



News release

Contact: Stephanie Wilcox
2525 Bay Area Blvd., Suite 640
Houston, Texas 77058
Phone: 281.486.5535
Fax: 281.486.5068
Email: stephanie@bayareahouston.com
Visit: www.bayareahouston.com

Region thrives as incomes, population increase

It is not surprising that many people consider Bay Area Houston home, nor why many more soon will, with population expected to reach more than half a million and the average median income 36 percent higher than the projected state income by 2020.

Director of the Center for Economic Education at the University of Houston-Clear Lake, Bob Hodgkin Ph.D., a leading authority on economic trends, released a report of his economic projections to the Bay Area Houston Economic Partnership on July 16.

This is the second projections report released by BAHEP since 2002 and was commissioned as a result of the companies newly developed strategic plan. BAHEP, founded in 1976, represents 12 cities, two counties and more than 265 businesses.

Bay Area Houston Economic Partnership President Jim Reinhartsen, said, "BAHEP is committed to providing the regional leadership necessary to retain, expand and recruit new high performing jobs; jobs that are made possible because of Bay Area Houston's infrastructure, education and choices afforded to employers."

"One of the myriad factors driving the continued growth of Bay Area Houston is new development and re-development initiatives," he said.

By 2020, Bay Area Houston's population is projected to increase by 120,000; the annual population growth of 2.1 percent between 2000 and 2005 was nearly twice of Houston's. League City, Seabrook and Dickinson led the expansion with double-digit growth rates.

Since 1970, Bay Area Houston's median household income has exceeded regional and state levels. In 2005 it was \$62,061 and by 2020 it is expected to increase by more than \$22,000.

"The median household income is a core measure of economic vitality," Hodgkin said.

"With economic vibrancy comes growth and sustained renewal – building permit data shows positive and sustained development with Bay Area Houston," said Hodgkin.

The service area of Bay Area Houston spans more than 8,000 business establishments with an estimated 205,000 employees. The aerospace industry jobs represent 8 percent, specialty chemicals 4 percent, high technology including biotechnology 5 percent and tourism and recreation 5 percent.

Gross sales in the service-providing sector and the retail sector of the economy indicate a strong upward trend. Recreation and tourism will get a boost from Port of Houston Authority cruise terminal patrons and support enterprises. In addition, a strong upward trend is predicted in the manufacturing sector.

Transportation indicates a modest downward trend, but the Port of Houston Authority's new Bayport inter-modal container terminal's operating volume will add significantly to transportation-related job demand over the next two decades.

A modest increase is expected in the construction sector, while the wholesale sector will remain consistent.

The aerospace industry is expected to remain level as Johnson Space Center assumes NASA's Constellation program responsibility for the Crew Exploration Vehicle and Mission Operations.

Specialty chemical employment should remain unchanged even as production levels respond to a softer than usual economy and rising feedstock prices.

Expanding high-technology clusters and sub-industries in bio-pharmaceuticals and biotechnology should continue its cyclical growth pattern.

Bay Area Houston is an educationally accomplished community with 75 percent possessing high school diplomas to advanced college degrees; moreover, 33 percent of the area's workforce has college degrees ranging from a bachelor's to doctoral.

Dr. Hodgin's is expected to discuss the current projections and present updates at a Bay Area Houston Economic Development General Membership Meeting scheduled in January 2008.

Bay Area Houston is an economically and internationally diversified, high-tech region that is home to NASA Johnson Space Center and numerous industries including aerospace and specialty chemical.

Bay Area Houston Economic Partnership is a nonprofit organization that promotes the growth of the Bay Area Houston region through the retention, expansion and recruitment of target industries. Visit www.bayareahouston.com.

Space Alliance Technology Outreach Program is a NASA-funded program which provides technical assistance to small businesses for free. Visit www.spacetechnologies.com.

###