

WHARTON COUNTY ECONOMIC RESILIENCE PROFILE

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Introduction

Economic resilience is the ability to withstand and prevent disruptions to the economy. The most common types of disruptions include downturns in the economy or in a key industry; the exit of a major employer; and natural or man made disasters.

Creating a resilient economy requires the ability to anticipate risk, evaluate how risk can impact economic assets, and build the capacity to respond to disruptions.

This profile is intended to provide an overview of the factors affecting the future growth, development and resilience of Wharton County and it's economy by providing key data points on the economy, demographics, and other useful information.

Wharton County Boundaries

-  Wharton County
-  Other counties
-  Top 4 cities
-  Major roads

County Seat: Wharton
Largest City: El Campo



Wharton Overview

Wharton County is on the Texas Gulf Coastal Plain, with hardwood bottomland timber along the Colorado River. The Colorado River is the primary watershed in the county, traversing from the northwest to the southeast and providing drainage in the center of the county¹. The far western portion of the county is drained by Mustang Creek, and the San Bernard River and West Bernard Creek provide drainage in the eastern part of the county². Wharton County has three cities, El Campo with a population of 11,766, East Bernard with a population of 2,321, and the county seat of Wharton, with a population of 8,785. The unincorporated areas' population is 18,863 (based on 2016 U.S. Census estimates)³. Major transportation corridors include Interstate 69, U.S. Highway 90, State Highway 60, and State Highway 71. Tex Mex and Kansas City Southern railroads own a railroad right-of-way, and Wharton County is working to reconstruct the line to connect Victoria with the Houston-Galveston area, bypassing San Antonio, saving several hundred miles of detour⁴.

Wharton County's employment is nearly equally divided between healthcare, educational services, retail, and manufacturing⁵. The healthcare sector recently took a hit when the hospital in Wharton closed. The community is working with the new owners to reopen it. Wharton is home to Wharton County Junior College, a two-year college that provides a variety of associate degree options and provides customized training for business and industry. More than 6,900 students were enrolled in Wharton County Junior College (as of 2011), which has multiple campuses in the region⁶. The retail sector is expanding, between 2015-2016 approximately 20 retail businesses opened or expanded⁷. Wharton County manufactures include companies manufacturing plastics products, energy generation technology, and oil field technology⁸. Agriculture remains an important component of Wharton County's economy. The county produced \$373,637,000 in annual sales; 72% (\$270,754,000) of the value of products sold was in crop sales, and 28% (\$102,882,000) was in livestock sales⁹. Wharton County leads the state in nursery, greenhouse, floriculture, and sod production, and also leads the state in acreage for rice production¹².



Wharton County Courthouse is the historic heart of the county.

Recent Disruptions to the Economy

Flooding from Hurricane Harvey caused serious damage to Wharton County. Both the Colorado and San Bernard rivers left their banks and flooded structures throughout the county. Flood stage on the Colorado River in the City of Wharton is 39 feet, and the flood crested at 50.5 feet¹¹. Wharton County's topography is flat, and the flooding was extensive; Hurricane Harvey was Wharton County's most damaging disaster in recent history. The extent of the damage Hurricane Harvey caused in Wharton County is still being assessed. Hurricane Harvey flooded areas of the county that had not flooded in decades, while the 2015 Memorial Day and 2016 Tax Day floods damaged developed areas that had seen repeated losses due to flooding. These areas flooded during Hurricane Ike, and nearly a quarter of the population lost power. Many of these areas that have seen repeated flood damage are inhabited by low-income households that have limited financial ability to relocate, and often lack flood insurance. Nearly 30 percent of Wharton County residents live in a 100-year floodplain, while the regional average is only 12 percent. A tornado touched down on February 14, 2017, destroying a business in the City of Wharton; and another tornado touched down in East Bernard during Hurricane Harvey. The 2011-2012 drought impacted agricultural production in Wharton County; rice farmers did not have sufficient access to irrigation water, and cattle producers did not have access to sufficient hay to feed their livestock, causing many to sell their herds. The drought

also caused increased maintenance costs for the county, as roadbeds shifted and pipes broke. The Great Recession caused unemployment to spike to 9.2% in February 2010¹². The impact of the Great Recession did not have the same impact as the recession in 1985, which caused 70% of businesses in downtown Wharton to close. The 2014-2016 collapse in the price of a barrel of oil has impacted local oil field services firms, causing many to lay-off employees.

Economic Resilience Strategies

Wharton County is just beginning to recover from the flooding caused by Hurricane Harvey. Wharton County's major rivers and low-lying topography prone to flooding make the county vulnerable to future storm events, especially in those areas known to flood. The county needs to investigate structural solutions to prevent flooding in developed areas. Wharton County has not yet experienced the development of major master-planned residential communities that neighboring Fort Bend county has. Wharton County needs to be prepared for the ongoing expansion of metropolitan Houston with the development standards sufficient to protect residents from future floods. Wharton County lacks sufficient broadband infrastructure to serve businesses and residents, and the economy would benefit from expanded Internet access. There is a lack of housing choice in Wharton County, creating a housing imbalance. Wharton would benefit from attracting infill developers to build residential units in incorporated areas.

Recommendations

Wharton County's economy will be better able to withstand, avoid, and recover from disruptions if it is able to:

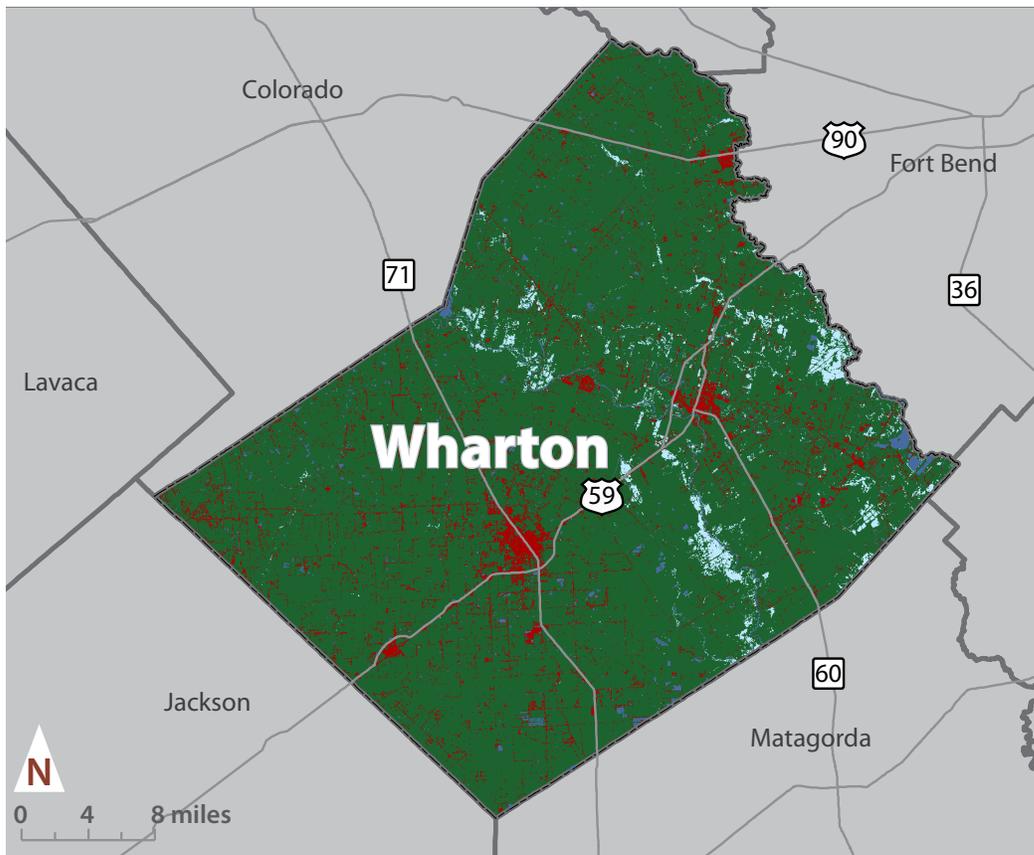
Investigate structural solutions to prevent flooding in developed areas

Investigate structures for better coordinated countywide flood control strategies

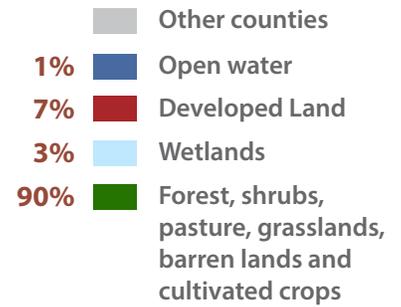
Develop a strategy to expand broadband access for county residents

Review development standards in the county with regards to flood control

Land Use and Demographics



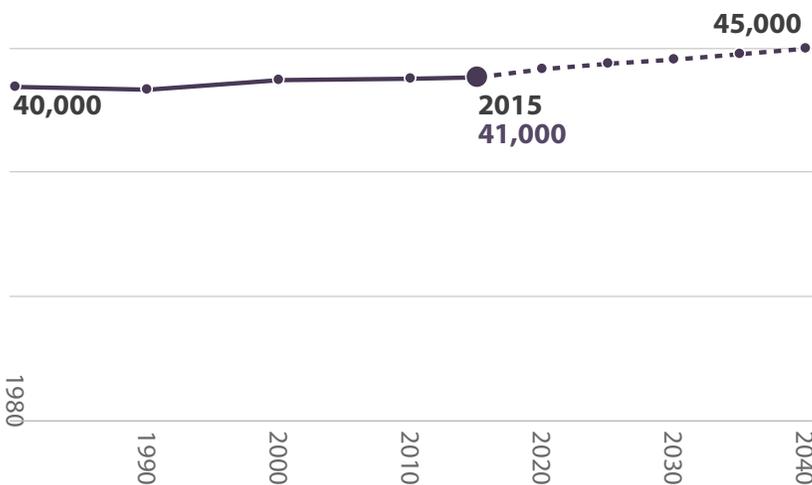
Wharton County Land Use



Wharton is largely rural, and is a significant hub for agriculture in the region.

Population Growth Forecast

Wharton County grew by 3% from 1980 to 2015 and is expected to reach 45,000 residents by 2040.



Municipal Populations

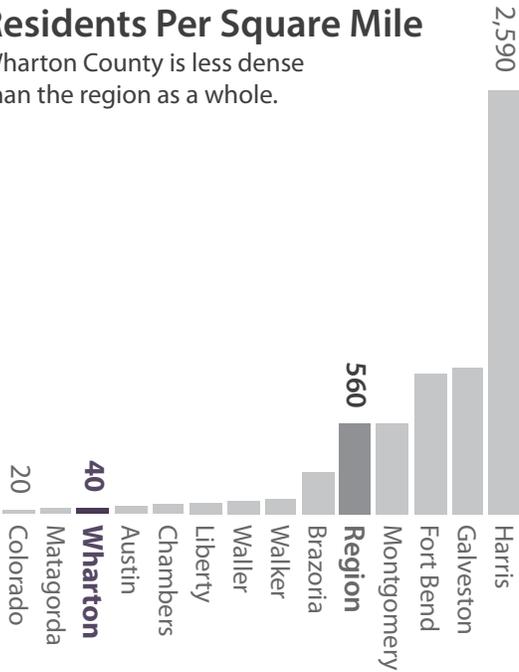
The City of El Campo is Wharton County's largest incorporated municipality.

- 11,766 El Campo
- 8,785 Wharton
- 2,321 East Bernard
- 18,863 Unincorporated

Land Use and Demographics

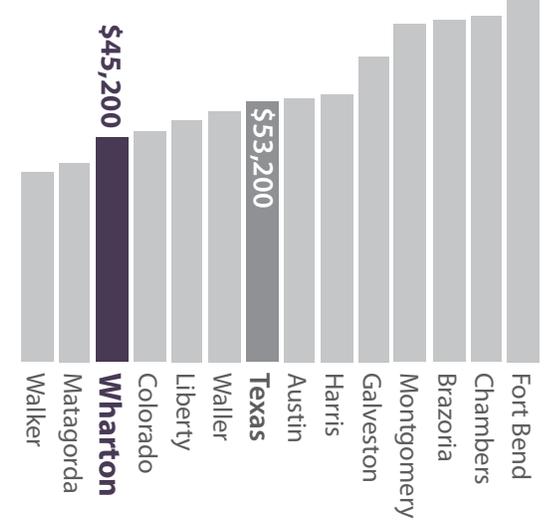
Residents Per Square Mile

Wharton County is less dense than the region as a whole.



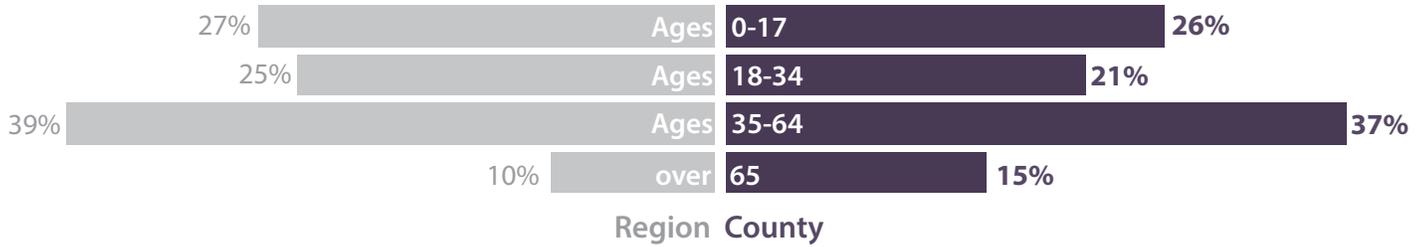
Median Household Income

Wharton County has one of the lowest median household incomes in the region.



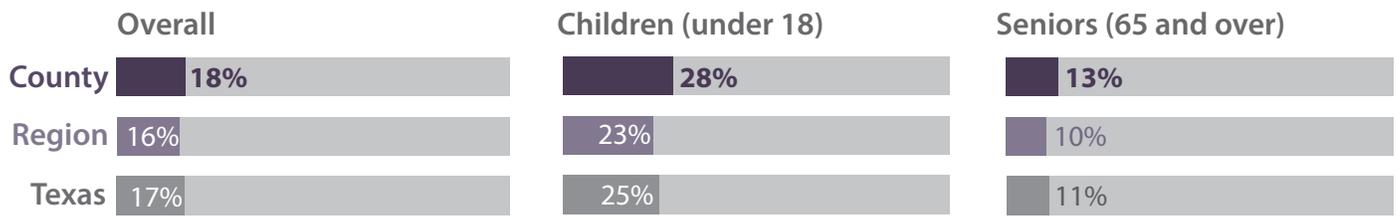
Age

Wharton County has a higher portion of residents over 65 than the region.



Poverty Rate

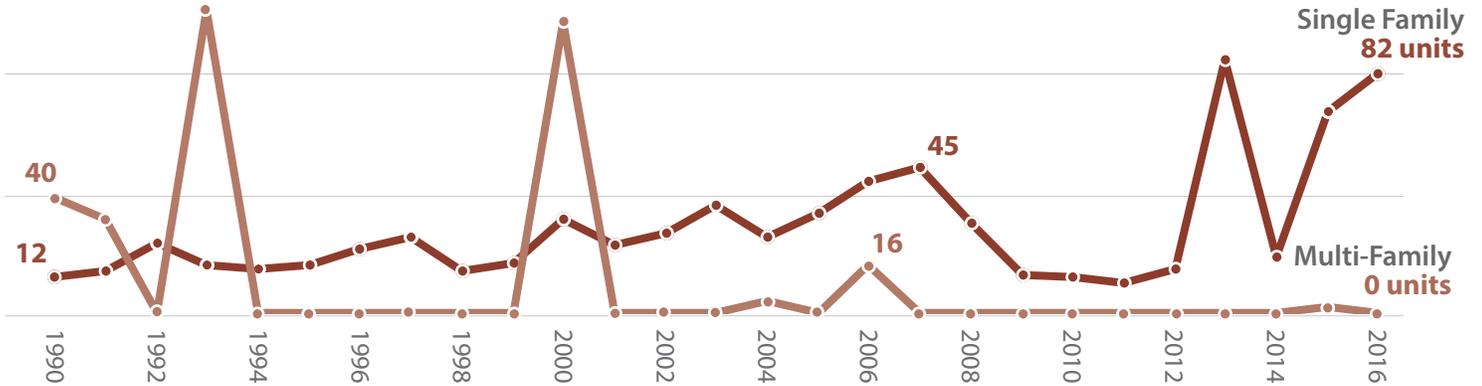
Wharton County has a higher rate of poverty than the region, particularly for children.



Housing

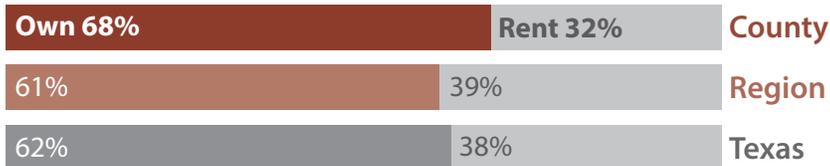
Building Permits Issued

Single-family construction is high, but volatile in comparison with previous years, while multi-family permits remain low.



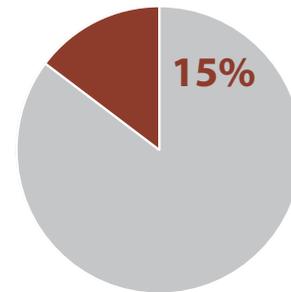
Housing Tenure

Wharton County has a higher rate of homeownership than the region or the state.



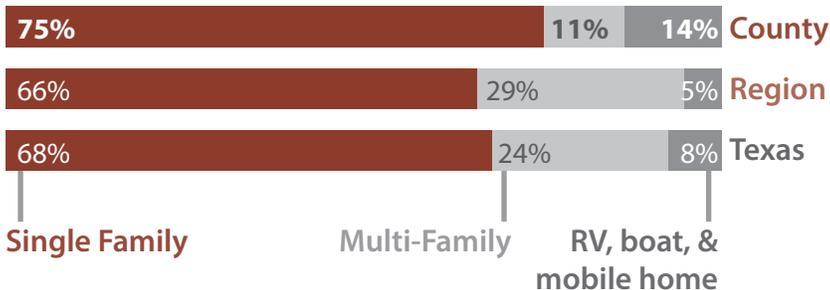
Vacant Housing Units

Around 15% of Wharton County's housing units are vacant.



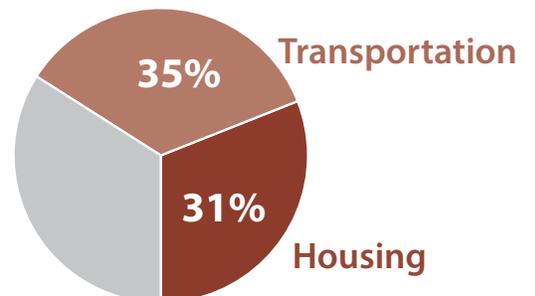
Housing Type

Wharton County's homes are mostly single-family residences.



Living Costs

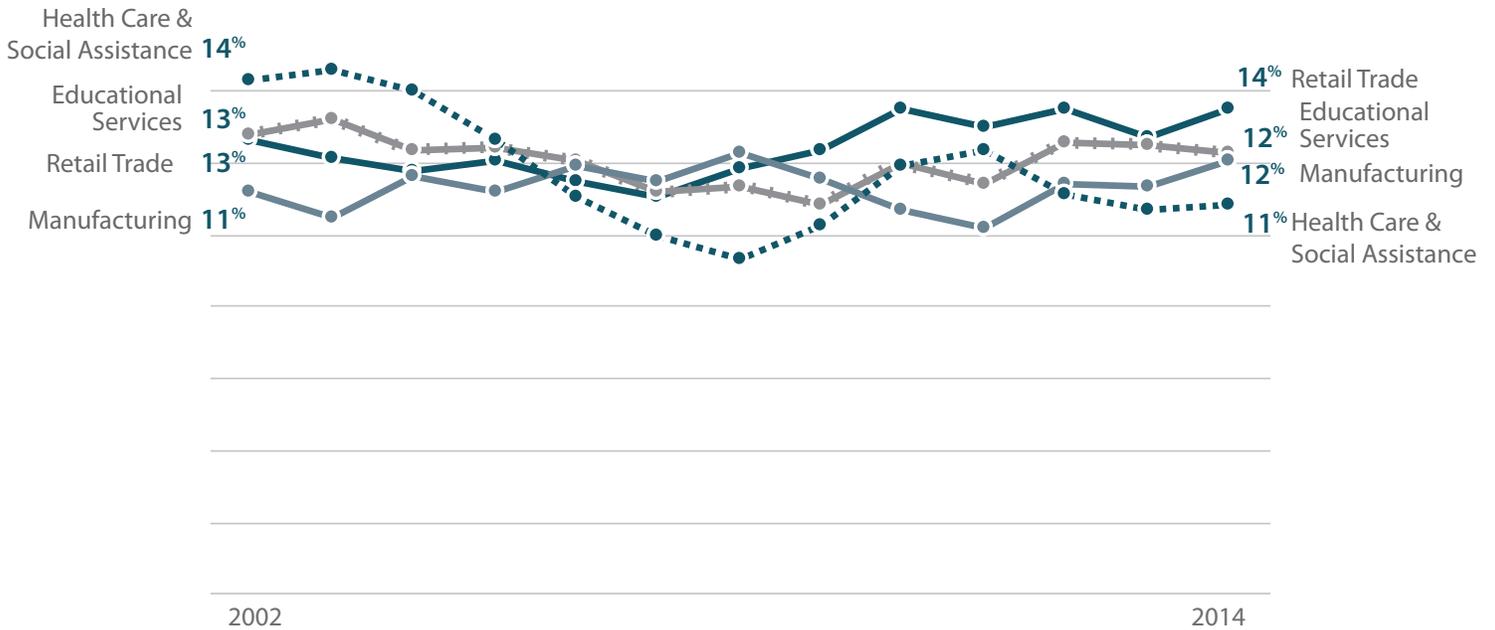
Wharton County households spend 66% of their income on transportation and housing.



Economy

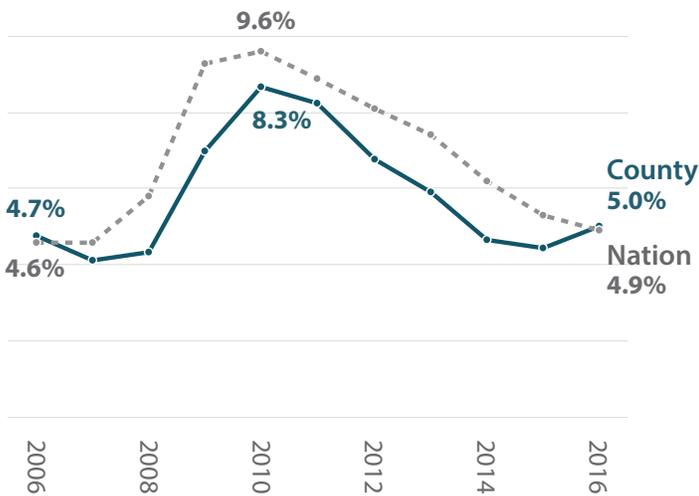
Top Industries by Percent of Overall Jobs

Employment in Wharton County between 2002 and 2014 stayed largely in four major industries: Health Care & Social Assistance, Educational Services, Retail Trade, and Manufacturing.



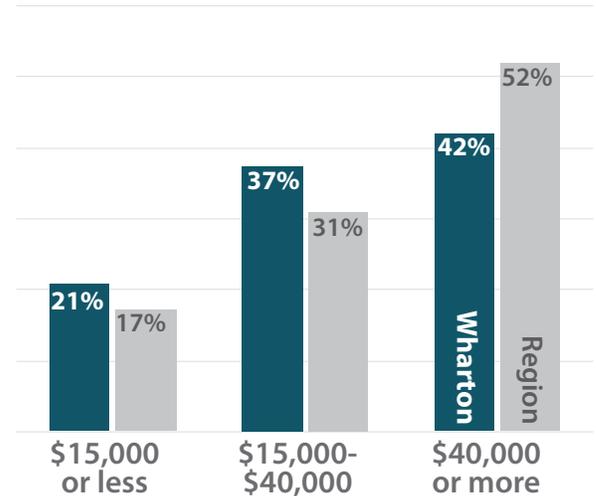
Unemployment Rate

Wharton County's unemployment mirrors national trends, and was higher than the nation in 2016.



Earnings of Residents

Around 40% of Wharton County residents earn more than \$40,000 annually, a lower percentage than the region.



Education, Hazard Risks, and Commute

Median Earnings by Educational Attainment

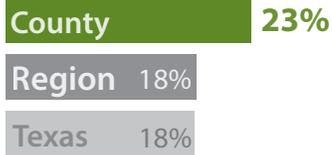
A Wharton County resident with a graduate or professional degree makes, on average, \$34,400 more than a resident with less than a high school education annually.



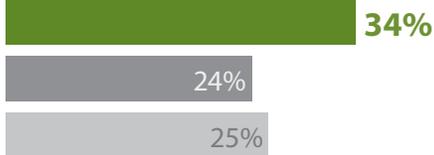
Educational Attainment

A lower percentage of Wharton County residents have completed a bachelor's degree or more than the region and state.

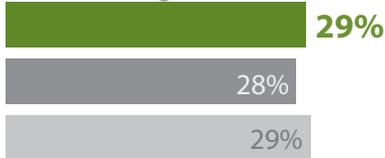
Less than High School



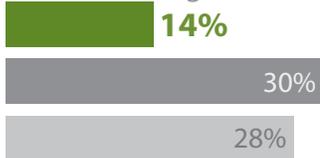
High School or Equivalency



Some College or Associate's

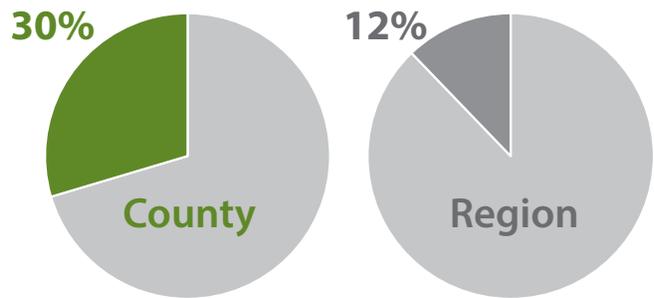


Bachelor's Degree or More



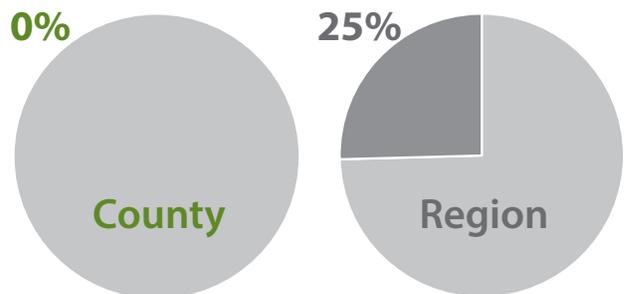
Residents in 100-year Floodplain

A larger percentage of Wharton County residents live in a 100-year floodplain than the region.



Residents in Hurricane Evacuation Zone

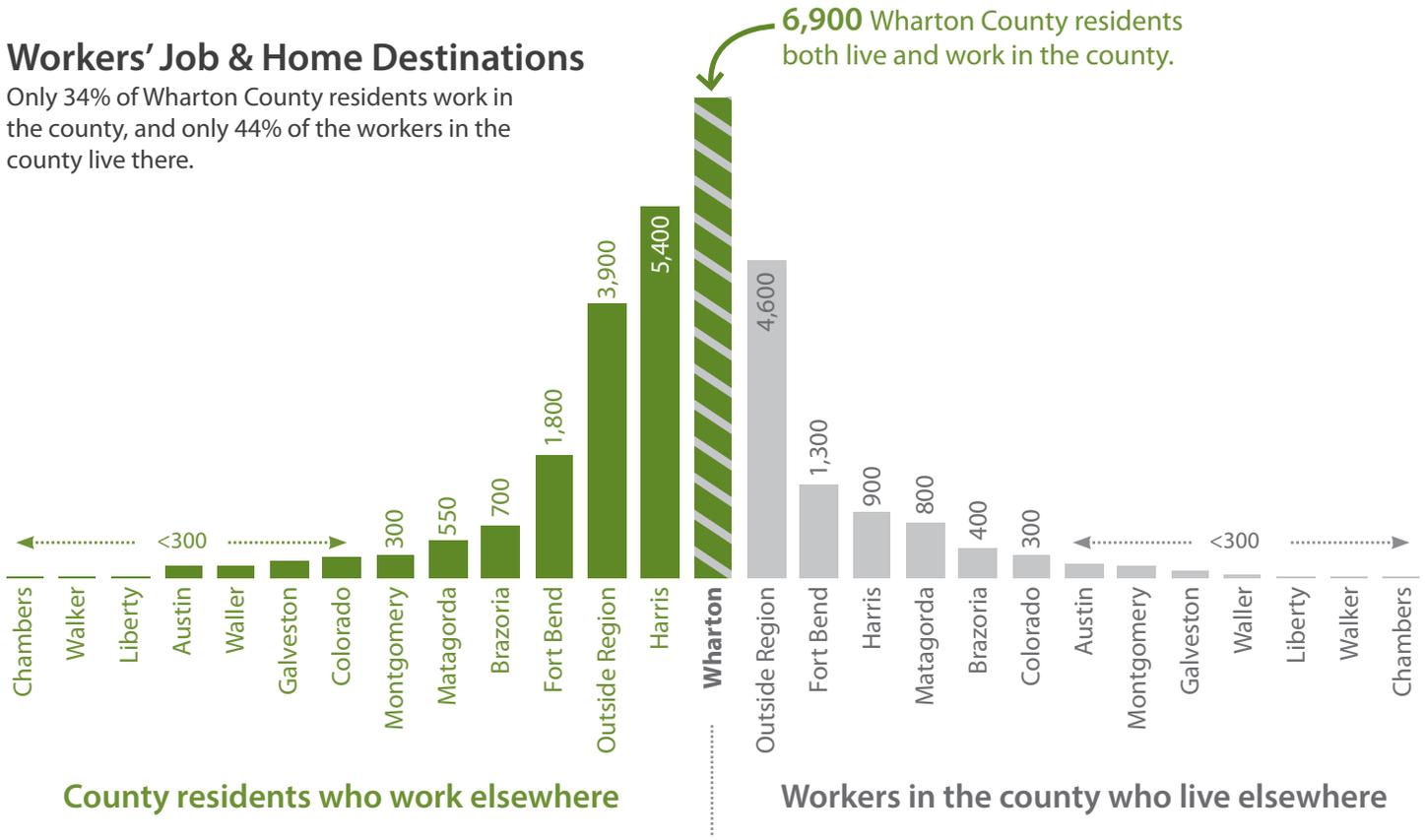
No Wharton County residents live in a hurricane evacuation zone, as opposed to 25% of the region's residents.



Education, Hazard Risks, and Commute

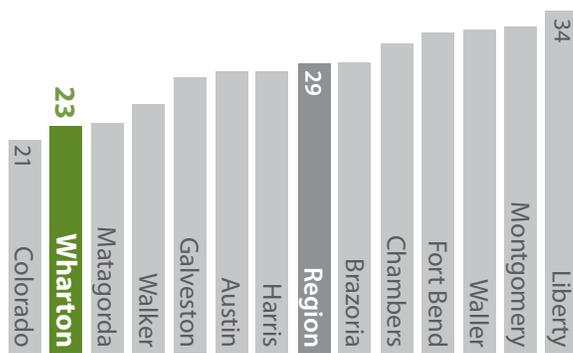
Workers' Job & Home Destinations

Only 34% of Wharton County residents work in the county, and only 44% of the workers in the county live there.



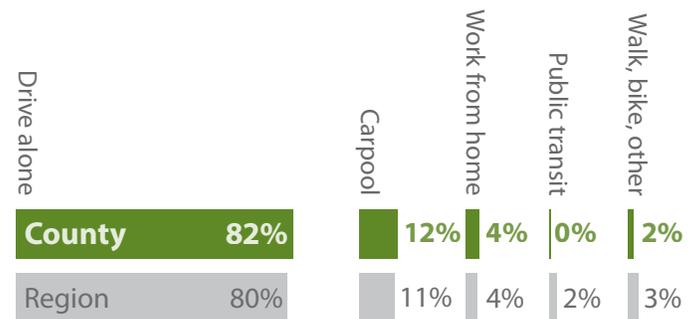
Mean Commute to Work (minutes)

Wharton County workers have a shorter average commute than the region as a whole.



Commute Mode to Work

A higher percentage of Wharton County workers drive to work compared to the region as a whole.



Economic Clusters

A cluster is a concentration of related businesses that make the area more competitive in those industries. Clusters exist where a set of related industries in a given location reach critical mass. Clusters enhance productivity and spur innovation by bringing together technology, information, specialized talent, competing companies, academic institution, and other organizations.

Traded clusters are groups of related industries that serve markets beyond the region in which they are located. Local clusters, in contrast, consist of industries that serve the local market. They are prevalent in every region of the country, regardless of the competitive advantages of a location.

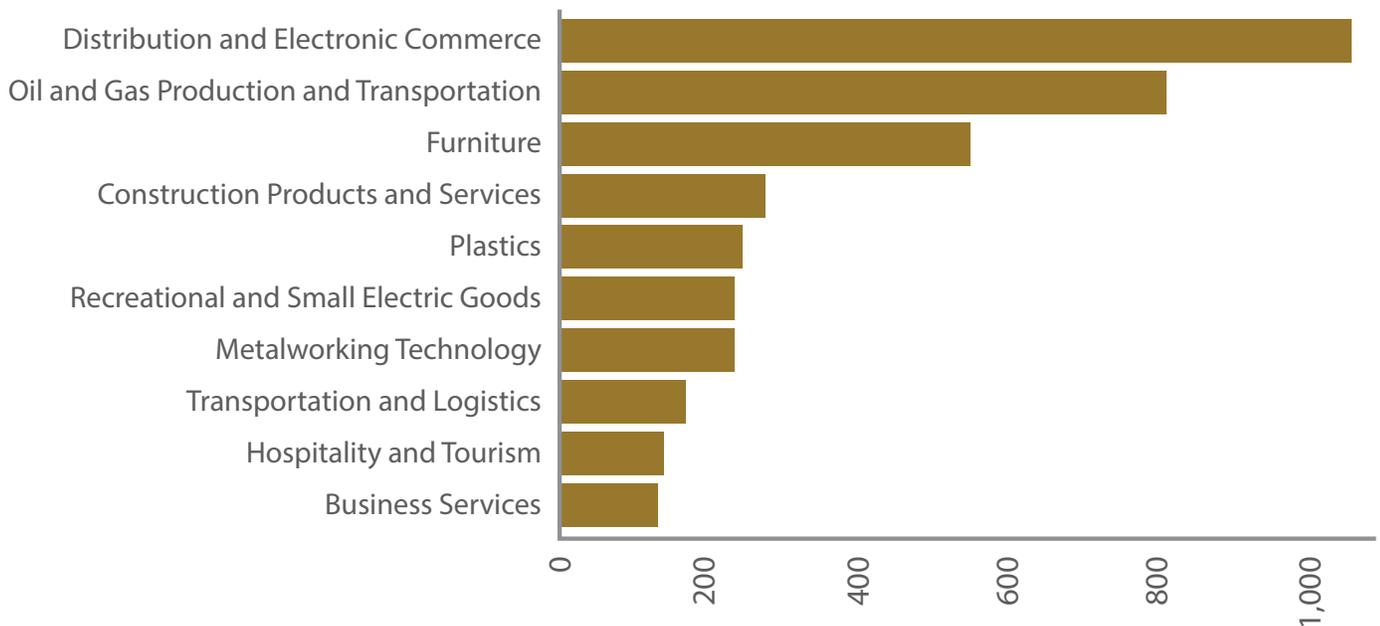
Traded v. Local Clusters

This diagram demonstrates the county's split between the traded and local sectors of the economy, based on 2014 data from the U.S. Census.



Employment by Cluster

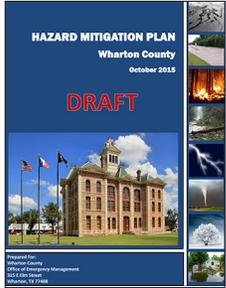
This bar graph demonstrates Wharton County's employment by each cluster. It is based on 2014 data from the U.S. Census.



Local Planning

This plan highlights efforts in Wharton County to plan for disaster recovery and economic resiliency.

Wharton County Hazard Mitigation Plan



Wharton County and a partnership of local governments within the county have developed and maintained the Wharton County Hazard Mitigation Plan to reduce risks from natural disasters. Hazard mitigation is the use of long- and short-term strategies to reduce or alleviate the loss of life, personal injury, and property

damage that can result from a disaster. It involves strategies such as planning, policy changes, programs, projects, and other activities that can mitigate the impacts of hazards. It is impossible to predict exactly when and where disasters will occur or the extent to which they will impact an area. However, with careful planning and collaboration among public agencies, stakeholders, and citizens, it is possible to

minimize losses that disasters can cause. The responsibility for hazard mitigation lies with many, including private property owners; business and industry; and local, state, and federal government.

The top five mitigation actions from the plan are:

- Undertake bridge and culvert drainage improvements throughout the county.
- Update the Wharton County Flood Insurance Study and FIRMs to include detail floodplain information for all streams in Wharton County.
- Adopt “Higher Standard” Riverine Flood Damage Prevention Ordinances and Standards.
- Provide training for community floodplain managers (CFMs) and community emergency managers (CEMs).
- Subdivision ordinance requires developers to establish a permanent survey monument in each new subdivision.

Data Sources

Wharton County Overview

1. Texas State Historical Association
2. Texas State Historical Association
3. U.S. Census
4. City of Wharton
5. U.S. Census
6. Wharton County Junior College
7. Wharton County Economic Development Corporation
8. Wharton County Economic Development Corporation
9. USDA Census of Agriculture
10. USDA Census of Agriculture

Recent Disruptions to the Economy

11. National Weather Service
12. Federal Reserve Bank of Saint Louis, U.S. Bureau of Labor Statistics

Graphics

- County Boundaries Map. Houston-Galveston Area Council, 2017.
- County Land Use Map. Houston-Galveston Area Council, 2017.
- Population Growth Forecast. Houston-Galveston Area Council, 2017.
- Residents Per Square Mile. Houston-Galveston Area Council, 2017.
- Age. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table B01001.
- Median Household Income. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table S2503.

Poverty Rate. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table S1701.

Building Permits Issued. U.S. Census Bureau, Building Permits Survey, 1990-2015.

Housing Tenure. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table DP04.

Vacant Housing Units. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table DP04.

Housing Type. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table DP04.

Living Costs. Center for Neighborhood Technology 2013 H+T® Index.

Top Industries by Percent of Overall Jobs. U.S. Census Bureau, 2002-2014, OnTheMap Application, Longitudinal-Employer Household Dynamics Program.

Unemployment Rate. U.S. Bureau of Labor Statistics, Local Area Unemployment Statistics, 2006-2016.

Earnings of Residents. U.S. Census Bureau, 2014, OnTheMap Application, Longitudinal-Employer Household Dynamics Program.

Median Earnings by Educational Attainment. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table B20004.

Educational Attainment. U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table S1501.

Residents in 100-year Floodplain. Houston-Galveston Area Council, 2017.

Residents in Hurricane Evacuation Zone. Houston-Galveston Area Council, 2017.

Workers' Job & Home Destinations. U.S. Census Bureau, 2014, OnTheMap Application, Longitudinal-Employer Household Dynamics Program.

Mean Commute to Work (minutes). U.S. Census Bureau, 2011-2015 American Community Survey, 5-Year Estimates, Table S0802.