

Comprehensive Economic Development Strategy

2025–2029

Gulf Coast Economic Development District



Houston-Galveston
Area Council





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Introduction

The Gulf Coast Economic Development District (GCEDD), administered by the Houston-Galveston Area Council (H-GAC), received a Planning and Technical Assistance grant in 2024 from the U.S. Economic Development Administration (EDA) to create the Comprehensive Economic Development Strategy (CEDS), a strategy-driven regional plan for economic development.

The primary focus of the CEDS is to provide a framework for regional economic development and serve as a vehicle through which federal agencies – namely the EDA – can evaluate requests for grant assistance. Updated every three to five years, the CEDS deploys an iterative planning process that assures the document will continue to evolve with and adapt to the region’s needs.

The CEDS analyzes the regional economy, establishes regional economic goals and strategies, outlines a plan of action, and establishes a framework for evaluation. Likewise, the CEDS highlights principles and strategies intended to enhance the region’s economic resilience, or the region’s ability to effectively recover from a disruption to the economy, such as a natural disaster, downturns in key industries, or loss of a major employer.

The Gulf Coast Economic Development District

The GCEDD is the federally designated economic development planning body for the 13-county Gulf Coast planning region, which consists of Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, and Wharton counties and the jurisdictions contained within.

The GCEDD’s primary functions are to (1) coordinate economic development activities within the planning region, (2) provide technical assistance to economic development organizations operating within the region, and (3) maintain the region’s eligibility to apply for economic development grants and assistance from the EDA.

Houston-Galveston Area Council

H-GAC provides administrative and operational staff support for the GCEDD. H-GAC is a voluntary association of local governments and local elected officials from the 13-county Gulf Coast planning region, which includes an area of 12,500 square miles and more than 7.3 million people. H-GAC promotes efficient and accountable use of local, state, and federal tax dollars; serves as a problem-solving and information forum for local governments; and helps analyze trends and conditions affecting the region.

H-GAC was organized in 1966 by local elected officials after the passage of state enabling legislation. Currently, H-GAC has 131-member counties, cities, and school districts. For more information, visit h-gac.com.

Economic Development Administration

As the only federal government agency focused exclusively on economic development, the EDA plays a critical role in facilitating regional economic development efforts in communities across the nation.

Guided by the basic principle that sustainable economic development should be locally driven, the EDA provides grant funding to build capacity for economic development based on local business conditions and needs.

The EDA’s grant investments in planning, technical assistance, and infrastructure construction are designed to leverage existing regional assets to support the implementation of economic development strategies and initiatives that make it easier for businesses to start and grow.

Focus Areas of the EDA

- Equity
- Recovery and Resilience
- Workforce Development
- Advanced Manufacturing
- Technology-Based Economic Development
- Environmentally Sustainable Development
- Exports and Foreign Direct Investments

The Comprehensive Economic Development Strategy

The CEDS employs a collaborative and data-driven approach to identifying regional needs and resources, outlining regional economic development goals, and establishing guidelines for applying for EDA grant opportunities. All Economic Development Administration grant applications must demonstrate alignment with the goals and strategies identified in the CEDS.

The GCEDD formed the CEDS committee in October 2017. The CEDS Committee is composed of representatives of major economic interests within the region, ranging from for-profit companies, non-profit organizations, institutions of higher learning, and local governments. The CEDS committee members provide leadership, facilitate communication with the larger GCEDD board, and engage other agencies and groups as needed.

The Committee was essential to identifying regional needs and resources, as well as identifying how the GCEDD can approach CEDS objectives. Feedback from the CEDS committee, once incorporated by the GCEDD, allows the CEDS to be a tailored document that addresses the unique challenges of the Houston-Galveston region.



To ensure the creation of a robust economic development strategy attuned to the region's needs, the GCEDD employed a comprehensive outreach and data-collection initiative starting in June 2022, which continued until the completion of the CEDS draft in mid-2024. Outreach was conducted using a three-pronged approach to engage diverse stakeholders:

- In phase one, meetings were hosted with economic developers throughout the region to discuss their communities' needs and future directions.
- Phase two included consultations with key industry stakeholders to identify potential challenges that could hinder continued growth and success in their respective industries.
- Phase three featured a series of workshops held throughout the region, focusing on the needs of small business owners, community organizations, and the local workforce.

Regionalism

The Gulf Coast region acts as a global leader in energy, medical research, global transport, cultural diversity, economic impact, and many other areas. To enhance the growth of the region, the GCEDD continues to bolster collaboration and regionalism from stakeholders throughout the entire region.

Regionalism is the primary focus of the GCEDD. Maintaining a strong regional cohesiveness builds an ecosystem that garners economic vitality, equity, resiliency, and community. More than five million people of the region's 7.3 million, participate in the workforce. As the economy continues to be impacted by global markets, major cities, such as Conroe, Sugarland, Houston, and Galveston, continue to thrive as other areas of the region grow.

The GCEDD is working to enhance the relationships between stakeholders thereby encouraging collaborative approaches to growth that go beyond municipal borders, industries, and regions. As a result, the GCEDD will work in partnership with our communities and other economic development stakeholders to encourage a 'One Region, One Voice' framework and methodology.



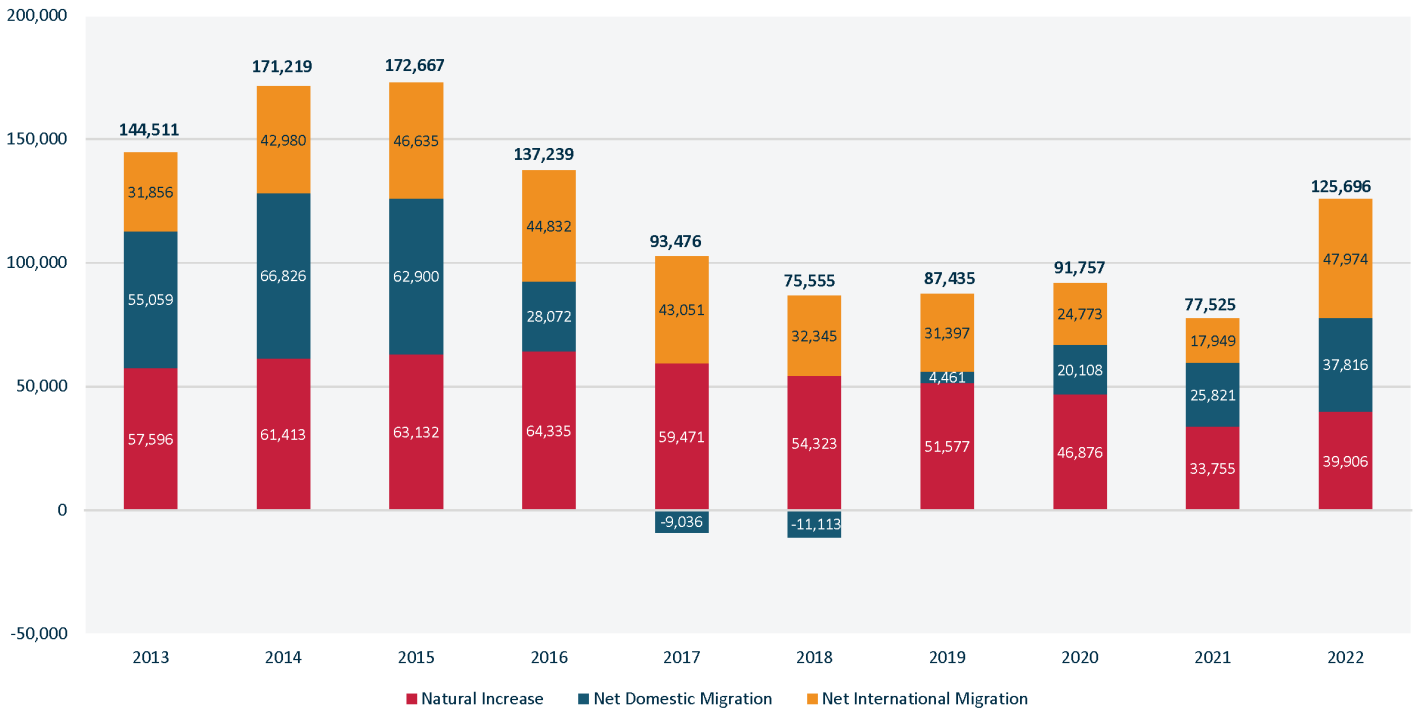


Regional Background

Population

The GCEDD region features a strong economy, a diverse population, and a wealth of natural and man-made resources spanning rural, suburban, urban, and coastal communities. This section examines the region’s demographic profile, focusing on population growth, ethnic diversity, age distribution, employment trends, and areas of economic distress and poverty.

Gulf Coast Regional Annual Population Changes (2012-2022)



Sources: U.S. Census Bureau, Population and Housing Unit Estimates Program; Texas Comptroller of Public Accounts analysis, 2024 Regional Report

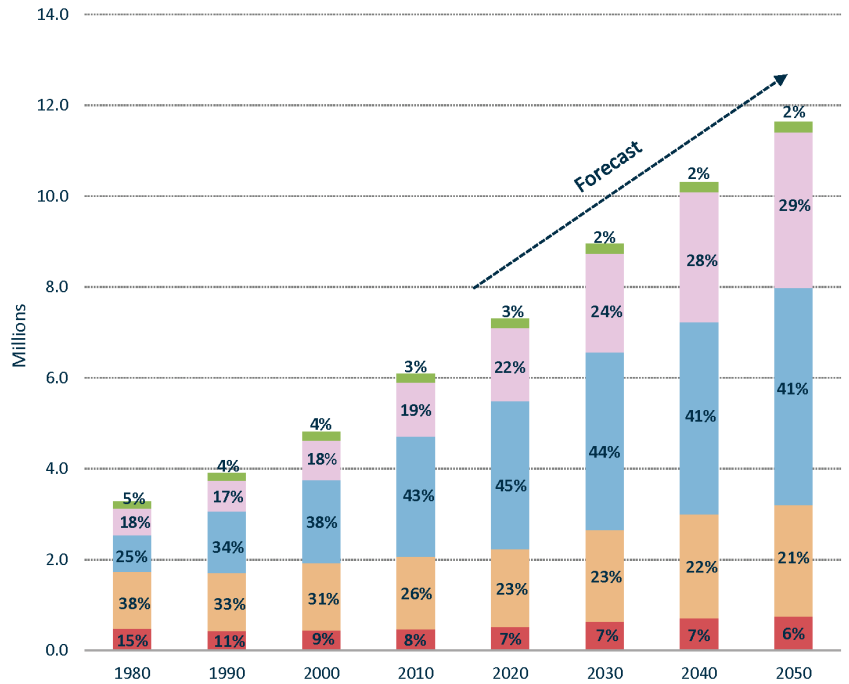
Growth

According to the Census, the region's population is forecast to grow to nearly 12 million residents by 2050.

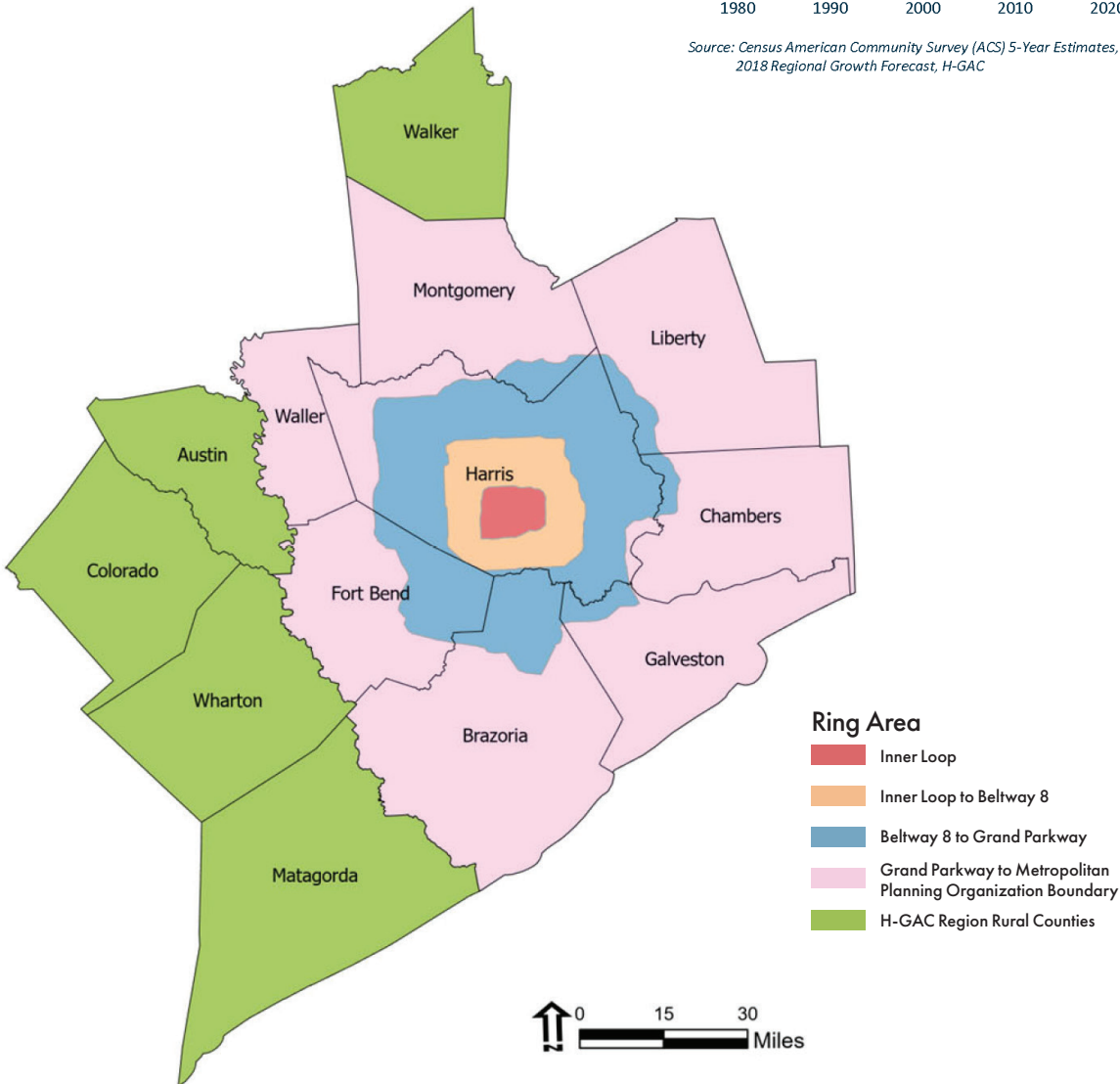
Currently the home to 7.3 million people, the Houston-Galveston region includes Houston, the nation's fourth most populated city, and Harris County, the third most populated county. Between 2000 to 2020, the 13-county region population grew by 50 percent, adding approximately 2.4 million residents.

Harris County, with an estimated 5.5 million people in 2020, is projected to grow by 45 percent reaching 8 million by 2050. This significant growth necessitates strategic planning by the GCEDD to promote economic growth, resilience, diversity, and infrastructural efficiency, ensuring the region's economic strength is maintained.

Real & Forecast Population Growth (1980-2050)



Source: Census American Community Survey (ACS) 5-Year Estimates, 2017-2021
2018 Regional Growth Forecast, H-GAC

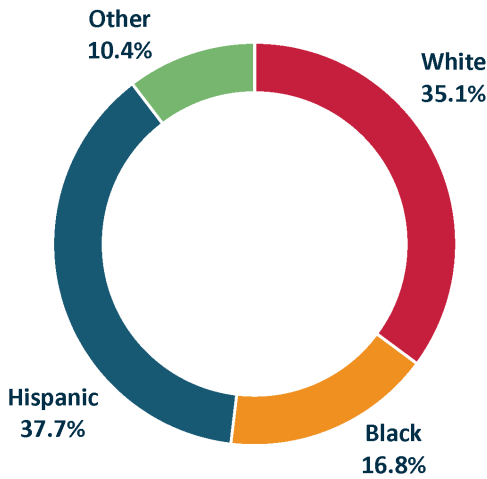


Race and Ethnicity

The racial and ethnic diversity of the region continues to expand as individuals from different backgrounds make the Gulf Coast region their home. A majority of the region's population is minority based, which is projected to continue. The Gulf Coast region of Texas is poised to leverage the cultures and experiences of our residents to continue pushing our regional economy forward.

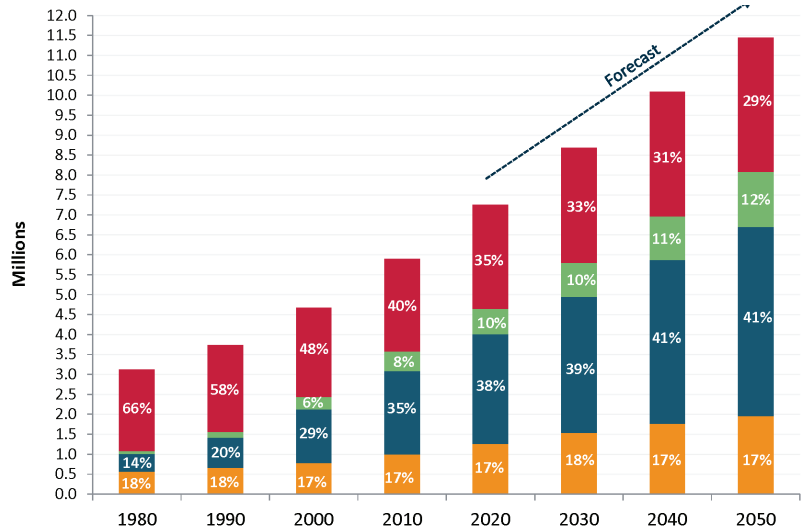
The Gulf Coast region is a microcosm of diversity that mirrors the many racial communities across the globe. The GCEDD will continue to use the region's diversity to enhance both foreign and domestic investments and expand our local economy into new markets.

Racial Composition (2021)



Source: Census American Community Survey (ACS) 5-Year Estimates, 2017-2021
2018 Regional Growth Forecast, H-GAC

Racial Composition Change (1980-2050)

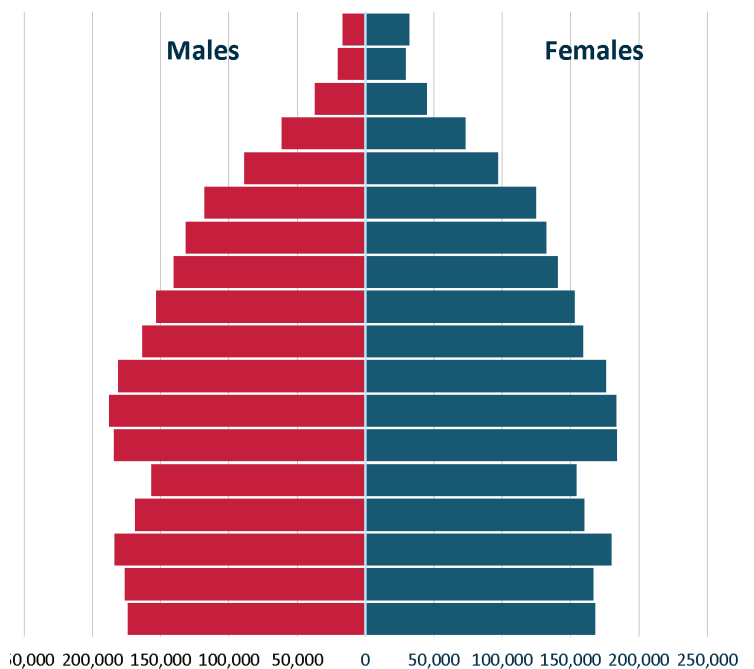


Age

In 2000, the median age in the 13-county region was 32, which is projected to be 38 by 2050, aligning with the prime working ages of 25 to 54.

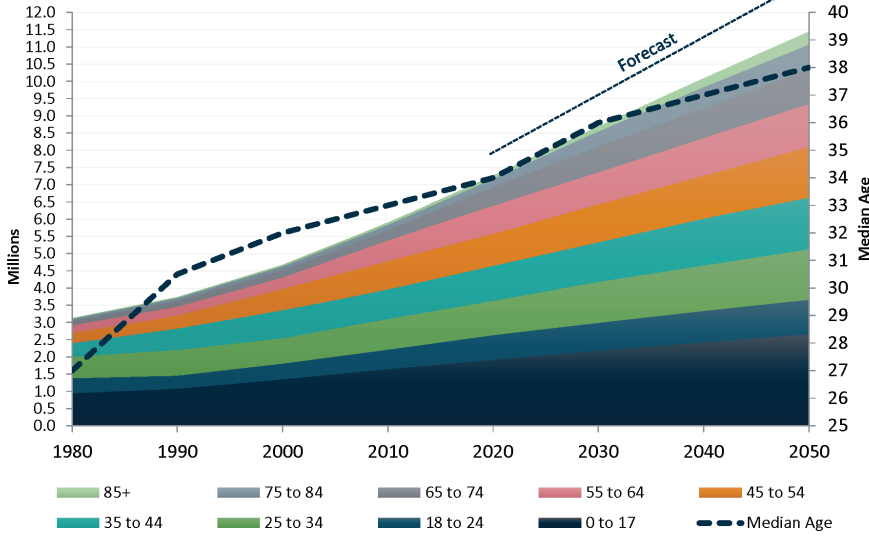
Presently, the Houston-Galveston region has a notably high proportion of youth compared to other U.S. regions. Individuals aged 18 and younger constitute 28 percent of the population and are expected to remain a significant demographic through 2050.

Age Composition (2021)

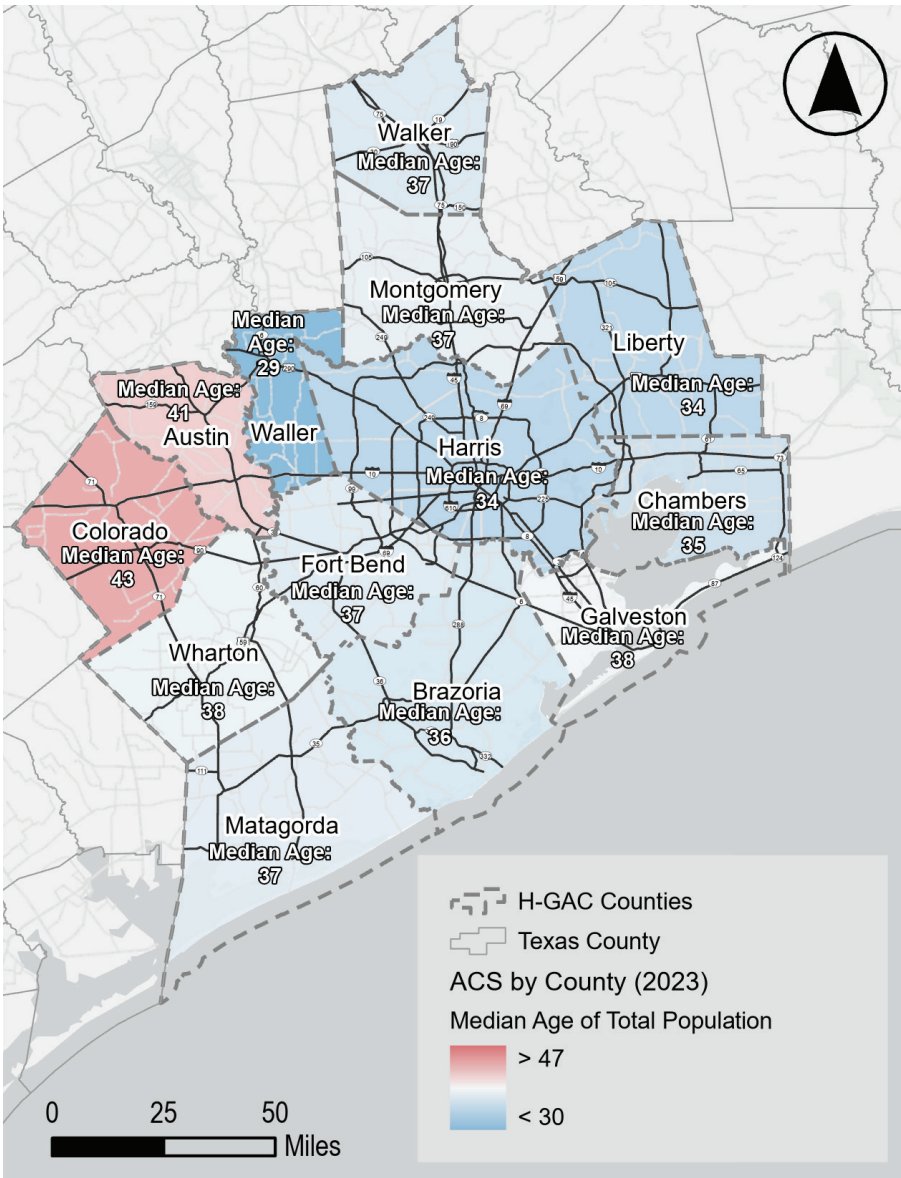


Source: Census American Community Survey (ACS) 5-Year Estimates, 2017-2021
2018 Regional Growth Forecast, H-GAC

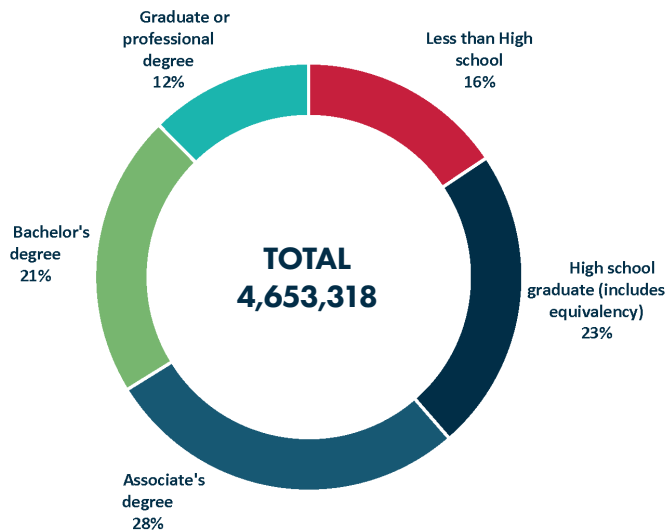
Real & Forecast Age Composition Changes (1980-2050)



In contrast, the region has a 10 percent lower proportion of seniors compared to Texas overall. The senior population; however, is expected to triple by the year 2050. Most of the senior population (20 percent) resides in Walker County, while nine percent live in Harris and Fort Bend counties. Tracking economically distressed and aging areas will be essential for focused development as the region grows.

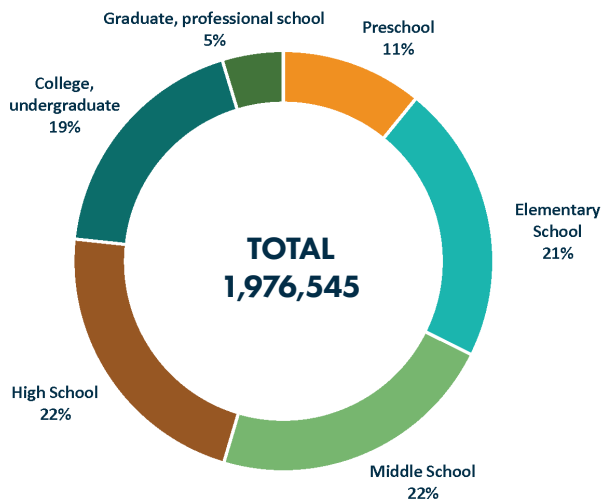


Education Attainment of 25 year and older (2021)



Source: Census American Community Survey (ACS) 5-Year Estimates, 2017-2021

School Enrollment (2021)



Education

Our educational system is comprised of 81 school districts¹, nine community college districts², 11 universities, including two prestigious Historically Black Colleges and Universities (HBCUs), and several technical and health science schools.

With premier school districts and world-renowned colleges and universities, the Texas Gulf Coast is home to a well-educated community where 84 percent of residents have achieved a high school or equivalent diploma. Additionally, one out of three residents have earned a bachelor or graduate-level degree.

Having a well-educated workforce is critical for advancing our local economy. According to the Texas Comptroller, "occupations in the Gulf Coast region requiring at least an associate degree or certificate paid an average of \$9,945 more annually than jobs requiring no postsecondary education. Occupations requiring a bachelor's degree paid an average of \$47,389 more annually than those requiring an associate degree or certificate, and occupations requiring a post-graduate degree paid an average of \$35,025 more annually than those requiring a bachelor's degree."³

Workforce

Largely due to strong industries in the Energy, Healthcare, and Construction sectors, the Texas Gulf Coast region has consistently maintained high employment participation rates.

As of June 2024, the Houston Metropolitan Statistical Area (MSA) reports approximately 3.5 million employed individuals, which equates to a 95 percent labor participation rate.

Since 2023, the region's labor force has grown by 110,000 individuals, while total labor participation grew by about 90,000. In contrast, the region's unemployment rate was 4.8 percent as of 2023, which is up nearly 0.4 percent since June 2023 and trending higher than Texas and the U.S., which have unemployment rates of 4.5 percent and 4.3 percent, respectively.

The Gulf Coast Workforce Board projects Healthcare and Social Assistance to have an average employment of more than 453,000 jobs, with Educational Services and Construction also placing in the top five industries with 357,000 and 255,000, respectively. Falling just outside of the top five projected industries, the Manufacturing sector projects employment numbers of over 252,000.

The Gulf Coast region's high concentration of energy and petrochemical jobs result in a critical need for technical and skilled crafts requiring more education and training than a high school diploma, but less than a college degree. In addition to energy, the region features other important industries.

Its centrally southern location and proximity to the Port of Houston makes the region an ideal distribution point for numerous maritime, railroad, airline, and motor freight companies. Other industries such as Education, Trade, and healthcare benefit from a population growth rate that more than doubles that of the nation. In addition, Houston is one of the top cities in the country for corporate relocation and investment due to its low cost of doing business.

¹<https://www.census.gov/programs-surveys/saie/guidance-geographies/districts-counties.html>

²<https://comptroller.texas.gov/economy/economic-data/colleges/gulf-coast.php>

³<https://comptroller.texas.gov/economy/economic-data/regions/2024/gulf-coast.php>

Total Employment (2022) and Changes in Employment Levels, (2012-2022)

Region	Total Employed 2022	Total Change 2012-2022	Percent Change 2012-2022	Average Annual Wages 2022
United States	150,025,578	18,329,359	13.9%	\$69,986
Texas	13,249,180	2,521,454	23.5%	\$69,614
Gulf Coast Region	3,161,530	465,526	17.3%	\$76,044
Houston-Pasadena-The Woodlands Metro Area	3,104,545	462,314	17.5%	\$76,496

Source: JobsEQ using data provided by the U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Texas Comptroller Office, 2024 Regional Report

While there has been an emphasis on lowering dependence on fossil fuels, the region's future still has its demands in the upstream sector, which requires a variety of skilled workers at all levels, from roustabouts to petroleum engineers, to keep manufacturing plants going.

Home to the Texas Medical Center, the world's largest medical complex, the Healthcare industry remains one of the region's most powerful economic forces. The region's large population and a growth rate that far outpaces much of the nation ensures it will continue to remain so in the future. The Healthcare industry provides an extensive range of career opportunities from paraprofessional staff and lab personnel to nurses and physicians.

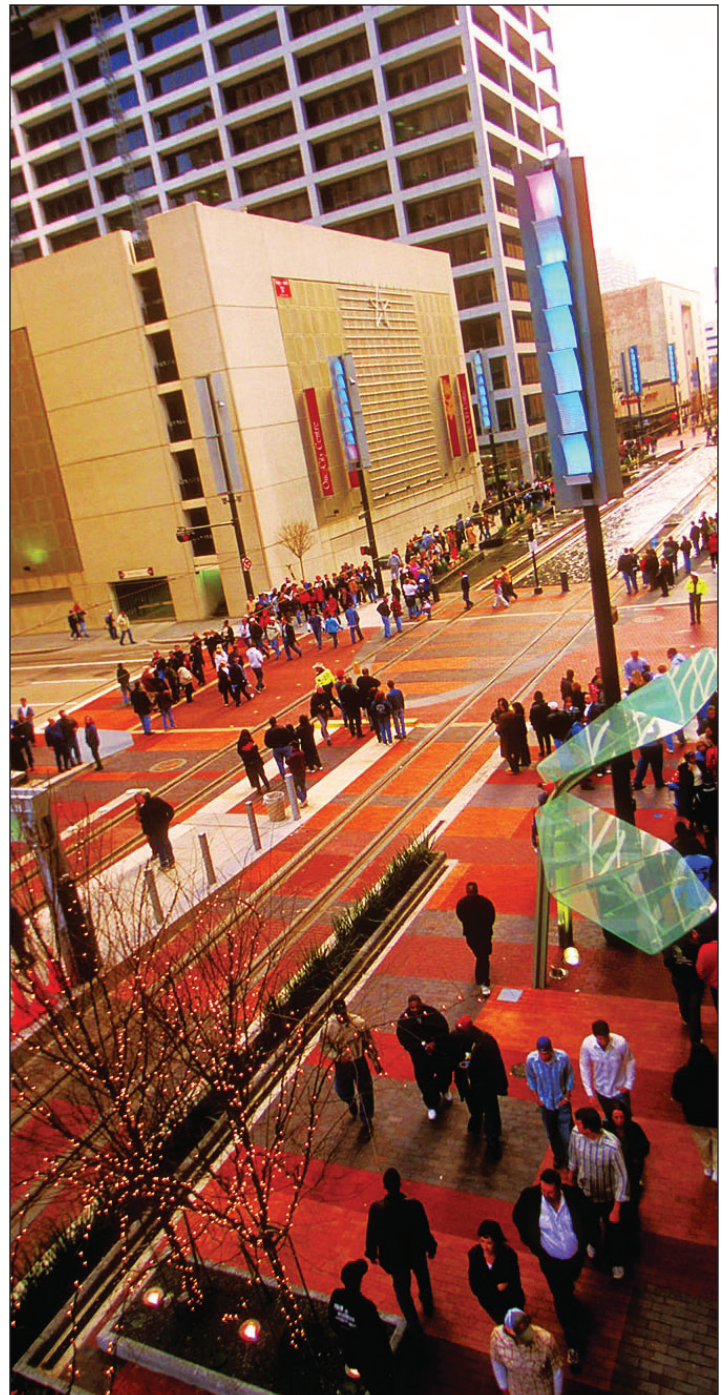
Economic Status

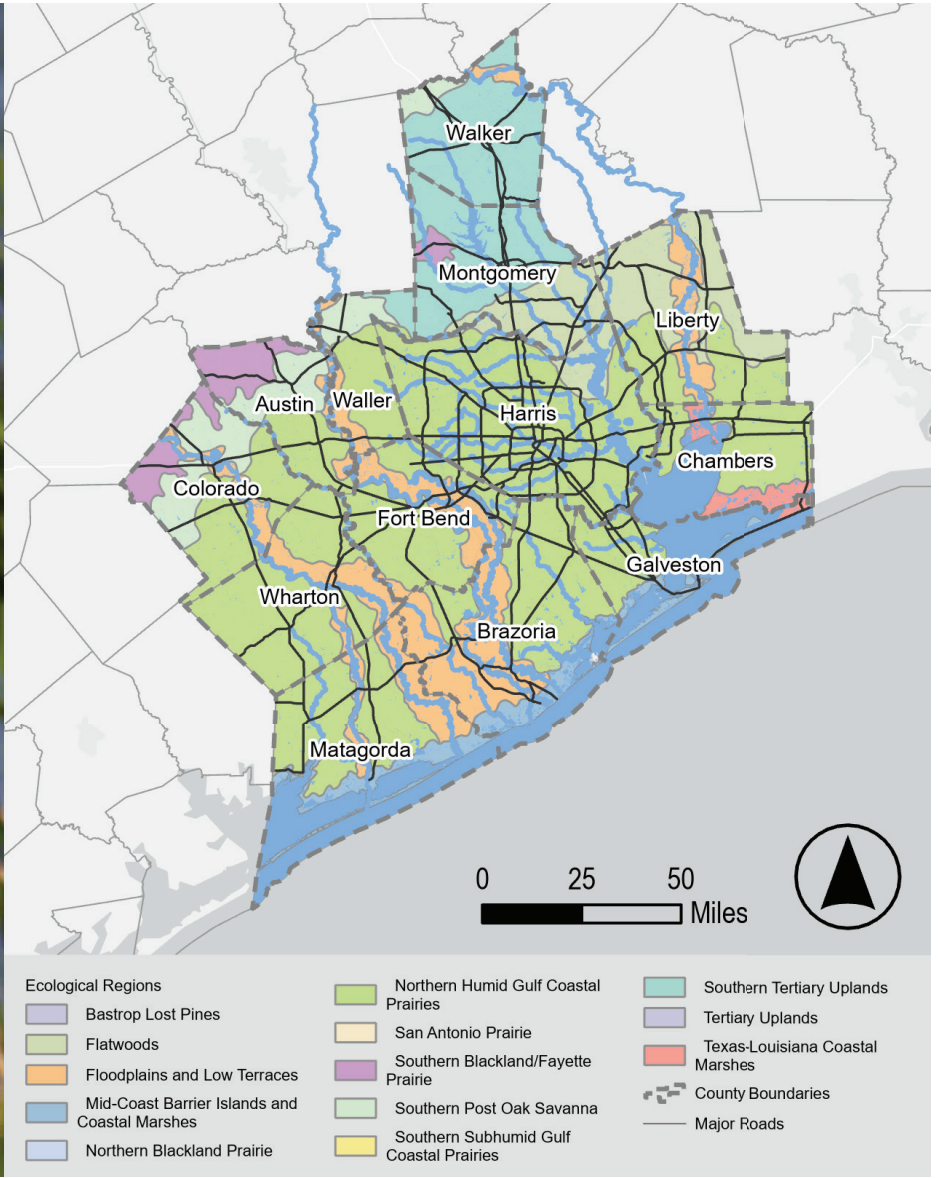
In 2022, the Texas Gulf Coast region had a gross domestic product (GDP) of nearly \$500 billion. For comparison, if the Gulf Coast region were its own country, its GDP would rank in the top 30 worldwide. This economic success can be attributed to, and is indicative of, a strong and diverse economy with friendly business practices and a thriving community.

The Gulf Coast has an average annual wage above both the state and the country's annual wage.

Total employment continues to grow and is projected to increase through 2050. In the last 10 years, the region has witnessed more than 17 percent growth in employment. However, the success of the region can still improve.

In 2020 during the height of the COVID-19 pandemic, the region took a sharp downturn due to industry closures and high COVID infection rates. Prior to 2024, the region's unemployment rate continued to lag behind the state and national averages due to a slow reentry of employees into the workforce and an influx of new individuals moving to the region.





Geography

The GCEDD is comprised of diverse geographical features that contribute to the 13-county region’s unique landscape and economic activities. The region experiences a humid subtropical climate with hot, humid summers and mild winters.

Coastal counties, which include Brazoria, Galveston, Chambers and Matagorda, are more influenced by the Gulf of Mexico, resulting in higher humidity and milder winter temperatures.

The region’s coastal counties are also characterized by wetlands, beaches, and significant river estuaries that support fishing and port activities. Meanwhile, Austin, Colorado, and Waller counties are predominantly rural with agricultural landscapes comprised of rolling hills and river valleys. Similarly, Walker and Wharton counties boast a mix of forested land and agricultural plains, with features such as the Trinity River in Walker and fertile farming areas in Wharton. Harris County, home to Houston, is the most urbanized with significant suburban sprawl into surrounding counties. In addition, Fort Bend, Liberty, and Montgomery Counties are a blend of urban

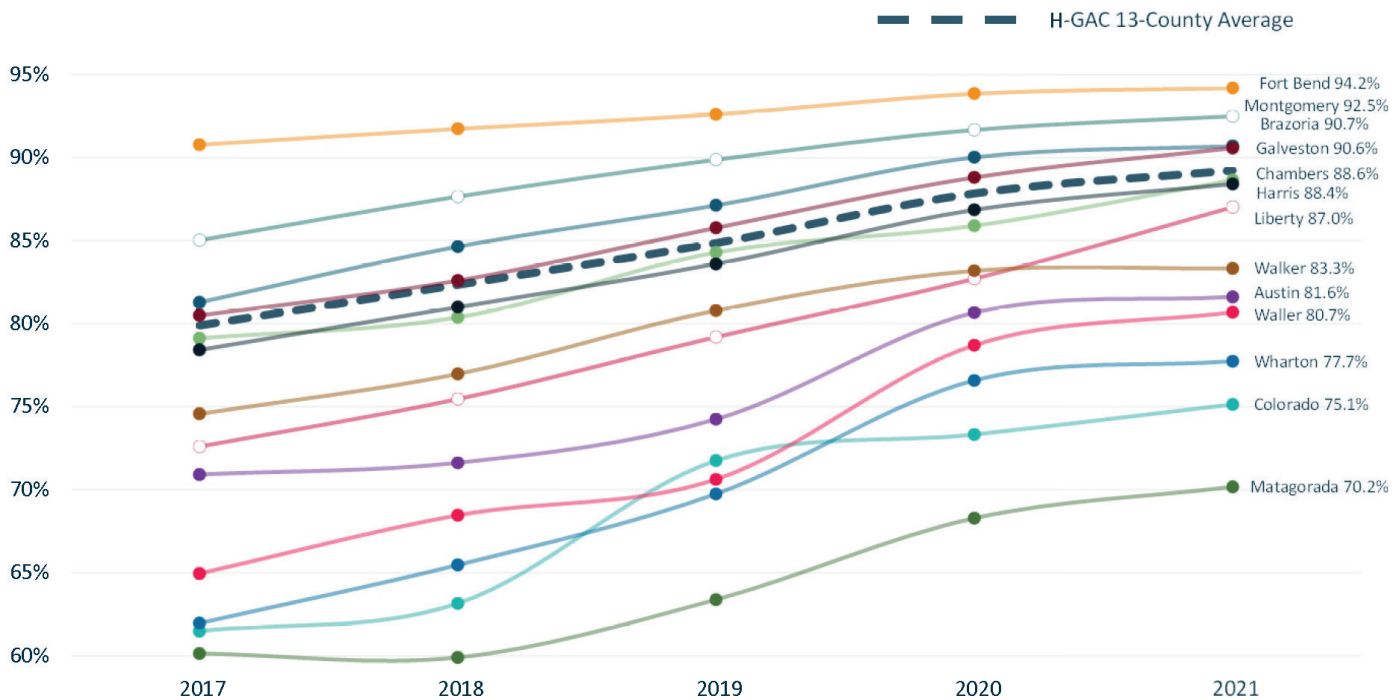
and suburban areas with dense population centers, extensive forested areas, and significant waterways, such as the Brazos River and Buffalo Bayou.

Land use patterns vary widely. Urbanized areas are characterized by residential, commercial, and industrial development. In contrast, rural counties focus on agriculture, livestock, and forestry. Coastal areas support tourism and fishing industries.

As the gateway to the world, the region is served by an extensive transportation network including major interstates (I-10, I-45), railways, and the Port of Houston, which is one of the busiest ports in the United States. Public transit is available in urban areas, namely in Harris County, with METRO providing bus and light rail services.

The economy is diverse, driven by the oil/gas/energy industries, agriculture, healthcare, manufacturing, and shipping. The presence of the Texas Medical Center significantly boosts the healthcare sector.

Household Broadband Adoptions by County (2017-2021)



Source: Census American Community Survey (ACS) 5-Year Estimates, 2017-2021

Infrastructure

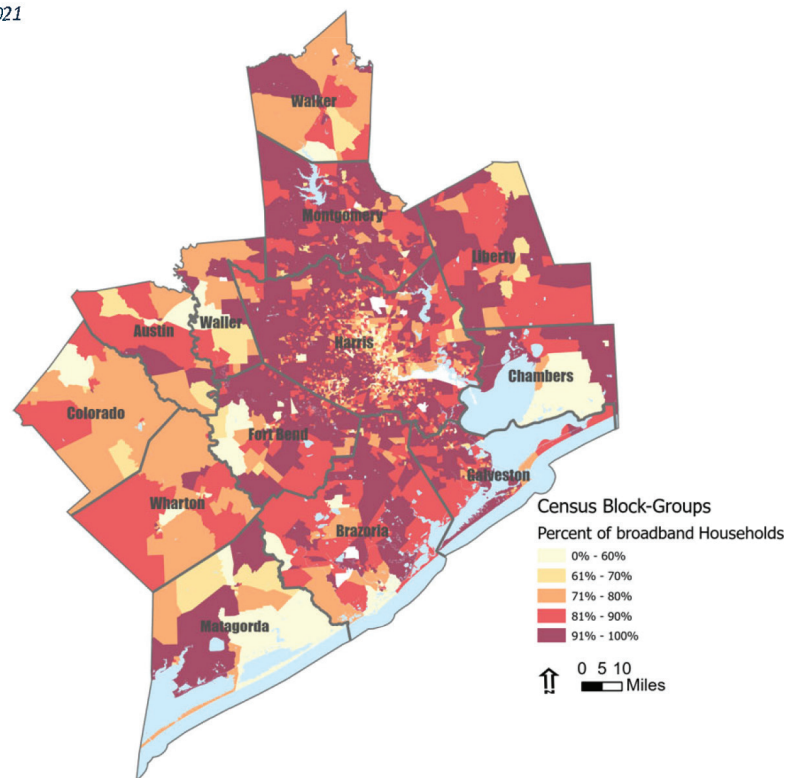
BROADBAND

To maintain a competitive economy, the GCEDD is leading the region in broadband expansion planning to ensure full coverage throughout the 13 counties. Though the region has seen massive growth in connectivity, adaptability and affordability issues remain. Urban areas have low- and moderate-income communities that struggle with income inequality and aging infrastructure. Many rural areas struggle with lack of infrastructure, especially in areas with very few users. Addressing these community needs require partnerships and funding to bridge the internet divide.

UTILITIES

As with many older cities, our region is challenged by maintaining aging infrastructure, such as roads, bridges, water and sewer systems, and public buildings. Adequate funding and strategic planning are needed to address maintenance backlogs and prevent infrastructure failures. Adding to this complexity, the Texas Gulf Coast region struggles with natural disasters such as hurricanes, tornados, extreme heat, and cold weather. These factors increase the likelihood of failing utilities.

Traffic is a major concern to our transportation system with its complex network of interstates, highways, bridges, and surface streets. Repairs and construction coupled with the population density causes increased travel times in the metropolitan area and along the interstate system. In more rural areas, traffic congestion can affect local economies and often cause small businesses to lose massive revenue. Throughout the region we are seeing new infrastructure in utilities, so proper planning and management is key to maintaining a strong economy.



BUILDINGS

The region is juxtaposed with new and aged buildings, and the consistent influx of new residents incentivizes developers to build new single family, multifamily, and commercial real estate. Many communities throughout the region have modernized their community's infrastructure; however, other counties in the Gulf Coast region are struggling with full land buildouts creating a need for redevelopment and repurposing of older infrastructure to remain appealing.



The region’s history of manufacturing and oil and gas have left many brownfields across the region. There are also abandoned office buildings resulting from the effects of natural disasters and the 2020 pandemic. Many of the more rural counties also see aging buildings that have not been recently renovated to preserve the “charm” of the community; however, this poses issues with new infrastructure practices and quality of life changes.

ROADS

The region is a key location for transport in the south. The region connects the Texas ports to the rest of the county and, along with Dallas, Austin, and San Antonio, makes up the “Texas Triangle”. Transportation routes and 7.3 million citizens only exasperates the need for road infrastructure across the region. Many of the interstate and state highways undergo lane widening and infrastructure maintenance consistently, continuing the need for funding.

Industry

The Gulf Coast region has many vibrant, rapidly growing industry sectors. Six primary industries lead the economy, including Energy, Healthcare, Aerospace and Aviation, Advanced Manufacturing, Technology, and Transportation. The region’s most notable sector, Oil and Gas, has led to Houston being deemed the Energy capital of the world. The region is home to the largest energy companies in the world, such as Exxon, BP, Chevron, Shell, Phillips 66, and Halliburton. While continuing to lead in traditional forms of energy, these large corporations are currently investing in new energy innovation and technology giving rise to the region’s advancements in alternative power sources including solar, wind, nuclear and low carbon solutions.

The region is also home to the largest medical complex and most comprehensive life science ecosystems in the world consisting of more than 50 member institutions focused on patient care, research, and education. The Texas Medical Center is a driver for the regional

economy. Along with providing groundbreaking advancements to the medical field, it generates billions of dollars for the region and serves as a key educational training center to produce future medical professionals trained by the greatest medical pioneers in the world. Indirectly, the medical center supports a vibrant workforce through area restaurants, entertainment, art, construction, real estate, and many other industries that surrounds it.

Beyond the Texas Medical Center, the Texas Gulf Coast region has investments in medicine that span across counties. Notably, there are major hospitals along all freeways throughout the region in addition to the hundreds of specialty clinics, outpatient clinics, and medical testing sites that service hundreds of thousands of patients each year.

In Aerospace and Transportation, the Texas Gulf Coast region is a hub for world travel and transport. With two major airports, the Johnson Space Center, and four deep water ports, including the ports

of Houston, Galveston, Texas City, and Freeport, the region has a vast amount of goods crossing the region. The world-renowned Johnson Space Center, while housing mission control for NASA, employs thousands of engineers, scientists, technicians, and administrative staff while providing an education-based tourist location, Space Center Houston, in Clear Lake. The Houston ship channel handles more than 200 million tons of cargo annually with the most notable goods being crude oil and petroleum.

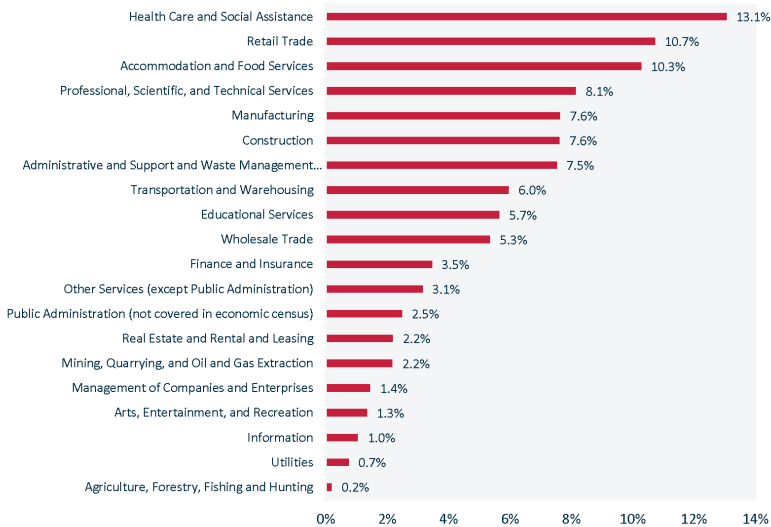
The Texas Gulf Coast region is an international leader in Energy. It provides a strong foundation to the region's economy and more than 220,000 direct and thousands more indirect-positions in the industry. These positions have a wide skill set from engineers to transport workers, creating a diverse workforce within the industry sector.

Gross Domestic Product by Industry (2021) (Ranked by H-GAC Region Industries with Greatest Share of Texas Industry GDP)

Industry	Gulf Coast Region (billions)	Gulf Coast Region Industry GDP as Share of Total Regional GDP	Texas (billions)	Gulf Coast Region Industry GDP as Share of Texas Industry GDP
Nondurable goods manufacturing	\$75.8	11.8%	\$154.9	48.9%
Wholesale trade	\$76.2	11.9%	\$184.9	41.2%
Transportation and warehousing	\$33.2	5.2%	\$93.6	35.4%
Educational services	\$5.9	0.9%	\$16.7	35.2%
Management of companies and enterprises	\$12.0	1.9%	\$35.4	34.0%
All industry total	\$642.1	N/A	\$2,402.1	26.7%

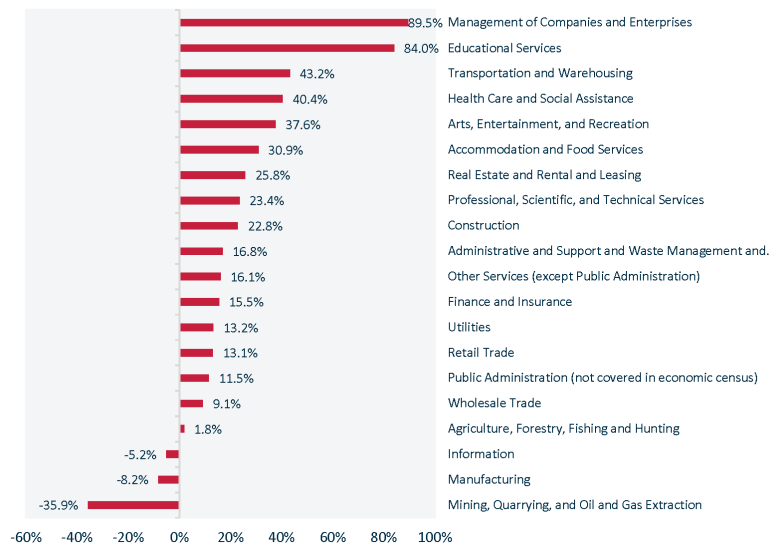
Sources: U.S. Bureau of Economic Analysis; Texas Comptroller Office, 2024 Regional Report

Employment by Industry (2022)



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 1990-2022

Employment Change by Industry (2012-2022)





Industries with Largest Total Employment Growth (2012-2022)

Industry	Employment	Employment Change 2012-2022	Percent Change 2012-2022	Average Annual Wages	Location Quotient	Establishments
Restaurants and Other Eating Places	259,626	68,336	35.7%	\$24,245	1.14	11,738
Elementary and Secondary Schools	220,597	36,699	20.0%	\$52,116	1.27	400
Warehousing and Storage	36,356	27,157	295.2%	\$49,466	0.88	421
Management of Companies and Enterprises	42,869	20,176	88.9%	\$213,710	0.80	956
Management, Scientific, and Technical Consulting Services	45,757	17,071	59.5%	\$126,662	1.18	6,708
General Medical and Surgical Hospitals	100,811	16,939	20.2%	\$85,137	0.78	163
Individual and Family Services	28,405	15,027	112.3%	\$34,422	0.44	4,792
Grocery and Convenience Retailers	65,174	13,366	25.8%	\$30,981	1.09	2,148
Building Equipment Contractors	51,972	12,513	31.7%	\$72,615	1.02	3,589
Offices of Physicians	58,611	12,143	26.1%	\$100,968	0.95	5,786
Total – All Industries	3,161,530	465,526	17.3%	\$76,044	1.00	181,173

Source: JobsEQ using data provided by the U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Texas Comptroller Office, 2024 Regional Report

Industries with Greatest Location Quotient (2022)

Industry	Employment	Employment Change 2012-2022	Percent Change 2012-2022	Average Annual Wages	Location Quotient	Establishments
Pipeline Transportation of Crude Oil	3,506	450	14.7%	\$142,227	15.01	62
Oil and Gas Extraction	28,815	-25,108	-46.6%	\$264,688	11.91	588
Pipeline Transportation of Natural Gas	8,047	970	13.7%	\$221,721	11.60	124
Space Research and Technology	2,958	-162	-5.2%	\$144,903	7.70	3
Basic Chemical Manufacturing	23,121	2,050	9.7%	\$167,225	7.11	242
Support Activities for Mining	33,861	-11,221	-24.9%	\$150,043	6.02	1,230
Support Activities for Water Transportation	12,242	2,412	24.5%	\$60,268	5.54	174
Other Pipeline Transportation	911	423	86.6%	\$124,886	5.22	27
Petroleum and Petroleum Products Merchant Wholesalers	10,133	3,915	63.0%	\$204,627	4.75	294
Specialty (except Psychiatric and Substance Abuse) Hospitals	27,825	10,783	63.3%	\$124,870	4.67	51

Source: JobsEQ using data provided by the U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages; Texas Comptroller Office, 2024 Regional Report

Occupations with Largest Total Employment Growth (2012-2022)

Occupation	Employment	Employment Change 2012-2022	Percent Change 2012-2022	Average Annual Wages	Location Quotient
General and Operations Managers	10,271	3,620	54.4%	\$96,500	1.16
Laborers and Material Movers	17,690	3,122	21.4%	\$32,800	1.00
Fast Food and Counter Workers	11,447	1,896	19.8%	\$24,000	1.31
Cooks	6,696	1,338	25.0%	\$28,600	0.95
Supervisors of Food Preparation and Serving Workers	4,174	1,315	46.0%	\$37,800	1.18
Customer Service Representatives	7,080	1,116	18.7%	\$36,100	0.95
Driver/Sales Workers and Truck Drivers	11,187	1,022	10.1%	\$46,500	1.22
Miscellaneous Agricultural Workers	8,323	862	11.5%	\$31,700	4.27
Logisticians and Project Management Specialists	2,162	843	63.9%	\$81,300	0.78
Miscellaneous Healthcare Support Occupations	4,218	775	22.5%	\$35,300	0.99

Source: JobsEQ using data provided by the U.S. Bureau of Labor Statistics', Quarterly Census of Employment and Wages and Occupational Employment and Wage Statistics programs; Texas Comptroller Office, 2024 Regional Report

ENERGY

The Energy industry, being based on commodity pricing, is subject to market volatility, and the region has experienced several economic downturns as a result. In recent years, the industry has worked to diversify its employment base, and undertaken steps to make the energy industry more resilient to downturns by diversifying product lines, export markets, and developing new technologies. While the Energy sector offers many advantages to the region's economy, the high wages it offers make it difficult for rival sectors to compete for talent. The region has made strong strides to diversify its economy outside of energy to continue to grow a stable workforce.

HEALTH CARE

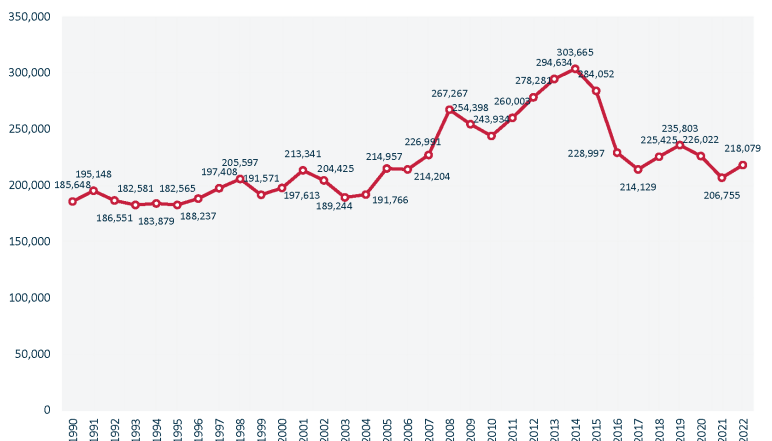
The Texas Gulf Coast region has an internationally significant medical hub. The Texas Medical Center is the largest life sciences destination in the world. With 106,000 employees, 61 institutions, and thousands of volunteers and patient visits, over 160,000 people visit Texas Medical Center each day. In addition to the Texas Medical Center, the region had new hospitals constructed in Katy, the Woodlands, and Pearland. There are also new hospitals being built in Cypress and Northeast Houston. In the northern portion of the region, there is a mental health treatment center that started construction in 2024. Along with hospitals, the region has more than 1,100 life science and biotechnology companies as well as cutting-edge research institutions that acts as a world leader in medical technology.

Oil & Gas Energy and Related Industries (2022)

Industry (NAICS)	Employment	No. of Firms
Total	218,079	6,037
Oil and Gas Extraction (211)	27,690	588
Support Activities for Oil and Gas Operations (21311)	33,544	1,231
Drilling Oil and Gas Wells (213111)	8,362	149
Oil and Gas Pipeline and Related Structures Construction (237120)	18,445	237
Petroleum Refineries (32411)	4,294	59
Chemical Manufacturing (325)	40,643	676
Industrial Valve Manufacturing (332911)	3,555	100
Fabricated Pipe and Pipe Fitting Manufacturing (332996)	4,095	97
Oil and Gas Field Machinery and Equipment Manufacturing (333132)	17,091	360
Pipeline Transportation (486)	12,333	214
Engineering Services (541330)	45,886	2,188
Geophysical Surveying and Mapping Services (541360)	2,141	138

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 1990-2022

Employment Change of Oil & Gas Energy & Related Industries (1990-2022)



ADVANCED MANUFACTURING

The 13-county Texas Gulf Coast region, which includes the Greater Houston area, presents significant opportunities in advanced manufacturing due to its strategic location, strong industrial base, and access to skilled labor and resources. The region is already a hub for several key industries, and with the rise of advanced manufacturing technologies, there are several areas where growth and innovation are likely to occur.

Health Care & Social Assistance Industries (2022)

Industry (NAICS)	Employment	No. of Firms
Total	360,543	22,682
Ambulatory Health Care Services (621)	182,794	15,108
Hospitals (622)	94,192	256
Nursing and Residential (623)	31,849	870
Social Assistance (624)	51,708	6,448

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 1990-2022

The Gulf Coast is home to one of the largest concentrations of petrochemical and chemical manufacturing facilities in the world. Advanced manufacturing technologies, such as automation, robotics, and process optimization, enhance production efficiency, reduce costs, and improve safety in these facilities. The industry has tremendous opportunity with innovations in chemical processing and the development of new materials, including sustainable and green chemicals, the integration of digital twins, and AI-driven process controls.

The region's proximity to major oil and gas operations, including offshore drilling and refining, makes it an ideal location for the manufacturing of advanced energy equipment.

Advanced Manufacturing Industries (2022)

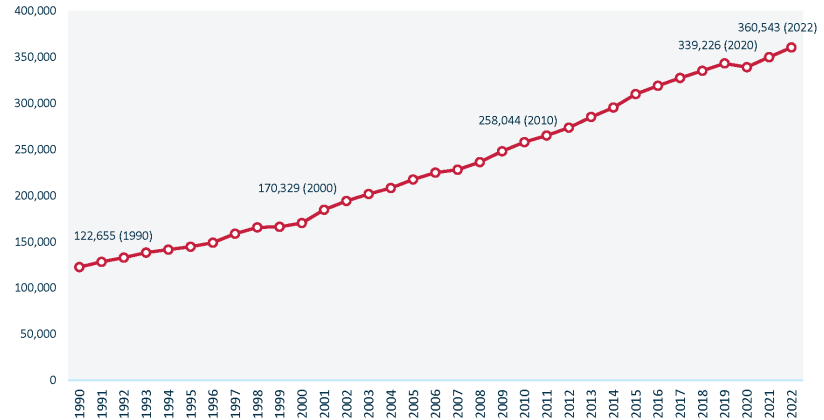
Industry (NAICS)	Employment	No. of Firms
Total	100,908	2,792
Petroleum and Coal Products (3241)	4,827	95
Basic Chemical (3251)	22,017	243
Resin, Synthetic Rubber, and Artificial Synthetic Fibers and Filaments (3252)	4,698	91
Pesticide, Fertilizer, and Other Agricultural Chemical (3253)	829	26
Pharmaceutical and Medicine (3254)	3,307	75
Other Chemical Product and Preparation (3259)	4,541	120
Other Nonmetallic Mineral Product (3279)	1,072	68
Iron and Steel Mills and Ferroalloy (3311)	1,066	40
Alumina and Aluminum Production and Processing (3313)	172	13
Foundries (3315)	207	17
Agriculture, Construction, and Mining Machinery (3331)	20,743	393
Industrial Machinery (3332)	848	60
Commercial and Service Industry Machinery (3333)	456	40
Engine, Turbine, and Power Transmission Equipment (3336)	558	33
Other General-Purpose Machinery (3339)	6,255	210
Computer and Peripheral Equipment (3341)	4,565	37
Communications Equipment (3342)	343	40
Audio and Video Equipment (3343)	0	7
Semiconductor and Other Electronic Component (3344)	1,526	63
Navigational, Measuring, Electromedical, and Control Instruments (3345)	6,059	248
Electric Lighting Equipment (3351)	296	34
Household Appliance (3352)	68	13
Electrical Equipment (3353)	3,813	87
Other Electrical Equipment and Component (3359)	921	60
Motor Vehicle Body and Trailer (3362)	1,079	33
Motor Vehicle Parts (3363)	889	50
Aerospace Product and Parts (3364)	1,194	23
Ship and Boat Building (3366)	951	47
Other Transportation Equipment (3369)	0	6
Medical Equipment and Supplies (3391)	2,260	155
Other Miscellaneous (3399)	5,348	365

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages, 1990-2022

This includes the production of components for renewable energy systems, such as wind turbines and solar panels, as well as advanced machinery for oil and gas extraction and processing, and the development of equipment for carbon capture and storage (CCS) technologies.

The Gulf Coast region is home to NASA's Johnson Space Center, which creates a strong demand for advanced aerospace manufacturing. Opportunities exist in the production of spacecraft components, satellite systems, and other high-precision aerospace parts. Advanced manufacturing

Employment Change of Health Care & Social Assistance Industries (1990-2022)

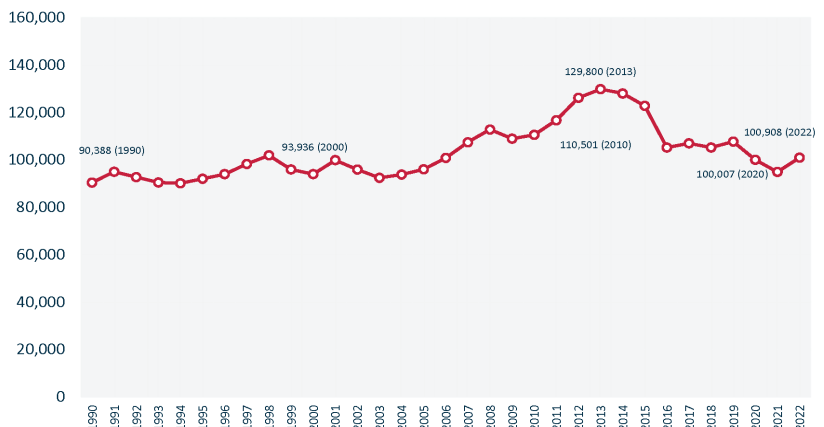


techniques such as additive manufacturing (3D printing) and composite materials fabrication are particularly relevant along with the development of lightweight and durable material and advanced electronics for space applications.

Houston's Texas Medical Center is the largest medical complex in the world, creating a strong demand for medical devices and advanced healthcare technologies. The region is well-positioned to expand its role in the manufacturing of high-tech medical devices for surgery, including implantable devices, diagnostic equipment, and robotics. Precision manufacturing and biocompatible materials are key areas for innovation.

The Gulf Coast region's strong transportation infrastructure supports opportunities in automotive manufacturing, particularly in the production of advanced components, sensors, and batteries for electric vehicles (EVs), and autonomous vehicles. The

Employment Change of Advanced Manufacturing Industries (1990-2022)



region's access to ports, railways, and highways also makes it a strategic location for distribution.

The region's research institutions, such as Rice University and the University of Houston, are at the forefront of materials science and nanotechnology. This presents opportunities for the development and manufacturing of advanced materials for use in electronics, energy storage, and other high-tech applications; nanocomposites; and next-generation semiconductors.

INNOVATION

The Gulf Coast region is home to many innovation hubs and centers that specialize in incubation for startups. The region acts as a leader in innovation for aerospace, biomedical research, and technical advancement. Region stakeholders invest in innovative opportunities in many of the industry sectors, including tech, biomedical, aerospace, and many others.

Among these innovation hubs are the Texas Medical Center, Station Houston, Ion Houston, The Cannon, Greentown Labs, and the University of Houston's Innovation Center. Partially funded through a grant from the EDA and GCEDD, the East End Maker Hub is a makerspace and manufacturing center for innovators, fabricators and crafters. Universities, such as Rice University and the University of Houston, work as strong partners in innovation providing opportunity for research and small businesses incubation.

The region continues to foster startup businesses that create technological advancements. As the region continues to grow, we expect to see sections of the region foster innovation districts. For example, The Woodlands, an established township in Montgomery County, has already invested in and plans for future investments in biomedical research facilities. To remain competitive as a region, focusing on embracing new technology remains at the forefront of our education institutions and research hospitals.

ENTREPRENEURSHIP

The Gulf Coast Region has a vibrant entrepreneur culture that is fueled by many stakeholders, such as the Small Business Administration, Small Business Development Center, SCORE, and other business service organizations across the region. The region supports individuals who choose to work for themselves, generate business revenue, and create job opportunities for others. The region has hundreds of organizations that help small business owners thrive through their infancy stages well into business expansion. Government officials throughout the region develop and support legislation that actively works in favor of small business owners, as well as provides businesses with opportunities to contract with local governments through various projects. Entrepreneurs have expressed the importance of access to capital, encouraging lending institutions to continue to fund businesses and incubators, which assist entrepreneurs. Business-support organization create fully funded technical assistance programs and classes throughout the region. Corporations also provide investments through patent attainment and business incubation.

Though the region is rich with entrepreneurship programs and opportunities, it struggles with organizing resources to avoid

duplication of programs and trainings. Business owners have expressed issues with program redundancy, incubators that lead to other similar incubators, and pitch competitions that ultimately do not result in opportunities. This feedback continues to lead the regions efforts to become more united in supporting entrepreneurs.

TRANSPORTATION & LOGISTICS

The region is recognized as a world leader in the United States. In 2020, the region had a goods export value of over \$104 billion. The region continues to expand trade with expansion of the Houston Ship Channel, renovations to airports, repairs to railways, and expansion projects for major highways and roads.

The Texas Gulf Coast region is home to four major deepwater ports. The Port of Houston, the largest deepwater port in the nation, is made up of numerous shipping channels, including the Houston Ship Channel, which leads the nation in cargo transportation with 336 tons of cargo transported. The port is ranked number one in the nation in transporting steel products and number five in shipping containers volume. The port provides an estimate of more than 1.5 million jobs nationwide, which has resulted in an economic impact of \$439 billion dollars for Texas and \$900 billion for the Nation.

Along with the robust ship channels, the region transports millions of tons of goods through commercial vehicles along the major highways and freeways. The region sits along I-10, I-69, and I-45, which all provide access to the rest of the country as well as our international neighbors.

The region also maintains a vibrant rail system. According to Texas Department of Transportation, approximately 2,200 trains per week travel through the Houston Metropolitan Service Area. The rail infrastructure is comprised of 800 miles of mainline tracks and 21 miles of railroad bridges.

In addition to the aforementioned transport routes, the Houston Airport system flew billions of dollars of cargo across our airways. In July 2024 alone, this system exported about \$825 million dollars while importing approximately \$677 million dollars in goods and materials.

AGRICULTURE, FISHERIES, AND TOURISM

Ecotourism and the traditional Tourism industries as well as Farming, including agriculture, fisheries, and forestry, are vital components of the economy in Texas' 13-county Gulf Coast region.

Agriculture remains a cornerstone in the counties where expansive farmlands support the cultivation of crops such as rice, cotton, and corn, as well as livestock farming. These include Austin, Colorado, Matagorda, Liberty, Wharton, Walker, and Waller counties.

The region benefits from fertile soils and favorable climate conditions, which enhance productivity. Agribusinesses, ranging from small family farms to large commercial operations, contribute significantly to the local economy and provide employment opportunities.

The coastal counties of Brazoria, Chambers, Galveston, and Matagorda are renowned for their rich marine resources. The Gulf of Mexico supports a vibrant fishing industry, with commercial and recreational fishing being prominent activities. Key catches

include shrimp, crab, oysters, and various fish species. Area fisheries not only supply local markets but also support seafood processing plants and export businesses, further driving economic growth in these coastal areas.

Tourism flourishes throughout the region, particularly in Galveston, which boasts beaches, historical sites, and attractions such as the Galveston Island Historic Pleasure Pier and Moody Gardens. Coastal counties attract tourists with their scenic landscapes, water sports, and wildlife preserves.

Urban centers, such as Houston, enhance the tourism appeal with cultural venues, shopping districts, and major sporting events. In the northern part of the region, lakes and natural forests also attract tourists to experience the region's natural resources.

The diverse offerings, from rural retreats to bustling urban experiences, make it a popular destination for visitors year-round.

Equity

Equity is a critical concern in the Texas Gulf Coast region, where the richness of diversity across race and ethnicity, age, ability, and socioeconomic status shapes its communities. In a region that is large and diverse, ensuring that residents have access to opportunities, resources, and support is essential for building a more inclusive and prosperous economy.

As of 2023, the Houston-The Woodlands-Sugarland metropolitan service area was the fifth largest in the United States, with a population of more than 7.3 million people. The region is home to one of the most diverse populations in the country, with nearly 38 percent of residents identifying as Hispanic or Latino, 35 percent as White, 17 percent as Black or African American, and 10 percent as Asian. Despite this diversity, significant disparities exist across various aspects of life highlighting the need for equity-focused initiatives.

Diversity is one of the region's greatest strengths as it is often cited as one of the most racially and culturally diverse locations in the United States. However, diversity alone does not guarantee equity. In the Gulf Coast region, 14 percent of residents live below the poverty line, and these rates are disproportionately higher among traditional minority communities. For example, the poverty rate for Black and Hispanic residents is nearly double that of their White counterparts. To bridge these gaps, it's crucial to ensure equitable access to employment, education, housing, and other key resources.

Without intentional efforts to address these disparities, the benefits of this diversity may not be fully realized, and systemic inequalities may persist.

In terms of employment, equity involves ensuring that all individuals, regardless of race, gender, age, or ability, have fair access to job opportunities and are treated justly in the workplace. In the Gulf Coast region, the unemployment rate has generally hovered around the national average, but disparities persist. Individuals with disabilities face significant barriers to employment with an unemployment rate nearly double that of non-disabled individuals. Equitable employment

practices not only help reduce poverty and income inequality but also contribute to a stronger, more resilient economy.

Housing is another crucial area where equity must be prioritized. In the rapidly growing Gulf Coast region of Texas, affordable housing is a significant challenge. Nearly half of all renters in Houston are considered cost-burdened, which means they spend more than 30 percent of their income on housing. This issue is particularly acute for low-income and minority families.

Ensuring equitable access to safe, affordable, and quality housing is vital for all residents, especially in marginalized communities. Providing equitable access includes addressing issues such as housing discrimination, gentrification, and the displacement of vulnerable populations. Equitable housing policies can help prevent the exacerbation of economic and racial segregation and promote more integrated and thriving communities.

Education is a cornerstone of equity, as it lays the foundation for future opportunities and successes. Moreover, educational equity provides all students, regardless of their background or neighborhood, with access to high-quality education, resources, and support services. However, disparities in educational outcomes remain stark for minority students with higher dropout and lower high school graduation rates, as well as relatively lower college enrollment and college degree attainment rates.

Additionally, schools in low-income areas often have fewer resources and less experienced teachers, which can limit students' opportunities. By promoting educational equity, young people can be prepared to succeed in an increasingly competitive and globalized economy.

Economic Resiliency

With a region that is highly susceptible to natural disasters, economic resiliency continues to be a major priority for the GCEDD. The GCEDD has played a vital role in recovering from natural disasters in the region. During major hurricanes such as Harvey and Beryl, the GCEDD provided a strong information network to the region as it published newsletters that highlighted recovery resources for the entire region.

The GCEDD also participated in projects that help with home repair and small business financing. During the COVID-19 pandemic, the GCEDD, in partnership with the Houston-Galveston Area Local Development Corporation (LDC), provided small businesses with micro-enterprise and small business loans and also aided communities with establishing revolving loan programs to help their small businesses. Post pandemic, the GCEDD partnered with the Gulf Coast Workforce Board and their operating affiliate, Workforce Solutions, to identify workforce gaps to reduce the high unemployment rate of the region. Business retention and unemployment rates were consistently measured to record the recovery efforts.

Moving forward, the GCEDD will continue its current efforts in resiliency to focus on small-business preparedness, convening partners for stronger coordination efforts, and educating the region on best practices.



SWOT Analysis Overview

STRENGTHS

Industry Growth and Diversity

- Though the region is known for its investment in energy, there is a very diverse business climate and workforce, which allow for different industries to grow through the region.
- The region is not dependent on one industry for economic vitality, but diversified; thereby, creating a strong, resilient economy.

Cost of Living

- As inflation continues to grow throughout the country, the Texas Gulf Coast region remains one of the most affordable regions in the nation. It continues to encourage new construction and small businesses growth even through the addition of new residents.

Location and Proximity to Transit Routes

- With the region's connection to the interstate system, railways, and a deep-water port, the region is in a prime location to transport goods and material in and out of the region, state, and country. As the gateway to the world, exportation and foreign investment are favorable with the region's proximity to the Gulf of Mexico and the Mexico border.

Favorable Business Climate

- Texas is one of a few states that does not impose an income tax. The state also allows for incentives to be decided by local governments and taxing entities.

Diversity

- The region is ranked among the most diverse cities in the country. As the region continues to grow, people of different races and ethnic backgrounds will continue to be attracted to the area.
- The region is welcoming to many different cultures and celebrates its diversity through festivals, celebrations, and organizations.

WEAKNESSES

Broadband Development in Rural Areas

- Though the region has very strong connectivity in urban areas, many of the rural areas struggle with dependable connectivity and outdated infrastructure.

Wrap Around Services

- The Gulf Coast region, like many others, struggles with adequate services that help low- and moderate-income individuals connect to educational programs and career opportunities that serve to elevate the population.
- In such a large geographical area with limited public transit systems, many services may be difficult to obtain.
- Childcare availability and affordability continue to be a large barrier to careers and educational attainment.

Training Program Outreach

- With more 7.3 million people in the region, there have been challenges in educating the public about available training and educational programs.

Aging Infrastructure

- The region is prone to natural disasters, and each event reveals greater issues with the region's infrastructure, including drainage systems, powerlines, and building construction.

Missing Workforce Housing

- Population growth and economic expansion has resulted in a housing crisis making the "American Dream" unattainable for some. Traditional blue-collar and working-class positions, such as teachers, labor, and administrative workers, find it difficult to reside in the high-growth areas they may work in.
- Multifamily home price increases are also making them cost-prohibitive for younger workers. Many young professionals are opting to live with family members to maintain affordability.

OPPORTUNITIES

Regionalism

- Led by the GCEDD and in partnership with the Houston Regional Economic Development Alliance, our region takes a strong regional approach to economic development fueled by the shared commitment to promoting the principle of “One Region, One Voice.”
- The rapid growth and expansion of rural counties has created an attractive environment for businesses to invest beyond Harris and Fort Bend counties, while expanding transit options for the workforce and fostering economic growth for urban and rural communities.

Workforce Development

- Businesses continue to express the need for well-trained workers who can enjoy a high-quality of life where they can live, work, play, learn, and worship within a reasonable commuting distance.
- Workforce training is increasingly expensive for businesses to sustain.



Biomedical Advancement

- The region continues to lead the world in biomedical research and will continue to grow the industry with additional investments in technology and infrastructure.
- The advancements in medicine through the region’s research hospitals continues to boost the economy creating jobs, business opportunities, and patented medicines and technology.

Improved Exporting

- The ports of Houston, Galveston, Texas City, and Freeport continue to be prominent ports in the nation and serve as a gateway to the global economy.

Travel and Tourism

- The Gulf Coast region has an abundance of natural and manmade locations that make it a great destination for tourism.
- Communities across the region have made significant investments in art, entertainment, and culinary experiences to attract visitors year-round.

Small Business Development

- Small businesses remain the backbone of a strong economy, helping to distribute wealth and opportunity throughout the region.
- Together with small business service organizations, local governments, entrepreneurs, and other key stakeholders, the Gulf Coast can continue to cultivate a thriving small business ecosystem.

Advancement in AI

- With the rise of Artificial Intelligence, the advancement of new technologies will continue to help businesses grow. These advancements, if used for expansion, will become a strong economic driver for the region.
- In the Gulf Coast region, prominent manufacturing and logistics will undoubtedly incorporate artificial intelligence to help streamline and create more efficient product chains.

THREATS

Global Advancement in Energy Creating Competition

- Although the Gulf Coast region has historically led the world in the energy sector, increasing competition from global markets continues to pose a challenge, as energy companies expand into other communities.

Vulnerability to Natural Disasters

- Natural disasters will continue to be an issue in the region necessitating the creation of a strong resiliency plan to support continued growth.

Advancement in AI

- While artificial intelligence offers businesses opportunities to advance, there are significant concerns about its impact on the workforce. As AI becomes more prevalent, many jobs are at risk of being displaced. Proper planning for job training is essential to address positions that will be lost due to technological advancements.



Strategic Direction

VISION

The Gulf Coast Economic Development District's Comprehensive Economic Development Strategy plays a key role in ensuring the region is a great place to live and work, with a high quality-of-life for all.

MISSION

The GCEDD's mission is to provide the region with a Comprehensive Economic Development Strategy that identifies key priorities, strategies, and initiatives that foster a vibrant and diverse regional economy.

GOALS AND STRATEGIES

In support of the vision and mission, the GCEDD adopted the following eight goals, which are strongly aligned with the goals and strategies of the regional plan for sustainable development—Our Great Region 2040.

- Equity
- Recovery and Resilience
- Workforce Development
- Small Business Development
- Industry – Medical/Biomedical, Technology, Advanced Manufacturing, Energy
- Infrastructure – Broadband, Sewer, Drainage, Roads

ACTION PLAN

Infrastructure

The Gulf Coast Economic Development District will support the region in acquiring state, federal, and regional funding for infrastructure projects. This includes upgrading and maintaining aging water, sewer, and drainage facilities, providing support and guidance for new disaster resilient infrastructure, and supporting high-speed internet (Broadband) efforts. It also will continue to educate the region in developing infrastructure best practices, which include use case studies and cost reduction strategies.

Industry

The GCEDD will continue to assist the region in supporting current industry development and attracting new industries. It will continue to build a strong and diverse workforce by assisting businesses and residents with training and

development opportunities while also providing solutions to industry challenges.

Resiliency

The GCEDD will support the region by identifying pre-disaster and post-disaster resiliency solutions. It will continue to highlight disaster planning, determine potential vulnerabilities, and enhance opportunities for the region while assisting in acquiring economic resiliency funding.

Energy Transition

The GCEDD will support the region as it continues to lead the world in the clean energy transition. The GCEDD will support projects focused on clean energy expansion by assisting the region in acquiring funding for clean energy projects, supporting regional collaborative efforts, such as the Houston Energy Transition Initiative (HETI), and assisting and educating local governments on the economic benefits of strong and innovative energy planning.

EVALUATION FRAMEWORK

The evaluation plan is a crucial element in the CEDS. It allows the GCEDD to review the activities of the year, determine the effectiveness of the activities, and revise the work plan appropriately for the upcoming year. The evaluation plan for the CEDS will be based on a list of key performance measures established by the CEDS committee with progress recorded monthly. The progress will be shared six times a year – biannually, with the CEDS committee and quarterly at the GCEDD board meetings. The performance measures are scored by GCEDD staff and reviewed by the board. The CEDS committee will make recommendations for project directions and planning.

Any project that receives EDA investment must demonstrate that outcomes are tied to the CEDS. The evaluation will include whether actual results were met, exceeded, or fell short of projected outcomes.

GCEDD staff will convene the CEDS committee on a biannual basis to review the evaluation criteria, objectives and metrics, and overall effectiveness of the metrics. A summary document will be created from these meetings and provided to the GCEDD board for final review. The CEDS performance is to be measured at the completion of the contract period. The evaluation is to be on a scale of one-to-five, with five being excellent.



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