

economic opportunity

HOW OPPORTUNITY AND PROSPERITY FLOW THROUGH OUR REGION

Healthy communities are built on a strong economic base. Access to fundamental elements of financial stability such as jobs, credit, and entrepreneurial resources is essential to ensuring that all Houstonians can contribute to the building of a vibrant, equitable Houston. While Houston remains vital to the national economy, we're still working toward greater and more equal access to opportunity at home. By taking steps to reduce income inequality in our region, we can make lasting improvements to our neighborhoods, education systems, and financial systems—improving quality of life for all residents.

Houston's strong economy provides the foundation for economic opportunity for residents, but we must identify levers to ensure all have the ability to build on that foundation. Labor participation and unemployment rates have largely rebounded since the downturn between 2015 and 2017, now indicating the healthiest labor market since the Great Recession of 2008, despite an oil and gas industry that has yet to fully bounce back. Our region also struggles with a skills gap, making it challenging for residents and employers to match current skills to employment opportunities that are in demand.

While real median household incomes continue to be higher for the three-county area compared to the state and nation across racial and ethnic groups, income growth was modest since 2010 at 4.3%, compared to 8% for the state and 7% for the nation. Taking into account those living in poverty and those who are asset-limited, income-constrained, and employed (or ALICE), 40% of households, over 800,000 altogether, struggle to afford basic living costs across the three-county area.² Family financial stability is further put at risk with about a third of three-county residents having subprime, high-risk credit and lower levels of access to credit than the national average. And while poverty rates are on the decline, about one in five children is living in poverty in the three-county area—resulting in early challenges that make it abundantly difficult for children to succeed academically and climb the economic ladder.

Despite these challenges, one of Houston's most concerning trends is growing income inequality. Wealth remains heavily concentrated among a small proportion of households. Nearly 50% of all income was distributed to the top 20% richest households in all three counties. Further, median household income growth trends indicate widening disparities across racial and ethnic groups.

The more we know about economic opportunity in Houston, the more we can do to build a region that provides the economic foundation for all people to prosper.



Houston is home to one of the most vibrant economic engines in the country. The U.S. Bureau of Economic Analysis estimated Houston metro's GDP at \$490 billion in 2017, ranking it 7th among the top 50 metropolitan areas in the country. Once dependent on oil and gas, the Houston metro area is now more industrially diverse than the nation and other major Texas cities, although industrial diversity has declined since 2012.¹ Between 2010 and 2017, the three-county area added 589,487 jobs, a 19% increase. In addition, Houston's small business ecosystem continues to grow.

6 Subtopics of Economic Opportunity

INDUSTRY DYNAMICS AND JOB GROWTH

19%
job growth

Houston's three-county area outpaces the nation (13%) in new job creation since 2010.

UNEMPLOYMENT AND UNDEREMPLOYMENT

4.3%
unemployment rate

The three-county area achieved a near all-time low in 2018 since before the Great Recession.

INCOME AND INEQUALITY

about 1/2

of all income in each of the three counties is held by only 20% of its households.

POVERTY AND SOCIAL MOBILITY

819,024
households struggle financially

Combining households living at or below the poverty line and those who are ALICE, 819,024 households (40%) are struggling financially across the three-county area.

CREDIT AND DEBT

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29-44% of residents in the three-county area were in debt collections in 2017.

SMALL BUSINESS



38%

of Houston-area small businesses are **minority-owned, six percentage points more than the state average.**

EXPLORE ALL SIX SUBTOPICS FURTHER ON OUR WEBSITE.

POVERTY AND SOCIAL MOBILITY

Percent of Workers Living Below Federal Poverty Line



7.7% of workers (237,705) across the three-county area have at least one job but still live below the poverty level. The working poor population has decreased since 2010 across the nation, state, and three-county area. However, regional figures remain higher than national averages, largely due to the working poor population within Harris County.

Trend over time:
 Compared to nation:

ACCESS TO CREDIT AND HOUSEHOLD DEBT



About 35% of residents across the three-county area have subprime credit, with rates declining at a pace similar to the state and nation. Poor credit impacts households across all three counties—41% in Harris, 33% in Montgomery, and 31% in Fort Bend. While access to credit is only slightly below the nation, we see a larger percentage of three-county residents with subprime credit and in debt collections compared to the nation, indicating higher financial stress on our region's families.

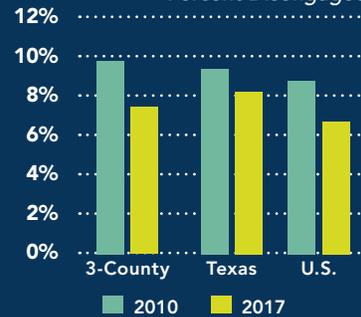
Trend over time:
 Compared to nation:

LEGENDS

LOCATIONS: **FB** Fort Bend **H** Harris **M** Montgomery
COMPARISONS: Better Worse Same No Info

DISENGAGED YOUTH

Percent Disengaged Youth Aged 16-19



24,500

young people between 16 and 19 years-old were neither working nor attending school in 2017.

Disengaged youth are those between the ages of 16 and 24 who are not enrolled in school and who are unemployed or not in the labor force. The overall percentage of disengaged youth dropped since 2010 in the nation, across Texas, and across the three-county area. Harris and Montgomery counties see higher shares of disengaged youth.

See page 31 for data note.

Trend over time:
 Compared to nation:

See page 30-33 of 2019 Summary Report for references and data sources.