



The Houston Metropolitan Region

The Region

The large Houston metropolitan area covers eight counties roughly the size of the state of Massachusetts. The region is among the most populated in the U.S. with nearly 4.7 million residents. During the 1990s the region's population increased by 25%; almost 20% of its population consists of foreign-born residents. The household median income in 2000 was \$44,761 — almost \$6,000 less than the U.S. metropolitan average. Moreover, the region had a poverty rate of nearly 14% in 2000, making it one of the poorest regions in the country.

Despite the Houston region's high poverty rate, its economy is driven by the energy industry, especially oil. For example, the region is home to Fortune 500 companies such as ConocoPhillips, Marathon Oil, CenterPoint Energy, Kinder Morgan Energy, and Dynergy, to name a few. The region also has strong aeronautics and financial services industries. In addition, Houston has one of the busiest ports in North America and is second in the world for foreign tonnage.

The Business-Led Organizations

The Greater Houston Partnership (GHP) is the most dominant business-led organization within the Houston metropolitan area. In 1989 the Houston Chamber of Commerce and Houston Economic Development Council merged to form the Greater Houston Partnership. One year later, the Houston World Trade Association also joined the organization, making it the largest business advocacy organization in the Greater Houston area.

The Greater Southwest Houston Chamber of Commerce is a 55-year-old non-profit volunteer organization of about 650 members. It is led by a 21-member Board which includes officers, division vice chairs, and directors. In 2004, the Greater Southwest Houston Chamber established a "2004 Program of Action" that consisted of six committees: Business Development, Community Service, Finance, Leadership 20/20, Member Services and Special Projects.

The Regional Business-Civic Landscape

Although there are between 30 to 40 small chambers of commerce in the Greater Houston area, there is a clear division of labor between the business-led civic organizations. For instance, The Greater Houston Partnership tends to undertake the bigger regional issues while the smaller chambers are primarily concerned with local issues. As one executive stated, "The Greater Houston Partnership is a high-level CEO-involved business group that participates in and brings a voice to big picture regional issues." For example, GHP has been involved in numerous projects ranging from air quality

THE WORKSOURCE-GULF COAST WORKFORCE BOARD

The Greater Houston Partnership is actively involved with the WorkSource-Gulf Coast Workforce Board, which plans and oversees the delivery of employment services, education and training. The WorkSource is the largest of 28 local boards in Texas and serves 13 counties in the Houston-Galveston region.

The Board is composed of 63 members with a majority coming from and representing the private sector. The Board sets policy and in 2003 received more than \$150 million in federal and state funds to provide employment, job training and related child-care services throughout the region.

The WorkSource served more than 400,000 customers and provided employers with valuable services in the form of employee job search and screening assistance; labor market information; and rapid response and early intervention assistance for layoffs, mergers, and plant closures.

For more information, see www.theworksource.org

standards to water resources to transportation. GHP has developed partnerships with other chambers, economic development organizations, business leaders and elected officials in the eight-county region to develop solutions to regional problems. For example, GHP's Education and Workforce Advisory Committee in partnership with the WorkSource-Gulf Coast Workforce Board initiated a pilot program in 1999 to address labor market shortages in the Gulf Coast region. (See box on this page.) The initial project focused on increasing the supply of nurses in the region and has since been picked up by the GHP Health Care Task Force.

Overall, the business-led civic organizations within the Greater Houston area engage in a fair amount of regional cooperation to address the region's most pressing problems. "Greater Houston has a very open environment for business — very collaborative. There is a very inclusive process, not closed, to accept and include new CEOs," said one GHP business executive. Currently, 28 of the largest chambers in the Houston region have agreed to participate in the Regional Chamber Legislative Forum, a group created by and coordinated through GHP. The Legislative Forum's goals are to facilitate regional collaboration among the chambers on legislative agenda issues affecting the state and to provide the vehicle for the chambers to voice their positions collectively on common issues.

Business Leadership

The Greater Houston metropolitan region has a long history of business involvement in both local and regional issues. Both GHP and the Greater Southwest Houston Chamber of Commerce work with top-level business leaders to keep them engaged in solving regional problems. For example, each CEO member at GHP is involved with a committee and takes part in the formation of public policy. The Greater Southwest Houston Chamber of Commerce even runs a year-long program designed to identify

potential leaders and develop their skills to be active leaders in enhancing the quality of life in their communities.

Overall, business leaders feel that the strong presence of private-sector leadership throughout the region has reduced the need to rely heavily on elected officials to solve the region's problems. However, some recent challenges have made it difficult to get top-level CEOs' attention. According to some, top leadership tends to turn over more quickly than it did five years ago. Therefore it takes more energy to get new CEOs engaged in regional issues than in the past when CEOs stayed at firms for several years and were able to develop connections to the community.

Another challenge to the business community in Houston has been the well-publicized collapse and investigation of the energy trader, Enron Corporation. Enron's former Chairman and CEO Kenneth Lay once served as Chairman of the Greater Houston Partnership's Board of Directors and the company made numerous financial contributions to the Greater Houston area. It is unclear what impact the fall of Enron and the tarnished image of its top executives have had on the leadership and image of the Houston business community.