Social Resilience and Local Economic Recovery

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Takeaways

- Government officials deem social vulnerability and resilience critical for local communities to respond to a disaster and bounce back from it.
- COVID-19 disproportionately impacted communities with a higher Social Vulnerability Index, but a host of other factors also explain both the initial economic shock and the subsequent recovery across Texas counties.
- Counties in the Coastal Bend show relatively low social resilience, which helps explain their performance during the pandemic.
More than three years into the COVID-19 pandemic, the economies of more than half of Texas counties remain behind their pre-COVID levels. Make no mistake, Texas has outperformed most other states by many measures in recovering from the pandemic.

Yet economic recovery has been uneven across the state and the nation. In Texas, some counties are still struggling with an unemployment rate higher than 15 percent while other counties have more than doubled employment since the beginning of 2020.

What explains disparities in economic outcomes among Texas communities?

**COVID Recession**

A nationwide lockdown in response to the COVID outbreaks led to a nationwide recession between February and April 2020. By the end of April, businesses had lost 16 percent of their workforce, and the national unemployment rate had reached 14.7 percent, the highest since the Great Depression in the 1930s. A sharp contraction in economic activity resulted in a 31 percent decline in GDP.

As for most recessions in the past, Texas and the Corpus Christi metro area fared slightly better than the U.S. as a whole.

But exposure to the initial COVID economic shock varied widely across the state. Northern Texas, especially the Panhandle, was the least impacted. Unemployment and job losses were higher
among counties along the U.S.-Mexico border and the southeastern region.

Based on Argonne National Laboratory's County Economic Impact Index data as a total output and income measure, economic activity in a typical Texas county shrank by roughly 10 percent, though a handful (4) of counties managed to stay afloat.

**Post-Pandemic Recovery**

Since the end of the statewide business lockdown, Texas has bounced back more swiftly than most states. The state gained back most jobs lost in November 2021, more than half a year before the nation did.

Still, by the end of 2022, Texas’ unemployment rate at 3.9 percent was above the national average of 3.5 percent due in part to imbalances between labor supply and demand among local labor markets across the state. In Corpus Christi, employment remained slightly below the level before the onset of the pandemic along with a 4.6 unemployment rate, which was more than one percentage point above the national average.

At the regional level, the three counties of the Corpus Christi metro area—Aransas, Nueces and San Patricio—seem to have moved in unison. The first law of geography states that “near things are more related than distant things.”
Much of the industrial development in San Patricio County has created employment opportunities for its neighboring Aransas and Nueces Counties. More than one in three jobs in San Patricio County are filled by nearly 10,000 commuters in the Coastal Bend region. More than half of those commuters are from Nueces County.

This explains the persistently high unemployment rate for San Patricio County despite remarkable job creation from its newly built industrial facilities.

Corpus Christi and the broad Coastal Bend region have been navigating the post-pandemic economic recovery in the middle of the pack in Texas. By the end of 2022, employment in more than half of the 254 Texas counties was still behind its pre-pandemic peak.

The unemployment rates of the metro area’s three counties were relatively higher than most Texas counties in the first two years of the pandemic but their pace of improvement sped up in 2022.

Despite increasingly tight local labor markets, total output in Corpus Christi and more than half (138) of Texas counties remained behind the pre-COVID level. This would likely translate into lagging income growth for residents.

This also begs the question concerning the root cause of the
observed disparity in local economic growth, particularly during the post-pandemic recovery.

**Social Vulnerability and Resilience**

Vulnerability and resilience have become the buzzwords among government officials and academics who plan for and respond to disasters like hurricanes and pandemics. Community-level vulnerability and resilience to disasters are related concepts, though they are not necessarily the opposite to each other.

The Centers for Disease Control and Prevention (CDC) has developed the **Social Vulnerability Index** as a composite measure of vulnerability and resilience. According to the CDC, “social vulnerability refers to the ability of communities to survive and thrive when confronted by external stresses on human health, stresses such as ... disease outbreaks.” The federal agency considers socially vulnerable populations as those who have special needs, such as people without vehicles, people with disabilities, older adults, and people with limited English Proficiency. The SVI is a summary measure of four themes of social factors: socioeconomic status (e.g., poverty, education), household characteristics (e.g., age 65 or older, people with disabilities, English language proficiency), racial and ethnic minority status (e.g., Hispanic or Latino, Black or African American), and housing type and transportation (e.g., mobile homes, no vehicle).

A county with a higher Social Vulnerability Index is considered more vulnerable to a disaster like the COVID pandemic and less able to recover from its disruptions. In Texas, the most vulnerable counties cluster along the U.S.-
Mexico border. Most counties in the Coastal Bend also show relatively high social vulnerability.

A close look at four social themes suggests that much of the disaster vulnerability is attributable to the region’s outsized minority population and an overall lower socioeconomic status among its communities.

It is easy to understand that counties with high inherent vulnerability or low resilience attributes have tended to stay behind. Vulnerable populations with lower educational attainment or disabilities were likely to remain unemployed despite an increasingly tight labor market nationwide.

At the community level, however, a host of confronting factors dwarf the role of social vulnerability and resilience in explaining the observed disparity in the exposure to the COVID economic shock and in the subsequent recovery phase across Texas. A recent study at South Texas Economic Development Center found a dichotomy in COVID’s initial economic impacts between urban and rural counties. Rural counties with a lower population density were more insulated from the COVID-induced economic shock.

Other than the COVID caseload, the local workforce that was able to work from home during the lockdown was also a key factor to moderate an economic downturn. On the contrary, the onset of the pandemic disproportionately impacted
counties with a relatively larger hospitality sector due to travel restrictions.

While the significance of these factors declined over the course of the pandemic, social vulnerability and resilience have continued to be relevant in explaining the uneven recovery paths among Texas counties.

This is especially true for the three counties of the Corpus Christi metro area. The Social Vulnerability Index and other economic factors, such as the share of the hospitality workforce, together explain more than half of the improvement in the local economies through the end of 2022.

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