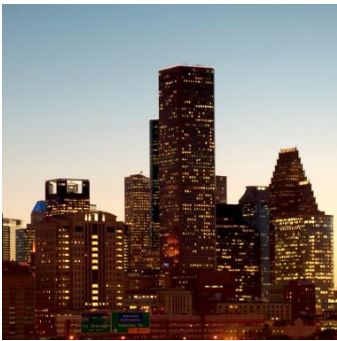


An Equity Profile of the Houston-Galveston Region Summary

PolicyLink

Communities of color are driving Houston-Galveston's population growth and are essential to the region's economic success now and into the future. Despite the region's overall economic strength and resilience, wide racial gaps in income, health, and opportunity coupled with declining wages, a shrinking middle class, and rising inequality place the region's economic future at risk.

To secure a prosperous future, the region's leaders must take steps to build a more equitable and sustainable economy: growing good jobs, connecting unemployed and low-wage workers to training, jobs and careers, and building access to opportunity throughout the region. These are critical strategies for putting all who live in the region on the path toward reaching their full potential.

Overview

Across the country, regional planning organizations, community organizations and residents, funders, and policymakers are striving to put plans, policies, and programs in place that build healthier, more vibrant, more sustainable, and more equitable regions.

Equity – ensuring full inclusion of the entire region's residents in the economic, social, and political life of the region, regardless of race, ethnicity, age, gender, neighborhood of residence, or other characteristic – is essential for creating successful plans.

This equity profile of the Houston-Galveston region was developed by PolicyLink and the Program for Environmental and Regional Equity (PERE) to help the Houston-Galveston Regional Plan Coordinating Committee effectively address equity issues throughout its process of planning for a more integrated and sustainable region. We also hope this will be a useful tool for advocacy groups, elected officials, planners, and others as they work to achieve economic vitality and sustainability for the entire Houston-Galveston region.

This summary document describes the indicators framework used to create the profile, presents the key findings of the equity analysis, and shares implications derived from the analysis.

The Equity Indicators Framework

To plan for more equitable regions, communities first need to know where their region stands in terms of equity. To assist communities with that process, PolicyLink and PERE developed an equity indicators framework that communities can use to understand and track the state of equity in their regions. This indicators framework relies on a regional equity database maintained by our organizations that incorporates hundreds of data points from public and private data sources such as the

U.S. Census Bureau, the U.S. Bureau of Labor Statistics, the Behavioral Risk Factor Surveillance Survey, and Woods and Poole Economics.

The equity indicators framework examines four sets of indicators:

- 1) **Demographics:** Who lives in the region and how is this changing?
- 2) **Economic vitality:** How is the region doing on measures of economic growth and well-being?
- 3) **Readiness:** How ready are the region’s residents for the 21st century economy?
- 4) **Connectedness:** Are the region’s residents and neighborhoods connected to one another and to the region’s assets and opportunities?

Defining the Houston-Galveston region

For the purposes of the equity profile and data analysis, we define the Houston-Galveston region as the 13-county area served by the Houston-Galveston Area Council. All data presented in the profile use this regional boundary. Minor exceptions due to lack of data availability are noted in the “Data and methods” section of the complete profile.

Equity Profile Highlights

Demographics: Communities of color are driving growth and change in the region

Houston-Galveston has experienced explosive population growth, growing from 3.3 million to 6.1 million since 1980. In the same time period, the share of the region’s residents who are people of color grew from 35 to 60 percent. Today, Houston-Galveston is the ninth most diverse region in the nation.

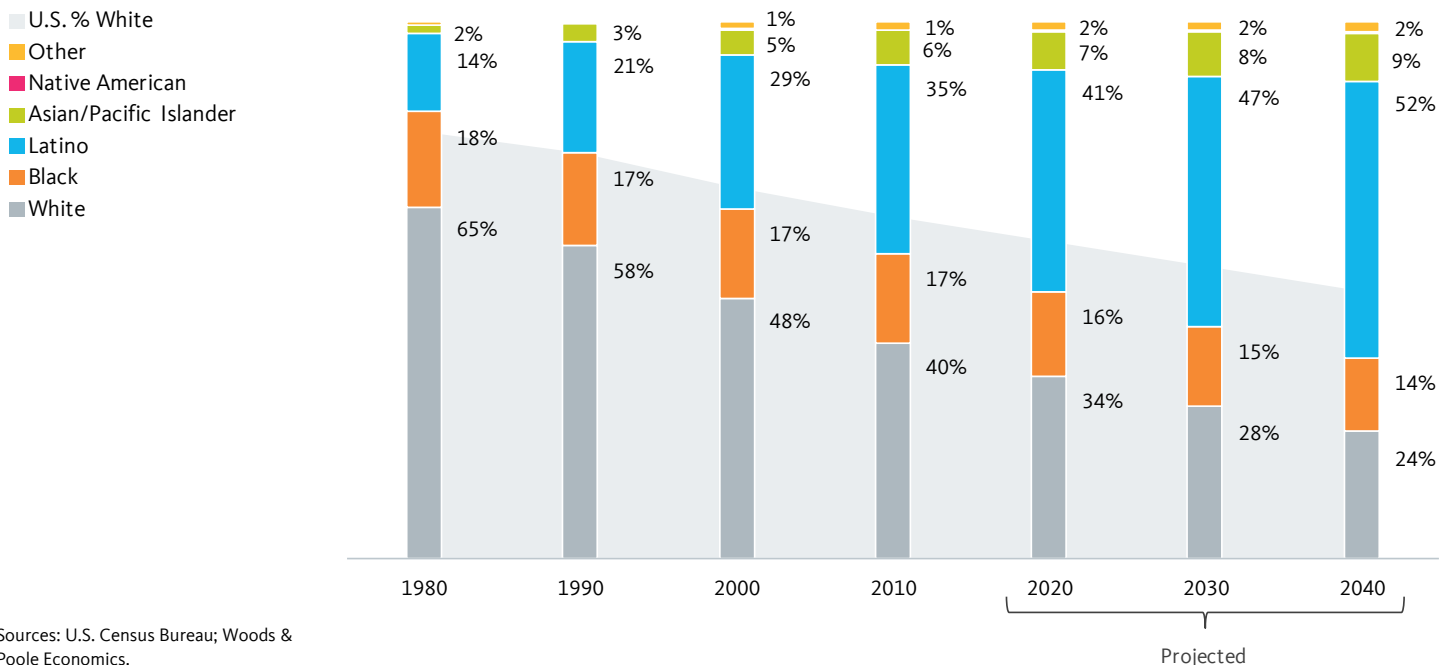
Latinos, predominantly Mexican Americans, and a diverse Asian population, are driving growth and change in the region. The Latino population grew by 54 percent in the past decade, primarily from births to residents, and the Asian population grew 69 percent, primarily due to immigration. The region’s white population grew by just 3 percent.

The region will continue to experience fast demographic change. By 2040, 76 percent of Houston-Galveston’s population is projected to be people of color.

Youth are at the forefront of these demographic shifts, and the youth population has changed much more quickly than the

The share of people of color is projected to increase through 2040

Racial/ethnic composition, 1980-2040



Sources: U.S. Census Bureau; Woods & Poole Economics.

senior population. Seventy percent of Houston-Galveston’s youth are now people of color, compared to 37 percent of the region’s seniors. This 33 percentage point racial generation gap is the 25th highest among the largest 150 regions.

Economic Vitality: Inequality is a threat to the region’s future prosperity

Over the past few decades, Houston-Galveston out-performed the nation overall on measures of economic growth, and the region showed signs of resilience through the downturn. But these indicators mask growing inequities that put the region’s economic future at risk.

Amid rapid population growth, job growth is not keeping up, and while unemployment overall is lower than the national average, the region’s fastest growing racial and ethnic groups, including Latinos, Asians, and African Americans, are more likely to be jobless than white residents.

Income inequality is also a burgeoning problem in the region. Houston-Galveston ranks 13th on income inequality among the

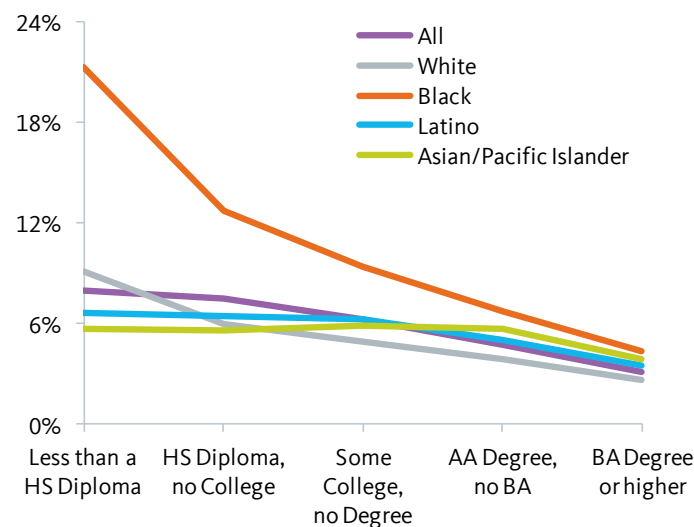
largest 150 regions – quickly climbing since 1979 when it ranked 100th.

Economic restructuring and declining or stagnant wages for all but the top earners have played a role in Houston-Galveston’s increasing inequality. Following the national trend, the region is quickly growing low-wage jobs, but counter the national trend, it has even faster growth of middle-wage jobs. Unfortunately, wages are growing much more slowly for low- and middle-wage jobs compared to high-wage jobs, and most of the region’s workers have seen their wages decline or stagnate over the past several decades once you account for inflation. The bottom half of the region’s full-time workers, for example, have seen their wages decline 16 to 25 percent since 1979 – double or triple the decline seen nationwide.

As inequality has increased, the region’s middle class has shrunk and poverty and working poverty (defined as working full-time for an income below 150 percent of the poverty level) have increased and are most severe for communities of color. Nearly one in four of the region’s African Americans and Latinos, and

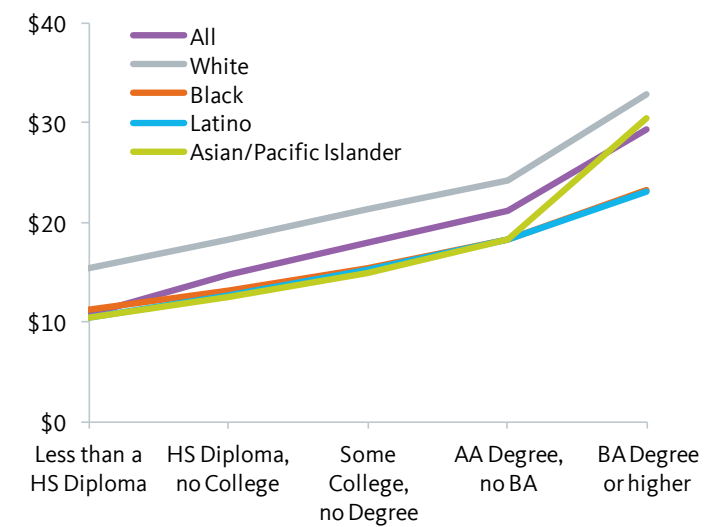
People of color at nearly every education level have higher unemployment and lower wages than whites

Unemployment rate by educational attainment and race/ethnicity, 2006-2010



Source: IPUMS. Universe includes the civilian non-institutional population ages 25 through 64.

Median hourly wage by educational attainment and race/ethnicity, 2006-2010



Source: IPUMS. Universe includes civilian non-institutional full-time wage and salary workers ages 25 through 64.

one in five of its Native Americans live below the poverty level – more than double the rate of whites. Latinos are much more likely to be among the working poor compared to other groups. This means the population that is growing the fastest is progressively suffering some of the worst economic conditions.

Although education is a leveler, racial and gender gaps persist in the labor market. At nearly every education level, people of color have higher unemployment and lower wages than whites, and women have worse outcomes than their male counterparts. For example, among college graduates, white males earn \$39 per hour on average while average hourly wages for white women, women of color, and men of color are between \$23 to \$27.

Readiness: Educational gaps and health challenges persist for communities of color

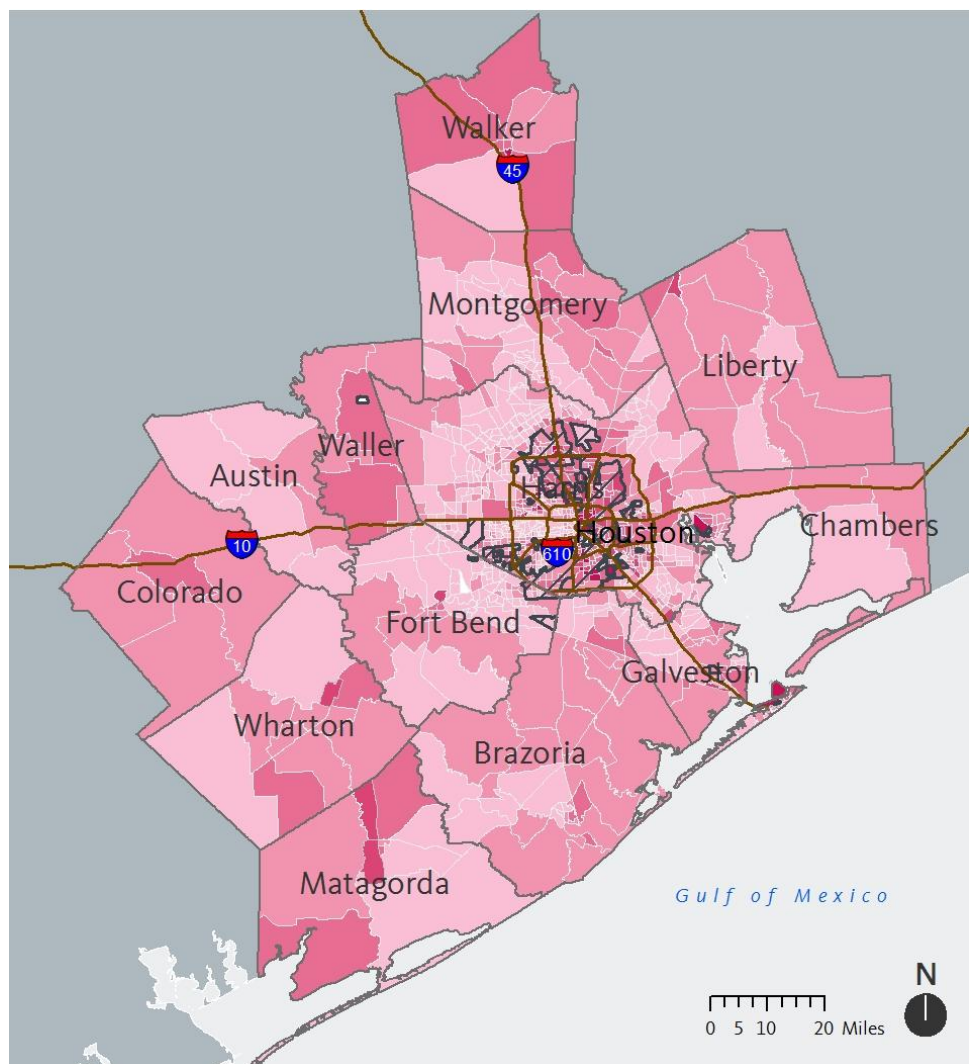
According to the Georgetown Center for Education and the Workforce, by 2018 34 percent of Texas’s jobs will require an associate’s degree or above. Yet, only 29 percent of the region’s African Americans, 21 percent of U.S.-born Latinos, and 11 percent of Latino immigrants have at least that level of education.

Indicators of how prepared Houston-Galveston’s youth are to enter the workforce and contribute to the region’s well-being are mixed. Educational attainment for youth of color has increased dramatically, shrinking racial gaps. At the same time, the number of “disconnected youth” who are neither in school nor working has increased, and Houston-Galveston now ranks 30th out of the largest 150 regions in terms of its share of disconnected youth.

Areas of high poverty (40 percent or higher) are found primarily in the Cities of Houston, Galveston, and Baytown

Percentage Population Below the Poverty Level by Census Tract and High People-of-Color Tracts, 2006-2010

- Less than 10%
- 10% to 19%
- 20% to 29%
- 30% to 39%
- 40% or more
- 90% or more people of color



Source: U.S. Census Bureau. Areas in white are missing data.

Communities of color also face major health challenges, including higher incidences of some preventable diseases such as obesity, diabetes, and asthma, that are strongly influenced by social and environmental factors in addition to access to medical care. For example, 70 to 80 percent of African Americans and Latinos are obese or overweight.

Connectedness: Segregation is decreasing, but many communities of color remain disconnected

On the whole, segregation is decreasing in the region. But when you look specifically at the region's Latino population, you find that while Latinos are more likely to live in the same communities as blacks, Asians, and Native Americans, they are less likely to live in communities with whites than 20 years ago.

As poverty has increased in the region, the challenge of high-poverty neighborhoods has also increased, and the region's people of color are six times more likely to live in poor neighborhoods than its white population.

While the region has low housing costs overall, communities of color, particularly renters, are more likely to pay too much for housing. The region's people of color are also more likely to face long commutes, be carless, and live in "food desert" neighborhoods that lack grocery stores.

Implications

Houston-Galveston has demonstrated remarkable growth over the last few decades, and has proven to be resilient throughout the recession. But growing income inequality and persistent racial inequities among the region's fast-growing communities of color place the region's economic future at risk. To manifest the potential of its population and build a more equitable and sustainable regional economy, Houston-Galveston must take steps to better connect its communities of color to jobs, housing, and quality education from pre-K to college.

PolicyLink and PERE suggest the following areas of focus:

Bridge the racial generation gap.

Bridging the racial generation gap between youth of color and a predominantly white senior population will be critical to the region's economy, since support for strong public schools for all children and workforce training are needed to prepare the region's emerging workforce for the jobs of tomorrow. One way to build these bridges is to plan for multigenerational

communities, which "make cities and neighborhoods accessible, safe, and inclusive for children, youth, families, adults, and the elderly."¹ This will allow the elderly to age in place at the same time as provide safe and healthy environments for families to raise children. By identifying infrastructure investments that suit these needs, Houston-Galveston can create built environments with appropriate community facilities and public spaces. With active and accessible public engagement in its local and regional planning, Houston-Galveston can develop new diverse leaders for meeting tomorrow's challenges.

Grow good jobs.

Houston-Galveston has the unprecedented opportunity to grow jobs in high-opportunity sectors. With sharply increasing inequality and the 11th highest working poverty rate among the largest 150 metropolitan regions, it is imperative that strategies for job growth focus on middle-wage jobs. The region can focus its economic and workforce development efforts on the industry sectors and occupations that show signs of strength and pay living wages. Policies and strategies that ensure strong and rising wages, especially for low-wage workers, should also be supported.

Connect unemployed and low-wage workers to careers in high-growth industries.

Houston-Galveston is fortunate to have a number of occupations that show strong potential to grow and create more good-paying jobs. It is vital for Houston-Galveston to connect its workers who have suffered from job losses and low wage growth with middle-skills jobs that pay good wages and offer career opportunities. Houston-Galveston must mobilize its economic and workforce development resources to create workforce partnerships between community colleges and employers, ensuring that all workers – including those who face high barriers to employment or have low educational attainment – can get the advanced training or education they need to succeed. These partnerships will be essential for building a workforce that is prepared for jobs in the region's strong and growing industries. Additionally, public infrastructure investments throughout the region present an opportunity to build bridges out of poverty. Construction jobs offer workers without a college degree a viable path to a well-paying career.

Identify educational pathways.

Educational attainment for African Americans and Latinos remains a critical issue, even as progress has been made over the last few decades to close racial gaps. The high number of

youth not in school or work highlights the importance of increasing high school and associate degree graduation rates throughout the region.

Create healthier communities.

Investments in healthy communities would reduce health gaps for people of color, create more vibrant places, and strengthen economic productivity and result in overall health-care costs savings. By making neighborhoods healthier – with safe streets for all users, access to healthy food, and good community design – the region can create a supportive built environment for reducing these persistent health gaps.

Expand transportation choices and mobility.

It is critical that Houston-Galveston focus its transportation investments to connect transit-dependent residents to employment centers and housing that are affordable for all incomes. Regional planning must incentivize and prioritize the development and preservation of housing that is affordable for the majority of the region's population and that is co-located with multimodal transportation investments. To fulfill the region's economic development and growth goals, Houston-Galveston must coordinate transportation, housing, and economic development investments to address concentrated poverty, segregation, housing, and transportation burdens – all of which have disproportionately negative effects on communities of color.

Conclusion

To secure a prosperous future, Houston-Galveston needs to implement a growth model that is driven by equity – just and fair inclusion into a society in which everyone can participate and prosper. Addressing high poverty and inequality and creating good jobs for people of all education levels are critical strategies. Concerted investments and policies for, and developed from within, communities of color will also be essential to ensure the region's fastest-growing populations are ready to lead it into the next economy.

Equity Profiles are products of a partnership between PolicyLink and PERE, the Program for Environmental and Regional Equity at the University of Southern California.

The views expressed in this document are those of PolicyLink and PERE, and do not necessarily represent those of the Houston-Galveston Regional Plan Coordinating Committee.

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¹American Planning Association, "Multigenerational Planning: Using smart growth and universal design to link the needs of children and the aging population." 2011, <http://www.planning.org/research/family/briefingpapers/multigenerational.htm>.