SOUTH TEXAS ECONOMIC DEVELOPMENT CENTER

Economic Pulse

Corpus Christi by the Rankings

by Jim Lee

South Texas, particularly Corpus Christi, has experienced extraordinary economic growth in recent years, thanks to the shale oil boom. The area is no longer considered a laggard as it was for decades. Yet everything is relative.

How Corpus Christi today stacks up against the rest of the nation remains largely a mystery. This article attempts to provide some perspectives on where our community stands in light of a large number of city rankings compiled by WalletHub.

The website at WalletHub.com details its methodology of each ranking. We have grouped its currently 34 sets of rankings into four broad categories: Economy, business climate and public sector efficiency, quality of life, and diversity.

Fastest Growing Cities

Corpus Christi was the fifth fastest growing metro area among the sample of 64 areas of comparable sizes. Better yet, it was the third among 150 U.S. cities in terms of the speed of recovery from the 2007-2009 recession.

Shale oil and natural gas production in the nearby Eagle Ford play contributed to a record level of employment growth over 4 percent by 2013, compared with the city’s average growth rate at barely 1 percent a decade before that.
By the end of 2014, the Corpus Christi’s unemployment rate had inched down to 4.5 percent, about one percentage point below the nationwide average.

Historically, that gap was simply the opposite as the area struggled with persistent unemployment above the national average.

As the shale oil boom took shape when the nation as a whole was in slow recovery from the Great Recession of 2007-2009, it is no surprise that Corpus Christi joined Austin and Fort Worth as cities with the most growth.

**Healthiest Housing Markets**

With strong job growth, the local housing market expanded at a rapid pace along with other markets across Texas.

Despite strong price appreciation in recent years, homes remain relatively affordable by national standards.

**Diversified Economies**

While the recent shale oil boom was indeed a “game changer” for Corpus Christi, the area appears to be well sheltered from its current bust cycle. As explained in an earlier issue of the *Economic Pulse* (2015 Issue 3), its local economy today is less reliant on the performance of the oil and gas industry than during the similar oil market crash in the 1980s.

Typical to most urban areas, industries in Corpus Christi are diverse. In terms of economic diversification, it places 47th in the sample of 350 cities.

From the perspective of income and other socioeconomic characteristics like education among residents, however, Corpus Christi is in the middle range of all U.S. cities. This reflects the relatively large middle-income group in the area.

**Best Cities to Find a Job**

Corpus Christi is sixth best city to start a career due to its abundance in professional opportunities. That is no surprise given its recent gains in the number of jobs and wage earnings.

It is, however, relatively difficult to find the right job in the area than to simply start a career. Its “job market” ranking slides down to 61st nationally.

**Small Businesses**

In 2014, Corpus Christi ranked as the second best U.S. city for Hispanic entrepreneurs, followed by Laredo. The relatively high purchasing power of local Hispanics and overall business friendliness contribute to a favorable small business environment.

It is also relatively easy to start a business in the area along with the rest of Texas, contributing to its relatively high ranking of 33rd among the nation’s 150 cities.

**Government Efficiency**

WalletHub has also evaluated how efficient local governments spend taxpayer dollars on major spending categories, including education, police, and parks and recreation.

Judged by the return on investment for those budget items, Corpus Christi is the sixth best run city in America. Weighted by the average standard test score, the city’s expenditure of $1,613 per resident in 2015 made the area the top eleventh city by efficiency in public education investment.

**Quality of Life**

A multitude of factors can affect a community’s overall quality of life. While some of those factors, such as weather, are beyond the control of policymakers or anyone, the majority of them reflect the unique makeup of the local community or the outcomes of public choice.

Overall, Corpus Christi compares less favorably with the rest of America in most metrics under this category in comparison with the “economic” metrics presented above. Most importantly, Corpus Christi is rated as one of the least educated cities in America.

Corpus Christi takes the 26th place among the 62 large cities in the overall quality of life. While the city fares well in terms of the local economy and tax burdens, it is the third least “healthy” city. It is also at the bottom tier for people with an active lifestyle.
With relatively higher housing affordability but fewer entertainment and recreational facilities than the rest of the nation, the area appears to be a better place for families than for singles or retirees.

One major tradeoff for rapid economic development is the setback in environmental quality. Judged by air quality, green-house emissions, transportation modes, energy sources and lifestyle, the city is the 89th greenest city in the sample of 100 U.S. cities.

**Diversity**

Corpus Christi has a significant share of Hispanic population. Yet in terms of overall population diversity, it only ranks in the middle range (175th) among the sample of 313 cities in America as a result lower representation from minority groups other than Hispanics.

As the vast majority of its local residents were born within the region, the city is near the bottom in terms of diversity by birthplace.

Despite the relatively low ranking by ethnic and racial diversity, Corpus Christi is the 36th most diverse city, due largely to diversity in the different types of households, occupations and industries.

Similarly, judged by a large number of socio-demographic, economic, education and housing statistics, Corpus Christi closely resembles the typical American community. Among the 381 cities in the sample, Corpus Christi ranks 86th in its resemblance with the United States.

**“Lots of Work, Little Fun”**

Keep in mind that all rankings are by nature subject to the particular methodology and metrics employed for compiling the data. This caveat aside, one thing is clear: Corpus Christi today is a city with lots of work and little fun. The area has made tremendous progress in recent years as far as its economy is concerned, particularly its job and income growth.

Still there is much room for improvement in the area of overall quality of life, particularly education, health and amenities. As these aspects of a community are key to sustainable regional development, they are part of the blueprint for the city’s long-term strategic plan, Plan CC.
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