

The Changing Face of Houston—Tracking the Economic and Demographic Transformations Through 30 Years of Surveys

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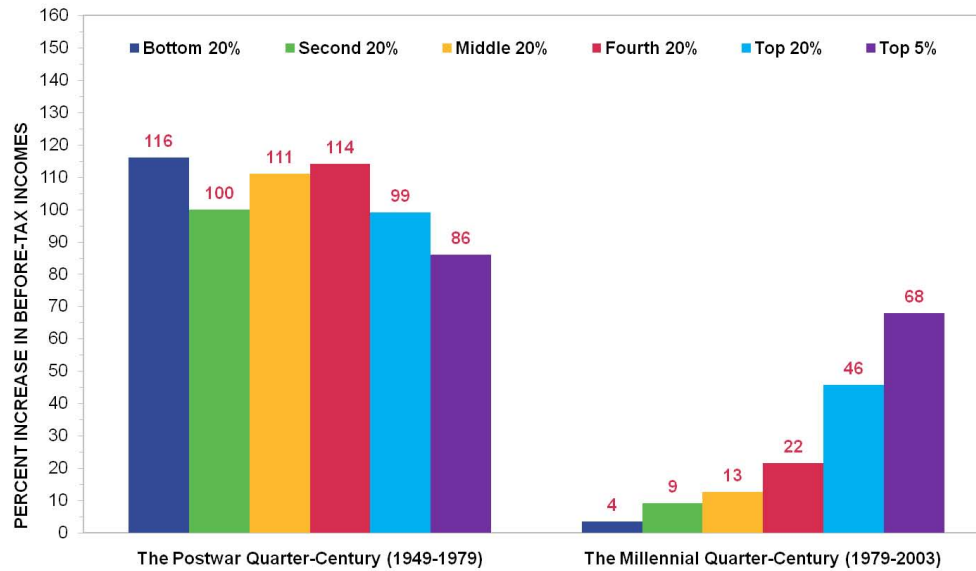
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2011 marked the 30th anniversary of the Houston Area Survey, an annual survey tracking the economic and demographic transformations of the Houston area. After 30 years of systematic data analysis, the Houston Area Survey has gathered invaluable information about the demographic patterns, attitudes, beliefs and experiences of Houstonians.

During the 30 years of the survey several ongoing economic restructuring and demographic revolutions have been identified. Since 1982 Houston has been moving away from a resource economy tied to the oil and gas industry towards a high technology, knowledge based economy with a worldwide outlook. The 'blue collar path' to the middle class and financial security is disappearing and this fact is reflected in the survey as 78% of respondents now disagree with the statement that 'a high school education is enough to get a good job' while in 2010 68% agreed that 'there are very few good jobs in today's economy for people without a college education.' Economic opportunities and escape from poverty are increasingly dependent on education and high levels of technical skills. From 1949 to 1979, the average income doubled, but since 1980, the average male income has stagnated and households have increased their income with multiple jobs and women joining the workforce.

TWO CONTRASTING QUARTER-CENTURIES SINCE WORLD WAR II (NATIONAL DATA, 1949-2003)



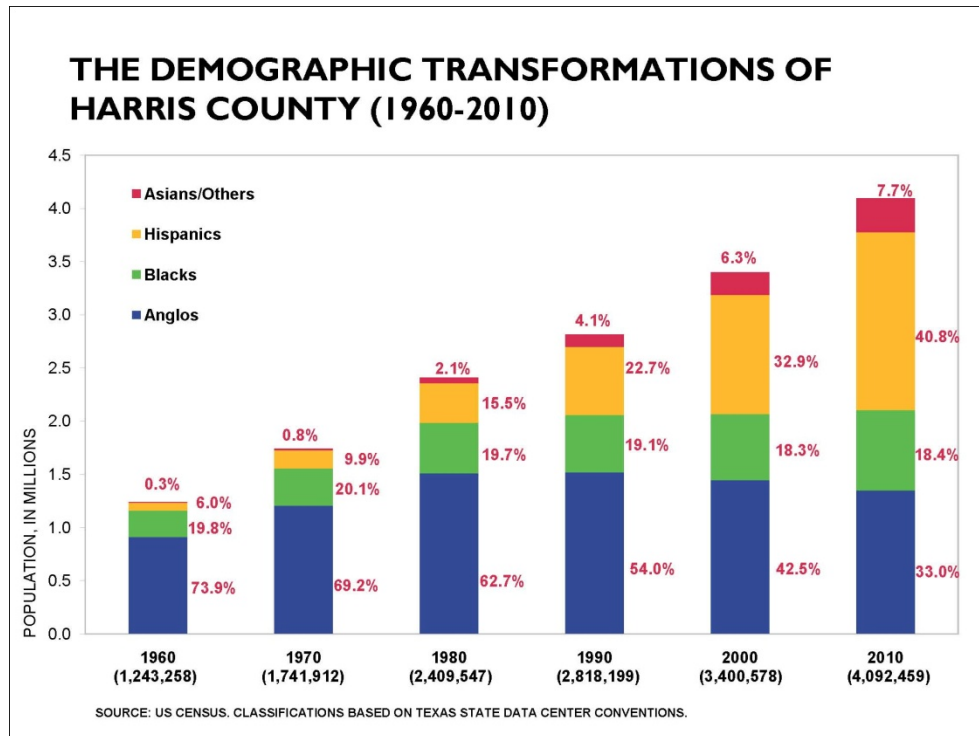
SOURCE: U.S. CENSUS; Robert H. Frank. 2007. *Falling Behind*. Berkeley, CA: University of California Press, pp. 10-11.

The main reasons behind this shift are globalization, automation and government inaction. In the past 30 years, the top 1% income group received 36% of all gains in income and has increased its control of the political process. The Houston area survey shows that 52% of respondents believe that “Government has a responsibility to help reduce the inequalities between rich and poor in America,” up from 45% in 2009. There is also an increase in the number of respondents who state that ‘Government should do more to solve our country’s problems,’ from 36% in 1996 to 48% today. More respondents now believe that most poor people in the US today are poor because of ‘circumstances they can’t control,’ up from 68% in 2007 to 72% in 2011 and only 22% state that people are poor because ‘they don’t work enough’ down from 36% in 1999.

Growth in wealth and economic activity in the future will be driven by knowledge workers and high-tech companies and it will be critical for Houston to be able to attract them. As a result the Houston area is going through a cultural transformation to move away from such title as ‘new smog capital’ towards a modern metropolis with excellent quality of life. While the majority of Houstonians (52%) still prefer ‘a single-family residential areas’, an increasing percentage reaching 45% would choose ‘areas with a mix of developments, including homes, shops and restaurants.’ The city of Houston has undertaken numerous projects such as the light rail to improve transit, downtown revitalization projects, and pedestrian friendly areas to improve Houstonians’ quality of life.

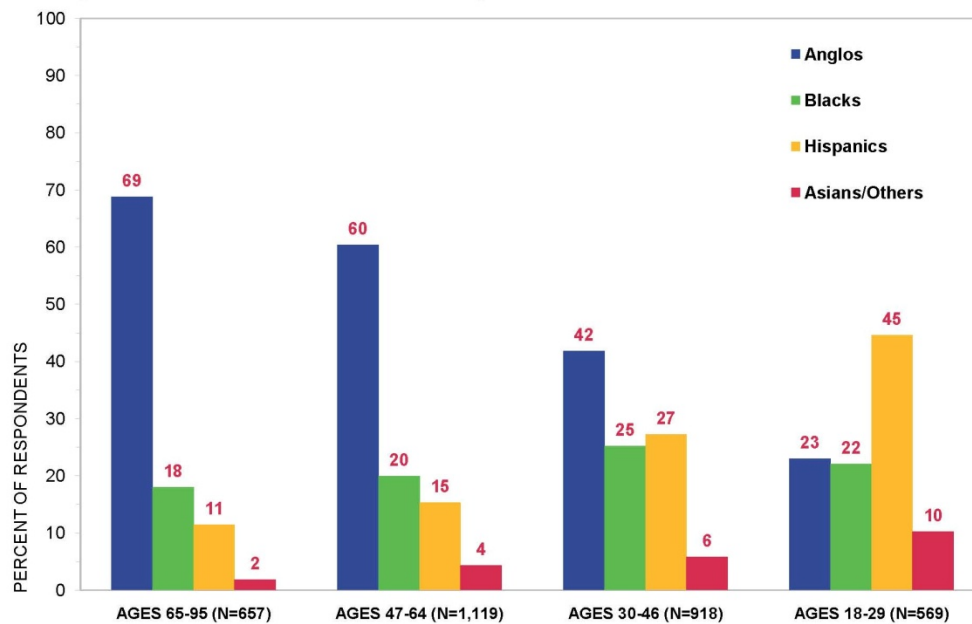
The Houston area has been going through another major transformation; moving from a bi-racial southern city dominated by its white population (74%) in the 1960’s to a multi ethnic city with a very even distribution of ethnic groups more so than any other major city in the US. In 2010, the white

population accounted for 33% of the total Houston area population, the black population represented 18%, the Hispanic group 41% and the Asian group for 7.8%. Immigration allowed Houston not to lose population like some other major US cities and continue to prosper. Houston today is representative of the multi ethnic model the United States will become.



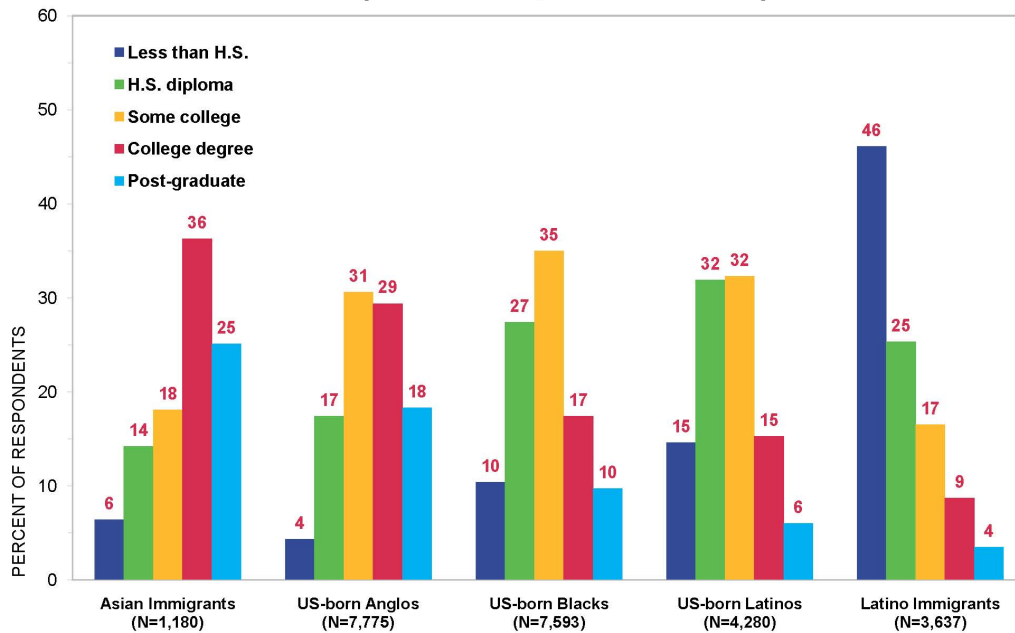
The 'Aging or Graying of America' refers to the rapid increase in the older segments of the population. In the next 30 years the number of Americans over 65 will double and the baby boomers will start to retire. Another dramatic transformation emerges when both the aging and ethnic trends are considered. The older segment of the population in Houston is overwhelmingly white while the younger segments are predominantly Hispanic and Black.

ETHNICITY BY AGE IN HARRIS COUNTY (2007-2011, COMBINED)



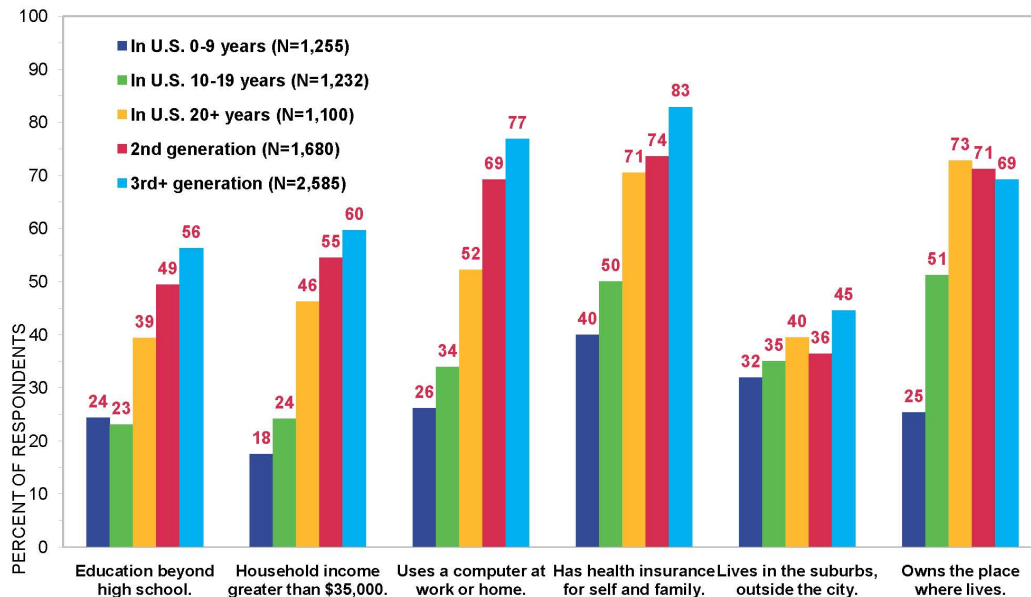
This shift in the ethnic composition of the younger groups poses a major challenge as this segment of the population is more likely to be poor and less likely to succeed. The current data on educational attainment per ethnic group shows lower percentages of college experience for Blacks and Hispanics. To maintain and improve the productivity of the Houstonian labor force and make sure that future workers can fill the high level skill jobs of tomorrow, it is crucial that the educational attainment of Hispanics and Blacks improve. Texas currently ranks 50th in terms of High School graduates and 48th in terms of number of college educated, therefore the task at hand is critical. Community colleges play a crucial role in bridging the gap between high school and college, and providing the skills needed for twenty first century jobs.

EDUCATIONAL ATTAINMENT IN FIVE HOUSTON COMMUNITIES (1994-2011, COMBINED)



When monitoring the progress of immigrants and especially of Hispanic immigrants, in terms of income growth and integration, the trends clearly identify improvement in all categories. With each generation, household income increases, English speaking skills improve and assimilation and integration into the American society occur.

SOCIOECONOMIC STATUS AMONG LATINO IMMIGRANTS BY TIME IN U.S. AND GENERATION (94-11)



According to the Houston Area Survey, blacks still feel discriminated against much more so than Hispanics. The attitudes towards immigration and interethnic romantic relationships are more favorable among the younger groups of the population.

The challenges derived from the many transformations under way in the Houston area will include educating the younger segments of the population comprising many blacks and Hispanics coming from poor and less educated backgrounds to allow them to perform well in the twenty first century high tech economy and prevent them from becoming an underclass. Another challenge will be to reinvent the city of Houston to be able to attract the knowledge and high tech labor, talents and companies of the twenty first century to ensure prosperity for the area. Finally, the Houston area will have to become a more inclusive multiethnic community to take full advantage of the available talent and diversity and to flourish.