Welcome to Corpus Christi, the Sparkling City by the Seal! This nickname is ironic as you may already notice, we do share the littering problem as for the rest of Texas. Our streets are far from sparkingly clean. And technically speaking, Corpus Christi is not next to a sea, but two bays called Corpus Christi Bay and Nueces Bay.

So I hope by now I’ve already earned your trust that my presentation is not going to be one sided. I will touch on not only our area’s strengths, but also its weaknesses, so hopefully together we can better understand factors that promote business and economic development across this state of Texas.

Tourism
As most of you know, Corpus Christi is a popular regional travel destination for beach combing, fishing, birding and boating activities. In 2014, the abundance of sunshine and ocean view might be a reason for Corpus Christi to be one of the nation’s top 10 happiest cities, according to a survey from the Center for Disease Control and Prevention.

But obviously life is not a beach anymore. Earlier this year, another study found us to be the least happy Texans. While Plano near Dallas was the nation’s happiest place to live in, WalletHub ranked Corpus Christi at No. 129 out of 182 cities. This dramatic shift in the local residents’ emotional well-being coincided with the economic downturn locally following the oil bust in late 2014.

Friendliness
But regardless how happy or unhappy we are, you can find as much friendliness and hospitality here as in San Antonio and Houston. Our demographics might explain this. Corpus Christi is one of many Texas communities that have majority-minority populations. Hispanics make up nearly two-thirds (62.4%) of the local population. You also see slightly more women (50.7%) than men in the area.

Our Hispanic population helps make Corpus Christi the third best U.S. city for Hispanic entrepreneurs, according to WalletHub. In Texas, Corpus Christi is only behind Laredo in Hispanic Business Friendliness. This city also ranks relatively high at No. 25 in Hispanic Purchasing Power, but behind most cities in South Texas, including San Antonio. Local consumers’ low purchasing power relative to consumers in the rest of Texas reflects their relatively poor financial wellness. Corpus Christi is one of the bottom 10 cities across the nation for the Average Credit Score.

Local Business Profile
Growth in the local Hispanic consumer base affects our Hispanic business. The number of Hispanic business owners in Corpus Christi has more than doubled to 43% since 1987. Despite the proliferation of Hispanic businesses, their combined size by sales volume only hovered around 3% of the city’s total over the past three decades. Most of those owners are self-employed, without any paid employees.
Likewise for women-owned businesses. Out of the currently 27,500 firms in Corpus Christi, more than one in three (37%) is owned by women, compared to 27% in 1987. But women owners’ share of the local market has in fact shrunk from 7% to 3%.

Economic Drivers

Other than tourism, which is made up largely by hotels and motels, and restaurants, Corpus Christi stands out in terms of the relatively size of its government sector. Corpus Christi’s share of public sector jobs at 18% is even higher than that for Austin, the state capitol. The two military installations, Corpus Christi Army Depot and Naval Air Station Corpus Christi, together employ slightly less than 10,000 military personnel and civilian contractors.

Among private industries, health care has expanded most rapidly due in part to increasing health care needs from the aging population. Corpus Christi is becoming a hub for growing health care demand across the Coastal Bend.

Oil Exposure

In contrast to the rest of Texas, Corpus Christi is as much exposed to oil today as it was back in the 1980s. Even though the city is not part of the Eagle Ford Shale play, its economic fortune has moved in tandem with the ebbs and flows of oil production particularly in South Texas. A recent study by Dallas Fed economists attributed 37% of job growth in Corpus Christi to changes in the oil and gas industry, more than four times of the share (9%) for the well-known oil town of Houston.

Most of Corpus Christi’s exposure to regional oil production comes from oilfield support services and the industry’s indirect impact on a wide-range of businesses, from banking and legal services to emergency care and restaurants. The area enjoyed record employment growth during the recent shale oil boom period, but then fell into a recession following steep declines in oil prices after 2014.

Port

Being in downtown Corpus Christi, you should have already sensed the role of maritime activity for the regional economy. The Port of Corpus Christi is the nation’s fourth largest seaport by tonnage. And since the 40-year-old ban on crude oil exports was lifted in December 2015, Corpus Christi has emerged as the leading crude oil export port.

Even though the last shale oil boom ended in 2014, oil and gas have continued to transform our regional economy. A total of $50 billion in industrial projects are being developed. The Port is well positioned as an exporter of Texas shale oil and gas resources to the rest of the world, particularly the emerging markets in Asia. Its logistical advantage on the Gulf Coast has also attracted capital investments in iron, steel, and plastic manufacturing plants.

Outlook

Adding to the construction boom underway is the replacement of the Harbor Bridge. The new bridge is slated to be completed next year. By then, improvements of the Corpus Christi ship channel will be in full force. Along with a new, taller bridge, a widened and deepened ship channel will accommodate larger tankers, especially for oil exports to Asia through the Panama Canal.

Facing a world of growth opportunities, local businesses are increasingly more upbeat. Improvement in the local business outlook continues despite the recent economic setback and the devastation of Hurricane Harvey.
Local Challenges
But, like most cities, Corpus Christi is not without its challenges. Being part of South Texas, this area is plagued by a relatively low education attainment level. This makes workforce training an overriding priority for the region especially under the shadow of an unprecedented number of world-class industrial facilities. To this end, the Untied Corpus Christi Chamber of Commerce has made education and workforce development one of its major initiatives.

Another issue related to a relatively unskilled workforce is disparity in income, educational achievement, housing conditions and so on among different neighborhoods or socioeconomic segments. As for workforce training, more inclusive community development can mitigate such socioeconomic problems that might probably have thwarted the retention and expansion of local small businesses.

To the extent that the state of Texas a whole have been diversifying its economy and upskilling its workforce at an admirable pace, there is much we can learn from other cities as best practic- es. We appreciate your input or any growth experience you don’t mind sharing with us.

Thank you.

Port of Corpus Christi Ship Channel Improvement Project
Economic Makeup by Jobs

Survey of Corpus Christi Business Conditions, First Quarter 2016 - 2019

How do you expect the overall business condition to change over the next 6 months?

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