home. We are outpacing the nation in job growth, with more Texans employed than at any other point in our great state's history. Our rich blending of cultures, friendly people, thriving industries, and unique geographical location ensures our state offers something for everyone seeking the opportunity to aspire and thrive.

Texas has a strong, diversified economy, with a variety of industry hubs represented across all regions of our state. We are globally recognized as a leading producer of oil and gas and are the largest exporter of semiconductors and other electric components in the United States. Our state is also home to other important sectors, including cutting-edge biotechnology and medical research, a thriving hospitality and tourism industry, an emerging supply of critical minerals and rare earths, and a robust network of corporate operations.

While we are already experiencing great success in our established industries and realizing a wealth of emerging opportunities across our regions, there is more work to be done to ensure we expand the path to prosperity for more Texas families and further secure Texas' position as a global economic leader. This statewide economic development strategic plan establishes a blueprint to help our state, our businesses, and our residents capture the promise of our future economy. As always, we will work collaboratively to build on our momentum, capitalize on opportunities, and invest in our future. Together, we can ensure Texas remains a beacon of innovation and opportunity as we build an even stronger Texas of tomorrow.

Sincerely,

A handwritten signature in black ink that reads "Greg Abbott". The signature is fluid and cursive, with the first name "Greg" and last name "Abbott" clearly distinguishable.

Greg Abbott
Governor



GOVERNOR GREG ABBOTT
TEXAS ECONOMIC DEVELOPMENT & TOURISM OFFICE

Dear Texas Economic Development Partners and Friends,

Texas has enjoyed record-breaking economic success over the last decade. We've seen extraordinary growth in a variety of industries, maintained a healthy employment market, and created more jobs than at any other point in our state's history. And word is getting out — we've seen the mighty Texas economy become increasingly attractive to national and international businesses alike. We can proudly claim the Lone Star State plays an important and distinctive role within our national and increasingly interconnected global economy.

To build on this momentum and capitalize on the opportunities before us, we will continue evolving our approach to economic development and work together to ensure we can create an even better future for the Texans of tomorrow. From the community college educator to the oil rig worker and from the small business owner to our local government and state agency partners, everyone has a role to play. Economic development is a team sport that works best when we collaborate and bring our unique perspectives and respective pieces of the puzzle together.

That's exactly why we have developed this statewide economic development strategic plan — **"Bigger. Better. Texas."** — with the broader economic development ecosystem in mind. Throughout our year-long strategic plan development process, we've heard directly from Texans representing all regions of the state to better understand the challenges and opportunities facing our economy and our diverse communities. Rigorous analysis and a robust stakeholder engagement effort informed the four pillars of economic development outlined in our plan and the goals that support them. In this plan, we explore opportunities to expand our success in the following core areas:

- **Business and Industry:** Texas' businesses and industries are the foundation of our economy and create jobs for Texans. The plan will help us to strengthen and accelerate our economic growth through targeted business support, expansion, attraction, and retention efforts.
- **Innovation and Entrepreneurship:** A robust innovation and entrepreneurship landscape is an essential component of building the Texas of the future. The plan will encourage identification and promotion of assets that foster innovation and support entrepreneurs to ensure we remain a global leader.
- **Workforce:** Texas' young, skilled, diverse, and growing workforce is the power behind our economic growth. This strategic plan will help inform resources that prepare our workforce to meet industry needs and drive business growth.
- **Infrastructure:** Reliable, extensive infrastructure is critical to supporting continued population and industry growth. This plan will signal support for the development of infrastructure that is resilient and equipped to meet community and industry needs.

Under Governor Abbott's leadership, our office is more motivated than ever to continue our ongoing work to ensure Texas is home to thriving regions and industries, but we recognize that we can't do it on our own. This is the Texas way — we work collaboratively to create and maintain an environment that is business friendly, internationally competitive, and rich in opportunity. I invite you to join us in our mission to further cement Texas' position as a global economic powerhouse and ensure our state remains the very best place to live, work, and visit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Adriana Cruz".

Adriana Cruz
Executive Director, Texas Economic Development & Tourism Office



ABOUT THIS DOCUMENT

“Bigger. Better. Texas.” is our five-year economic development strategic plan for the state of Texas and our blueprint for continued economic prosperity. The plan establishes a unifying vision for the future of our economy, identifies target industry sectors and clusters that are expected to drive strategic economic growth and job creation, outlines objectives and initiatives to advance the state’s international competitiveness, and provides data and recommendations to inform economic development decisions across the state.

Why did we develop this strategic plan?

Texas has enjoyed extraordinary economic success in the past decade. Our gross domestic product (GDP) and workforce growth has outpaced that of the United States, and Texas continues to reach new heights in all-time records for total jobs. We have an internationally recognized business climate and are regularly ranked as a top state to start, relocate, and expand a business. If Texas were a country, we would have the eighth-largest economy in the world — larger than Russia, Canada, Italy, and many others.

However, this outstanding growth has come with challenges to overcome, such as ensuring infrastructure capacity, maintaining cost-of-living affordability, and promoting job growth and economic opportunities across all regions. To maintain our competitive edge in the years ahead, Texas needs a forward-looking economic development strategic plan that guides the actions of the Texas Economic Development & Tourism Office (EDT) and offers a vision that economic development partners and organizations across our state can rally around. The plan reflects Texas’ unique approach to economic development — not dictating priorities to communities or unduly influencing the free market, but rather, creating an environment in which communities, industries, and businesses can lead the way to growth and prosperity.

How did we develop the plan?

“Bigger. Better. Texas.” began with a months-long study that incorporated thorough reviews of local and regional economic development plans from across the state, in-depth economic analysis, rigorous evaluation of strong and emerging industry sectors and clusters, and extensive stakeholder engagement. EDT spearheaded this effort with the support and collaboration of state agencies, business and community leaders, regional representatives, and statewide associations. The following key inputs informed development of the plan:

- **Strategic Plans Related to Economic Development:** To better understand the priorities and needs of Texas’ diverse communities, the team compiled and reviewed over 40 plans related to economic development created by organizations at the state, regional, and local level. In our review,

we identified themes, priorities, and focus industries included in the plans to ensure that this statewide economic development strategic plan integrates the perspectives of each of our unique regions.

- **Quantitative Analysis:** The team gathered and analyzed a wide variety of information to understand the current state and future trajectory of our economy and workforce, including data on demographic trends, peer states and countries, industry performance, workforce needs, and the innovation and entrepreneurship landscape in Texas. After establishing an in-depth understanding of the current state of our economy, the project team executed a close analysis and refresh of our state's target sectors and clusters that are expected to drive strategic growth.
- **Stakeholder Engagement:** Throughout every step of the year-long process, the team complemented economic and industry analysis with stakeholder engagement. A combination of regular Steering Committee and Advisory Board meetings, one-on-one interviews, and focus groups with individuals and organizations reflecting the breadth and diversity of Texas allowed the project team to solicit qualitative feedback and inputs around economic analyses in real time.

These quantitative and qualitative inputs came together to guide the development of the vision, objectives, and initiatives outlined in the plan. (Quantitative and qualitative research was performed May 2023 through May 2024; data cited reflects the then-most current and/or granular information for the time periods noted.)

What does the strategic plan contain?

The plan includes the following three main sections, which provide a summary of findings from our analyses and stakeholder engagement, illustrate the broad ecosystem driving economic development in Texas, introduce the unifying vision for the future of our economy, and detail the objectives and initiatives that will enable us to realize our vision:

- **Texas Today:** A good economic development strategic plan must first establish where we are and where we've been before charting a path forward. This section provides a foundational snapshot of our state's economy through the lens of our four economic development pillars: businesses and industry, innovation and entrepreneurship, workforce, and infrastructure.
- **Better Together:** Economic development is a team sport in Texas, and everyone has a role to play in building our future economy. This section illustrates the interconnectedness of our broad economic development ecosystem and demonstrates how each section of the ecosystem is involved in contributing to Texas' economic prosperity.
- **Blueprint for a Stronger Texas of Tomorrow:** A strategic plan is not a plan without a vision and actionable next steps. This section provides a unifying vision for the future of our economy and outlines detailed objectives and initiatives that will help EDT further cement Texas' position as a global leader and ensure our state remains the very best place to live, work, and visit.

The plan is also supported by the following appendices and tools, which provide data and insights that will help inform economic development efforts across the state:

- **Regional Profiles:** The included Regional Profiles provide an economic overview of 10 economic regions identified by EDT, including data on population, industries, exports, and workforce as well as strengths and emerging opportunities in the regions.

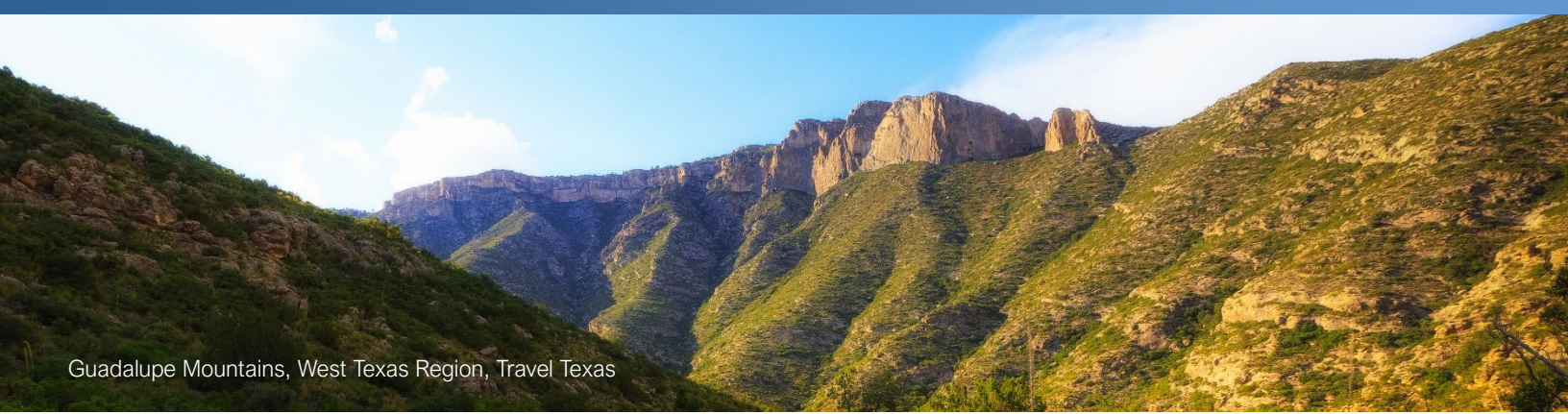
- **Target Sector Profiles:** The included Target Sector Profiles provide data and insights on the target sectors and industry clusters identified in this plan, including information and analysis on geographic distribution, gross domestic product (GDP) contribution, exports, occupations, and key skills.
- **Innovation & Entrepreneurship Catalog:** The separate Innovation and Entrepreneurship Catalog lists hundreds of innovation and entrepreneurship assets throughout the state, including incubators, accelerators, venture capital firms, angel investor networks, and higher education resources.

Where do you fit in?

It will take all of us to ensure Texas' regions, industries, and residents continue to thrive for years to come. We will work together to build and maintain a state where hardworking Texans can find their place and prosper. This spirit of collaboration is seen in our state motto of "Friendship" that was established in 1930 likely as a tribute to the origin of our state's name. The word *tejas* is the Spanish pronunciation of a word that was widely used as a term for "friends" by native people in the region for hundreds of years. Though our state has a long history of freedom, independence, and innovation, we are also rooted in community and collaboration. It took generations of leaders before us to create the Texas of today, and it will take all of us to usher in the bigger, better Texas of tomorrow.

While the strategic plan is intended to guide the activities and priorities of the Texas Economic Development & Tourism Office, we welcome and encourage the multitude of individuals and organizations who are driving growth in the state to join us in this effort. Whether by sharing ideas, collaborating on initiatives, or simply getting the word out, we all have a part to play in creating an even more prosperous future for all who are blessed to call Texas home.





Guadalupe Mountains, West Texas Region, Travel Texas

EXECUTIVE SUMMARY

“Texas is still the big, new frontier, a place where opportunity is abundant, where free enterprise flourishes, and where dreams, and families, and jobs grow.... Our past is but prologue; the greatest chapters have yet to be written. And the Lone Star State is brimming with promise!” – Governor Greg Abbott

Texas of today. Texas is a national economic leader and operates on the larger world stage as an essential player in the global economy. Fueled by steady population growth, regional diversity, and internationally recognized industries, we are an economic force to be reckoned with.

Texas has outperformed the U.S. and most states by a variety of metrics, including GDP expansion, foreign exports, and workforce growth. We are in league with some of the largest economies in the world, competing at the highest level with countries across the globe — and winning.

Texas has the eighth-largest economy in the world, surpassing countries like Canada, South Korea, and Brazil.

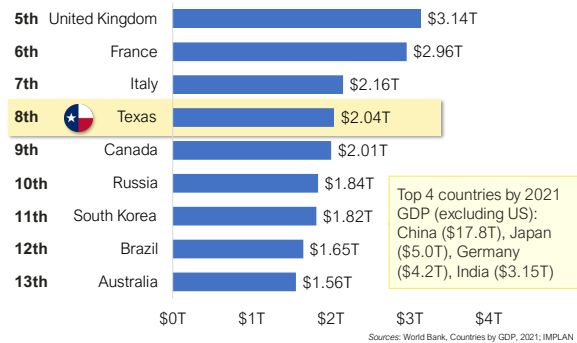
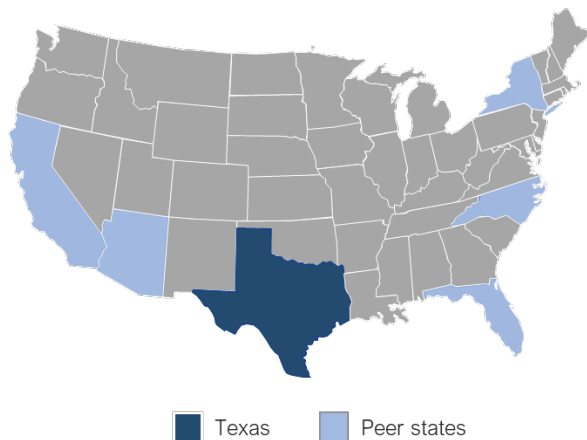


Figure 1. Selected Peer Countries by 2021 GDP, US Dollars¹

Texas’ economic strength attracts the attention of domestic and international businesses alike and enables us to expand our global presence. We have established trade partnerships with some of the most powerful nations in the world, including the signing of economic development agreements with Finland,² France,³ the Tokyo Metropolitan Government,⁴ the United Kingdom,⁵ and more. With international offices in Mexico and now Taiwan, our globally recognized brand is only getting stronger.

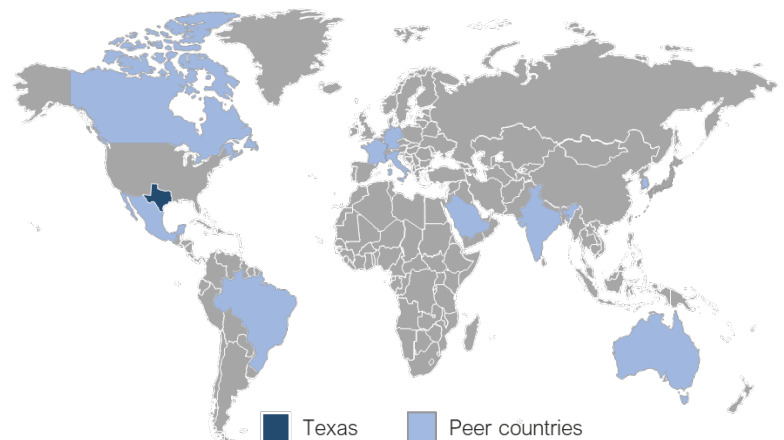
Texas is a national and global economic powerhouse. Our state’s strong and continuing economic growth is driven by Texas’ increasing connections to international markets and growing competitiveness in globally traded industries (e.g., energy, advanced manufacturing, and technology). The world’s economies are increasingly interlinked, and Texas is a key part of the international supply chain. The growth of our high-value, high-export sectors is outpacing the growth of other sectors that primarily serve our local economy. Driven by rapid growth in foreign exports, this shift indicates that we are increasingly competitive in the global marketplace. To maintain and grow our position, Texas will proactively identify and capitalize on opportunities to grow key industries and to expand into new markets at home and abroad.

Texas as a National Leader



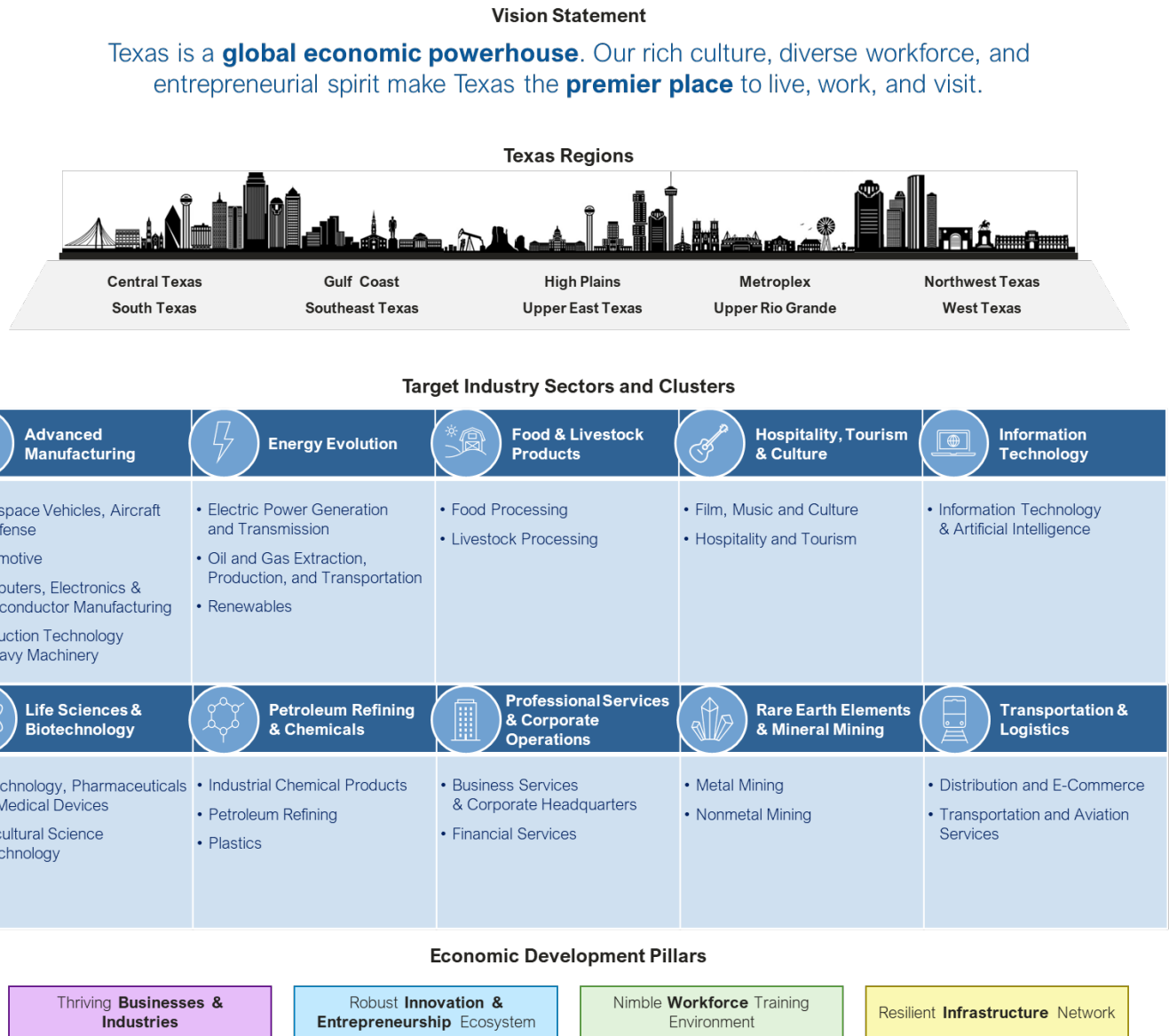
Our rich diversity makes us stronger. Texas' diversity is the foundation of our competitiveness around the world. Our wide array of geographies and landscapes, diverse populations and cultures, wealth of natural resources, and broad range of industries uniquely position our state to pursue diversified economic growth and respond to evolving global market demands. Texas also boasts a diversified base of significant industries: advanced manufacturing; aerospace, aviation, and defense; biotechnology and life sciences; corporate services; energy; information technology; and semiconductor design and manufacturing. These industries offer a wide range of employment opportunities, from middle-skill production jobs to corporate executive roles. Additionally, every region of this great state offers a unique mix of economic, demographic, and geographic strengths. Whether a rewarding job opportunity, a welcoming place to grow a business, or a friendly community to start a family, Texas offers something for those seeking the opportunity to aspire and thrive.

Texas as a Global Economy



Our strategic plan helps position Texas to capitalize on our success and capture the promise of our future economy. While Texas has experienced historic economic success, we recognize the need to be forward-thinking and intentional in our efforts to pave the way for future generations. This plan establishes a unifying vision for continuing economic expansion and outlines objectives and initiatives to advance the state's international competitiveness. A summary of our vision, focus areas, and priorities is outlined in the strategic framework in Figure 2 on the following page. Our vision is simple: ensure Texas remains the premier place to visit, live, work, and grow a business. To accomplish this, we will focus on promoting thriving regions across all corners of the state and on expanding target sectors that will drive growth and create jobs for hardworking Texans.

Figure 2. “Bigger. Better. Texas.” Strategic Framework



We take a holistic approach to economic development.

Our strategic plan focuses on advancing the growth of Texas' businesses and industries, investing in our people and workforce, catalyzing innovation and entrepreneurship, and building an even more resilient infrastructure network.

We have established four key priority areas for our plan that represent important pillars of holistic economic development:

- **Business and Industry:** We will strengthen Texas' businesses and industries and cultivate diversified economic growth.
- **Innovation and Entrepreneurship:** We will foster innovation and entrepreneurship to ensure Texas remains the premier destination for leaders, creators, and trailblazers.

- **Workforce:** We will inform and advocate for the resources necessary to support a nimble workforce system.
- **Infrastructure:** We will support the critical infrastructure development and maintenance that enables flourishing industries and regions.

It takes all of us. Texas' decentralized approach to economic development sets us apart. Texas thrives because of the community of doers, makers, and entrepreneurs who form the lifeblood of our economy. Therefore, we have designed this plan as a flexible document that can be adapted to reflect the unique needs and characteristics of Texas' regions. We commit to working collaboratively to meet our mutual goals and to championing the local leaders who know our communities and industries best. **This is the Texas Way.**