

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 small business resources is essential to ensure that all Houstonians have pathways to economic opportunity and mobility. While Houston continues to have a strong economy that is 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 economic security for all residents.

The Houston metro area's share of unbanked households is more than twice that of the nation, and our region struggles with a skills gap, making it challenging for residents and employers to match current skills to employment opportunities that are in demand.

Despite strong employment and industry growth, incomes in Houston's three-county region have seen little growth compared to the state and nation. Between 2010 and 2023, median household income stagnated in Fort Bend and Montgomery counties and ticked up only 3% in Harris County, compared with 11–12% in the U.S. and Texas, respectively.

Consistent with trends in communities across the nation, median household income in the Houston area varies significantly by racial/ethnic groups. We have seen these gaps decrease over time with the income gap between white and Hispanic households decreasing by nearly 40 percentage points in Fort Bend County between 2010 and 2023. However, white households in Fort Bend County still, on average, earned 46% more than Hispanic households in 2023 compared to a gap of 20% across the country.

Given stagnant incomes and rising living costs, it is not surprising that more than one million Houston-area households, or 44% of the region, struggle to afford basic living costs — these are households with incomes below the Federal Poverty Line or experiencing ALICE (Asset Limited, Income Constrained, and Employed). Family financial stability is further put at risk when one-quarter of households are un/underbanked and 24–32% of residents have subprime, high-risk credit.

Ensuring everyone in the Houston area has equal access to economic opportunity and security is a fundamental condition of our collective success as a thriving region.



The Houston region is home to one of the most vibrant economic engines in the country. Metro Houston's GDP, at \$550 billion in 2023, places us seventh highest in the country and has Houston making up 26% of the GDP for the entire state of Texas. Between 2010 and 2023, the three-county area net 643,000 jobs, a 29% increase. In addition, Houston's small businesses continue to grow.

Houston's strong economy provides the foundation for economic opportunity for residents, but we must identify levers to ensure all can build on that foundation.

5 Subtopics of Economic Opportunity

POVERTY AND ECONOMIC MOBILITY

 **1.3M**

Houston-area households struggle financially by living below the Federal Poverty Level or experiencing ALICE.

INCOME AND INEQUALITY

3%↑

Between 2010 and 2023, median household income in Harris County increased only 3%, compared to 11% growth across the nation.

UNEMPLOYMENT AND JOBS

Job Growth

FB=88%↑ HC=21%↑ MC = 77%↑

Between 2010 and 2023, job growth in Houston's three-county region grew faster than the national rate (19%).

CREDIT AND DEBT

2x unbanked

Residents of Houston are twice as likely to be unbanked as the national average.

SMALL BUSINESS



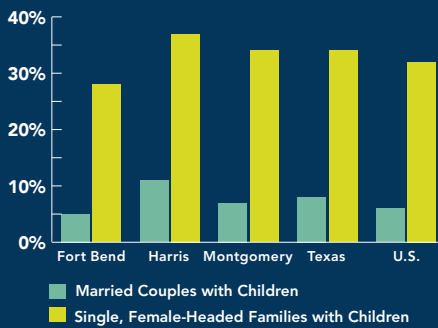
2 out of 5

Houston-area small businesses are owned by Black, Indigenous, or other people of color (BIPOC) compared to 1 out of 5 nationally.

EXPLORE ALL FIVE SUBTOPICS FURTHER ON OUR WEBSITE.

POVERTY BY HOUSEHOLD TYPE

Percent of households with children under 18 living in poverty by household structure, 2023



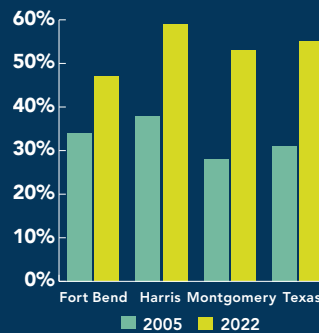
In Houston's three-county region, households led by single moms are four to six times more likely to live in poverty as married-couple families.

Compared to nation:



"HIGH WAGE" JOBS

Percent of full-time jobs with earnings of more than \$3,333 per month/\$40,000 annually (classified as "high wage jobs")

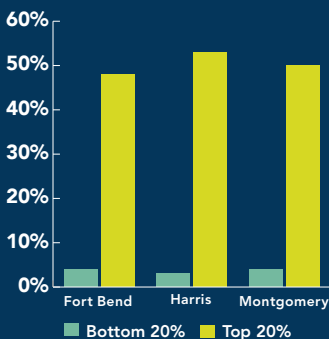


Over half of jobs in Houston's three-county area pay more than \$40,000 annually, considered "high wage." Between 2005 and 2022, the number of "high wage" jobs increased 211% in Fort Bend, 106% in Harris, and 328% in Montgomery counties and 154% in Texas overall.

Trend over time:

INCOME DISTRIBUTION

Percent of total income by household income quintile, 2023

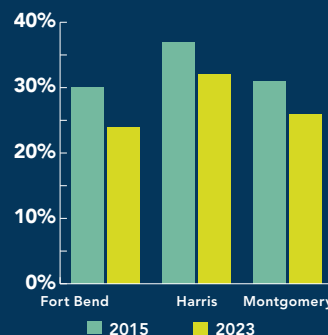


In 2023, the top 20% of households in Houston's three-county region received about half of income, while the bottom 20% of households received 3-4% of income.

Trend over time: Compared to nation:

SUBPRIME CREDIT

Percent of credit economy with subprime credit score (below 660)



The share of residents with subprime credit fell between 5 and 6 points between 2015 and 2023 across Fort Bend, Harris, and Montgomery counties.

Trend over time:

references

DATA SOURCES

SUBTOPICS

Poverty & Social Mobility: United for ALICE, 2022

Income & Inequality: U.S. Census Bureau, American Community Survey, 1-Year Estimates Unemployment & Jobs: U.S. Bureau of Labor Statistics, Quarterly

Census of Employment and Wages Credit & Debt: 2023 FDIC National Survey of Unbanked and Underbanked Households

Small Business: U.S. Census Bureau, 2021 Annual Business Survey

INDICATORS HIGHLIGHTED

Working poor: American Community Survey, 2010 & 2017, 1-year estimates

Disengaged youth: American Community Survey, 2010 & 2017, 1-year estimates

Note: Data is not available for the 16-to-24-year-old youth population, so this represents a younger sub-population of disengaged youth.

Access to credit and household debt: New York Federal Reserve (2010, 2016)