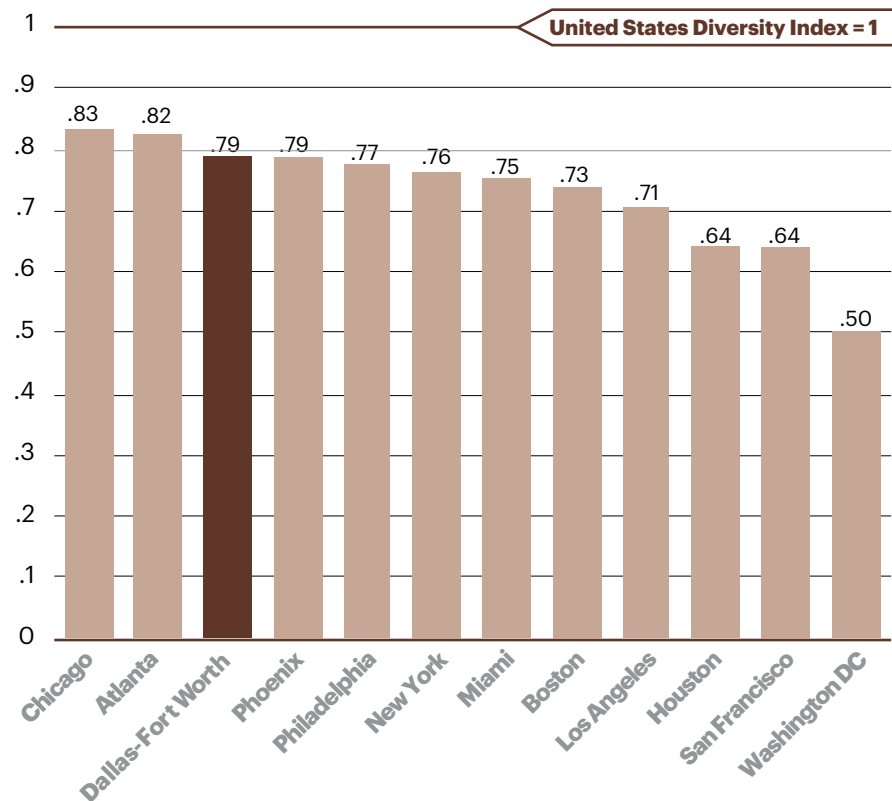


Industry Diversity

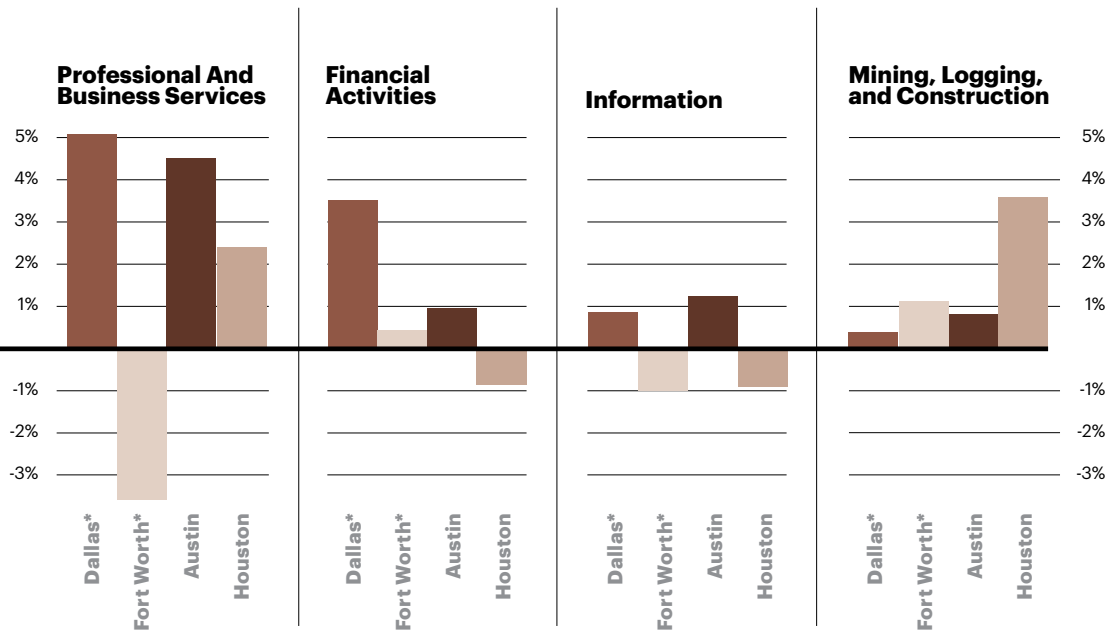
Industrial diversity is an index used to gauge the extent to which an area's economy resembles the national economy. It is useful in determining how closely the nation's economic performance will be mirrored across regional economies. The diversity index for a given year is calculated using employment data at the four-digit NAICS level of industrial detail. A diversity index of one, the highest possible value, indicates that an area's industrial structure—its distribution of employment across industries—is exactly the same as that of the nation. The lower the index, the less the region approximates the industrial structure of the nation. The index assumes that it is impossible for a regional economy to be more diverse than the national economy. Therefore, there are no diversity index values higher than 1. A state or metropolitan area with a higher diversity index is more likely to weather an economic downturn than those dependent on a single industry.

Moody's Diversity Index for select metropolitan regions



Texas Metro Comparisons: 2020 Employment by Supersector

Variance from Percent of U.S. Employment

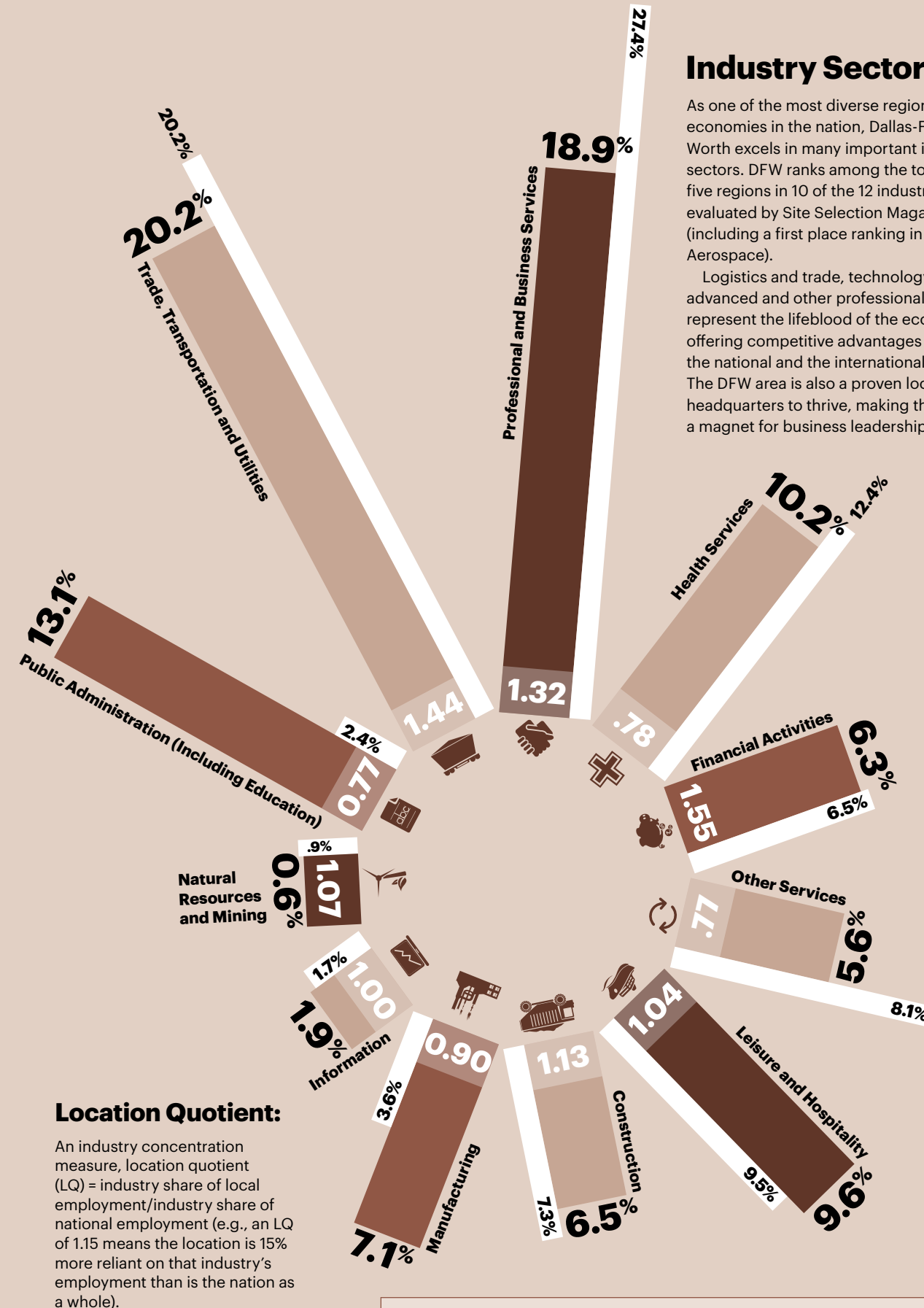


* Metropolitan division. All others are metropolitan statistical areas.

Industry Sectors

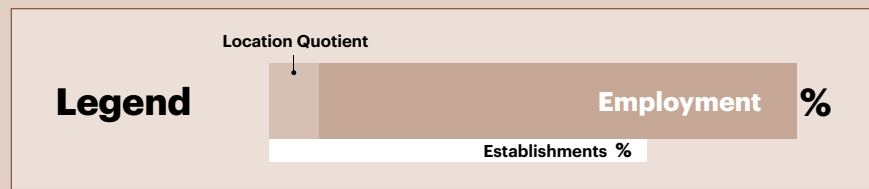
As one of the most diverse regional economies in the nation, Dallas-Fort Worth excels in many important industry sectors. DFW ranks among the top five regions in 10 of the 12 industries evaluated by Site Selection Magazine (including a first place ranking in Aerospace).

Logistics and trade, technology, and advanced and other professional services represent the lifeblood of the economy, offering competitive advantages on both the national and the international levels. The DFW area is also a proven location for headquarters to thrive, making the region a magnet for business leadership.



Location Quotient:

An industry concentration measure, location quotient (LQ) = industry share of local employment/industry share of national employment (e.g., an LQ of 1.15 means the location is 15% more reliant on that industry's employment than is the nation as a whole).



Source: Bureau of Labor Statistics, CES

Source: EMSI, 2021Q1 QCEW, QES, 2020