2025 ECONOMIC FORUM & LUNCHEON

Insights to Our Economic Future

TEXAS A&M UNIVERSITY-KINGSVILLE COLLEGE OF BUSINESS ADMINISTRATION

ECONOMIC FORUM & LUNCHEON

Sponsored by Kleberg Bank

Wednesday, October 29, 2025, 11:30 a.m. - 1 p.m.

Caesar Kleberg Wildlife Center

11:50 - 12:00 p.m. **Welcome and Introductions**

- *Dr. Brent Kinghorn*, Interim Dean, Texas A&M-Kingsville College of Business Administration
- *Dr. Thomas Krueger*, J.R Manning Professor of Innovation in Business Education & Chair, Department of Accounting & Finance, Texas A&M-Kingsville

12:00 - 12:35 p.m. **"The Importance of Local Banking: Defining Community and a Return to Subsidiarity"** by Christopher Williston, President and CEO of Independent Bankers Association of Texas

12:35 - 1:00 p.m. **"A Comparison of Kleberg County, Calhoun County, and Wilson County, Three South Texas Counties with Similar Bank Conditions"** by Dr. Thomas Krueger

TEXAS A&M UNIVERSITY KINGSVILLE®

COLLEGE OF BUSINESS ADMINISTRATION

Presenters

Christopher Williston, CEO

President and CEO of Independent Bankers Association of Texas, served nine years prior including Chief Operations Officer

"The Importance of Local Banking: Defining Community and a Return to Subsidiarity"

Christopher Williston is the President and CEO of the Independent Bankers Association of Texas, the largest state association dedicated exclusively to community bank advocacy. Prior to leading IBAT as President and CEO, Williston served the association for nine years in numerous roles, including Chief Operations Officer.

Williston has been recognized for his service to the association industry. He is a Past Chairman of the Texas Society of Association Executives, an organization that also honored him with its Young Professional Leadership Award and Chairman's Award.

In service of the community, Christopher and his wife, Michelle, founded The Mary Claire Project. Since 2016, the project has assisted hundreds of families in celebrating the lives of their children lost before birth. Williston also serves on the board of directors of a small, classical school in the Austin area. He is a graduate proud Horned Frog – a graduate of both TCU and Brite Divinity School at TCU. He and Michelle, live in the Austin area and have six children.

Thomas Krueger, DBA

J.R. Manning Endowed Professor of Innovation in Business Education and Chair, Department of Accounting and Finance

"Kleberg County's Technological Landscape and Local Economic Trends"

Thomas Krueger is the J. R. Manning Endowed Professor of Innovation in Business Education at Texas A&M-Kingsville. He holds a B.S. (Business Education) from the University of Wisconsin-Eau Claire, an MBA from Minnesota State University, and a DBA in Finance from the University of Kentucky. Before joining Texas A&M-Kingsville, he taught at the University of North Carolina at Charlotte (1986-1989) and the University of Wisconsin-La Crosse (1989-2010), where he chaired the Finance Department from 1993 to 1999.

Since joining Texas A&M-Kingsville in 2011, Dr. Krueger has taught a variety of undergraduate and graduate courses. Recent course offerings have included Business Finance, Financial Ranch Management (as part of the King Ranch Institute for Ranch Management Program), and Financial Management and Sustainability. He has served as chair of the Accounting and Finance Department in the College of Business Administration from 2013 to 2014 and from 2016 to the present, totaling a decade in this role.

As of October 2025, Dr. Krueger has authored over 130 refereed journal articles, which have been cited more than 1,930 times in other articles. Demonstrating the current relevance of his research, 665 of these citations have been in the past five years. His i10-statistic is 27, indicating that 27 articles have been cited 10 or more times, with an i10 rating of 14 in the past five years. His most widely-read article, titled "The Super Bowl Stock Market Predictor," was published in the top-tier Journal of Finance. Other research has resulted in winning nine "Best in Track" awards and two "Distinguished Research" awards at national finance meetings. He was also chosen to be the recipient of the 2015 "Teaching Excellence Awards," an acknowledgement as the best instructor in the finance discipline, by the Academy of Finance, an international association of finance academic professionals. Dr. Krueger had a six-year streak (2014-2019) of winning the CBA's Distinguished Researcher Award, which he repeated for the 2024-2025 academic year. In addition to chairing the Department of Accounting and Finance, Dr. Kruger has been a member of the Texas Higher Education Coordinating Board's Graduate Education Advisory Committee (2016-2019). His service was recognized with the inaugural TAMUK Faculty Service Award in 2024. He lives in Kingsville with his wife of forty years; they have three children and five grandchildren.

Statement of Purpose

The 2025 Economic Forum booklet provides a comprehensive analysis of regional economic indicators for Kleberg County, Texas. This research is a valuable resource that has been conducted by the Texas A&M University-Kingsville's (TAMUK) College of Business Administration for over a decade. Part 1 encompasses a wide range of demographic data, while Part 2 delves into economic conditions. These sections compare the financial services landscape of three Texas counties — Kleberg County, Calhoun County, and Wilson County — to provide insights into the banking environment and its impact on economic and demographic trends. Part 3 presents insights from local business managers, residents, and students about economic conditions and preferred government spending based on a survey of 441 individuals. This report expands on the economic information originally provided in 2012 and updated annually, providing decision-makers with a robust tool for strategic planning and a deeper understanding of Kleberg County.

Mr. Christopher Williston VI, President and CEO of the Independent Bankers Association of Texas (IBAT), will be the keynote speaker. IBAT is the largest state association dedicated exclusively to bank advocacy. Before taking the helm of IBAT, Mr. Williston served for nine years in various roles, including Chief Operations Officer. He also served as the Director of Communications for the National Association of Insurance and Financial Advisors. The Texas Society of Association Executives has awarded Mr. Williston its Young Professional Leadership Award and Chairman's Award. He is a graduate of Texas Christian University and its Brite Divinity School. Mr. Williston's speech for this event is titled "The Importance of Local Banking: Defining Community and a Return to Subsidiarity," which is a topic that is vital to Kleberg County as it charts its path forward.

The 2025 Economic Forum is sponsored by Kleberg Bank, under the leadership of COO and President Mr. Brad Womack, in partnership with the Texas A&M University-Kingsville College of Business Administration, led by Interim Dean Brent Kinghorn. Consistent with last year's topic, the Grammarly grammar assistant was used to enhance this report. The final proofreading was done by Mr. Harmeet Singh, Professor of Practice in the CBA. The author thanks his graduate assistant, Mr. Somesh Kumar, for conducting the surveys and assisting in the booklet creation. Mr. Nick Harrel has graciously allowed the survey to be conducted at Harrel's Pharmacy every year since 2015. Since the first Economic Forum, Ms. Selina Kieschnick has contributed to program promotion, booklet production, and logistical coordination with keynote speakers. All errors and omissions remain my responsibility. Please get in touch with me with suggestions for improving the Economic Forum, booklet, or future speakers.

Specific goals of the project include:

- Assist business owners by supplying key indicators of local economic vitality
- Identify trends in order to put the current economic condition in perspective
- Contrast Kleberg County to other relevant regions in order to enhance our understanding
- Develop specific economic measures that are not readily available
- Act as a storehouse of these economic fundamentals and trend insights
- Develop and refine tools to assess Kleberg County's economic condition
- Bring academic and business professionals together for discussion about key local issues
- Create a business recruitment and retention tool by publishing this information

Prior Economic Forum Topics

Dating back to 2012, the 2025 Economic Forum is the 15th time this analysis of local economic conditions has been hosted by Texas A&M University–Kingsville. Since 2014, the Economic Forum has been the premier Fall event of the College of Business. Past Economic Forum titles, benchmark counties, and keynote speakers are presented in Table 1. Special thanks go to Mr. Brad Womack of Kleberg Bank for supporting the Economic Forum since its inception and to all attendees and survey respondents. This effort would not be possible without them, as well as Dean Tom Dock, Dean Natalya Delcoure, and Dean Brent Kinghorn.

Table 1. Past Economic Forum Topics and Keynote Speakers	
2012	Kleberg County compared to two adjacent counties Benchmark counties: Brooks County, Jim Wells County Keynote Speaker: Keith Phillips, Senior Economist, U.S. Federal Reserve – Dallas
2013	Kleberg County long-term 1970-2013 economic trends Benchmark counties: Kleberg County 1970-2013 Keynote Speaker: Keith Phillips, Senior Economist, U.S. Federal Reserve – Dallas
2014	Kleberg County compared to two Local Counties with Similar Population Benchmark counties: Aransas County, Bee County Keynote Speakers: Vincent J. Capell, Kingsville City Manager
2014	Kleberg County compared to two Local counties with Greater Drilling Activities Benchmark counties: Jim Wells County and Live Oak County Keynote Speaker: Barbara Canales, Commissioner, Port of Corpus Christi
2015	Kleberg County compared to two counties with similarly sized TAMUS Universities Benchmark counties: Randall County and Waller County Keynote Speaker: Judy Halley, Commissioner and Chair, Port of Corpus Christi
2016	Kleberg County compared to two Texas counties with the Next-Larger Populations Benchmark counties: Fannin County and Titus County Keynote Speaker: Aaron Farmer, Senior Vice President, Retail Coach
2017	Kleberg County's Recent Trends Benchmark counties: Five-Year Anniversary edition focused on 2012 to 2017 Keynote Speaker: Steven Murdock, Past Director, U.S. Census Bureau
2018	Kleberg County compared to two similar counties in the SBA Lower Rio Grande District Benchmark counties: Aransas County and Starr County Keynote Speaker: Angela Burton, District Director, SBA Lower Rio Grande Valley
2019	Kleberg County compared to two counties with similar oil well counts Benchmark counties: McCulloch County and Zapata County Keynote Speaker: Christi Craddick, Commissioner, Texas Railroad Commission
2020	Kleberg County compared to two counties with similar COVID-19 levels Benchmark counties: Fayette County and Madina County Keynote Speaker: Glenn Hegar, Texas Comptroller
2021	Kleberg County occurrence and consequences of the COVID-19 pandemic Benchmark counties: Matagorda County and Willacy County Keynote Speaker: Lloyd Potter, Ph.D., State of Texas Demographer
2022	Kleberg County's population and economic growth between decennial censuses Benchmark counties: Bee County, Karnes County Keynote Speaker: Robert Allen, President & CEO, Texas Economic Development Corporation
2023	Kleberg County's economy and tourism industry Benchmark counties: Aransas County, La Salle County Keynote Speaker: Adriana Cruz, Exec. Director, Business & Tourism, TX Governor Abbott's Cabinet
2024	Kleberg County's technological landscape Benchmark counties: San Patricio County, Val Verde County Keynote Speaker: Brian Picard, Business Operations Specialist, Dell Technologies

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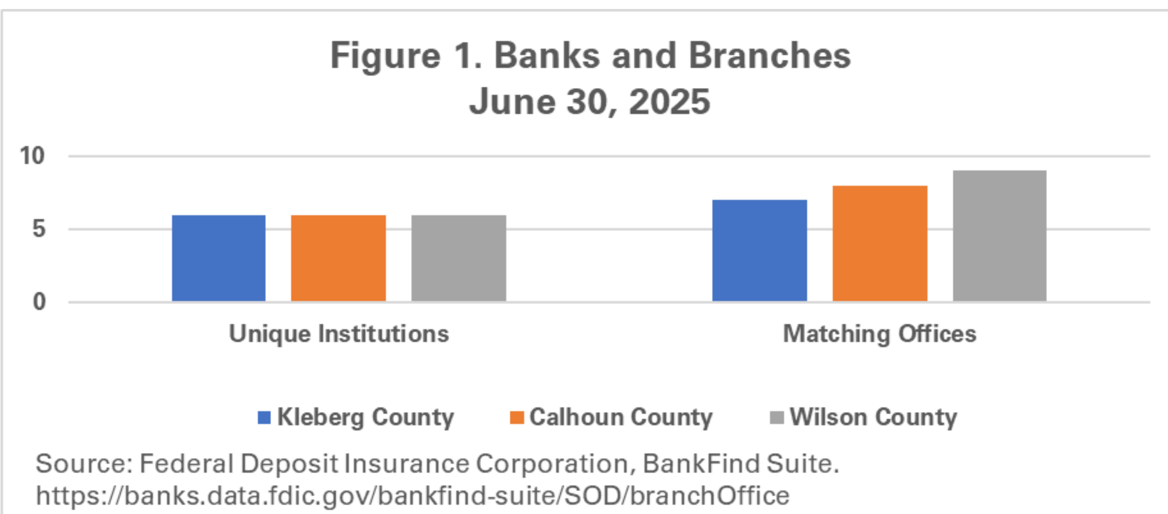
County Financial and Housing Environment

Banking Landscape

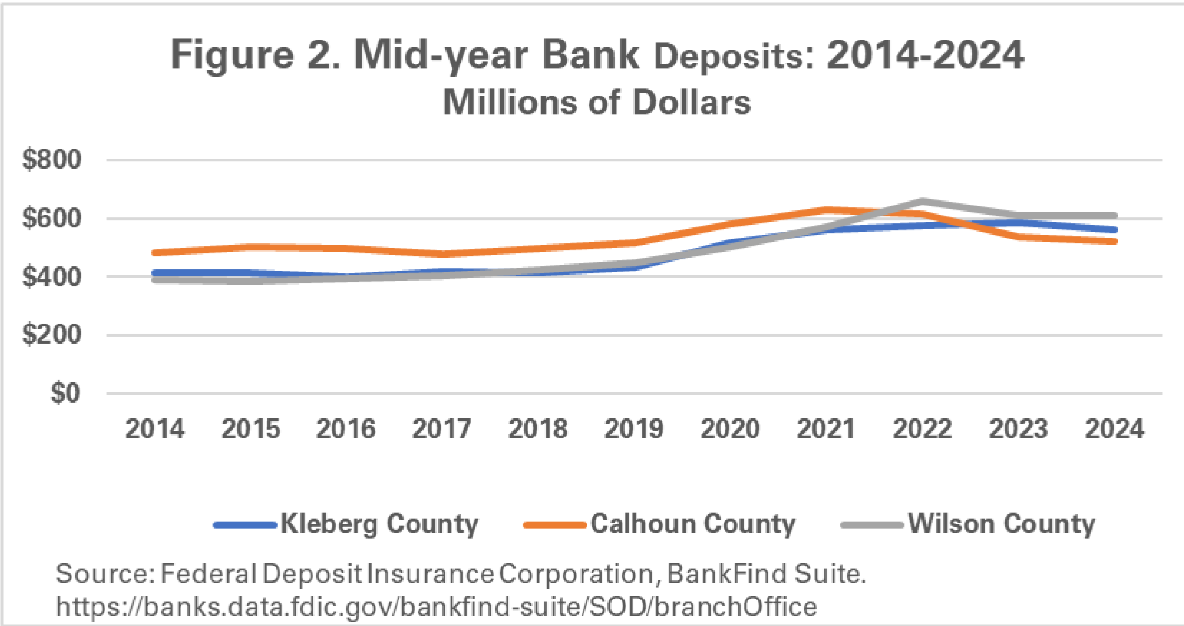
Since its formation in 1974, the Independent Bankers Association of Texas (IBAT) has grown to be the nation's largest state community banking organization. Led by Mr. Christopher Williston, IBAT's membership comprises more than 2,000 banks serving over 700 Texas Communities. Local banking members include Kleberg Bank, American Bank Holding Corporation, Texas Champion Bank, and ValueBank. Likewise, IBAT member bank assets range from $27 million to $39 billion, with combined assets of $256 billion statewide. Besides providing banking services, IBAT members are committed to supporting and investing in their local communities, as exemplified by Kleberg Bank's continual sponsorship of the Economic Forum, which is celebrating its 15th anniversary this year.

Despite the growth of online banking, the banking environment characteristic that usually comes to mind first is the number of banks and branches in the region. According to the Federal Deposit Insurance Corporation, on June 30, 2025, six unique banking institutions are located in Kleberg County. The counties chosen for benchmarking Kleberg County's economic prosperity are Calhoun County and Wilson County, which also have six unique banking institutions. Calhoun County is located in northeast Texas, along the Gulf Coast, with Port Lavaca as its county seat. Port Lavaca is 140 miles from Kingsville. Wilson County is located 30 miles from San Antonio, with Floresville serving as its county seat. Floresville is approximately 130 miles from Kingsville.

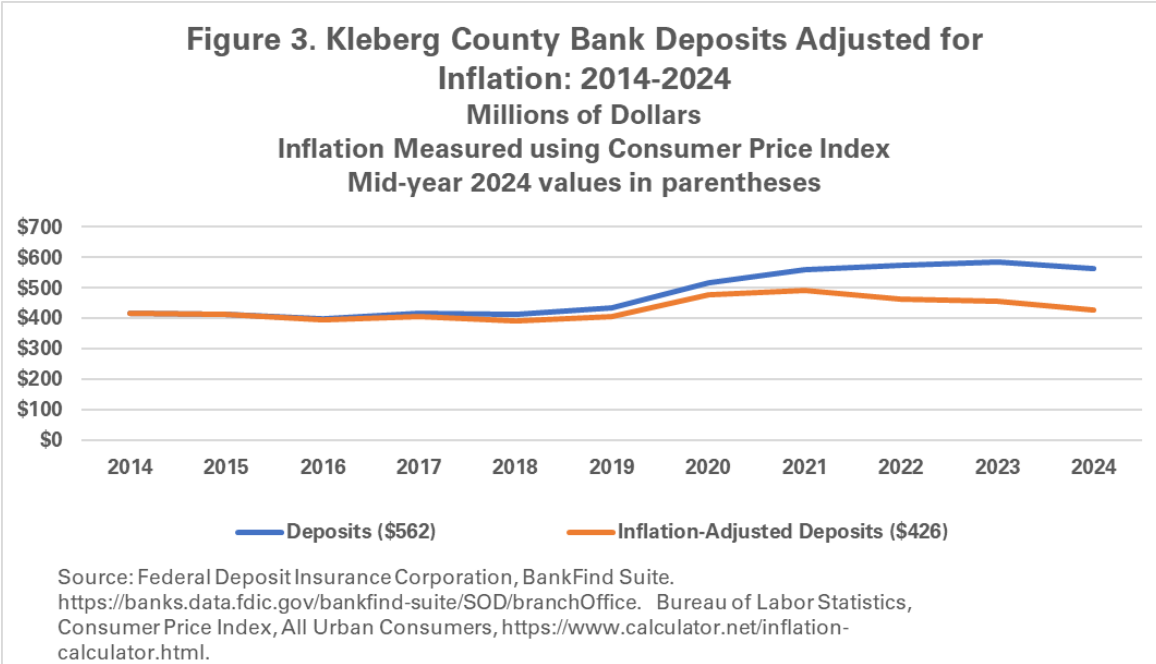


The closer proximity to a larger population is probably why the number of branches in Wilson County is the largest, as depicted by the gray bar on the right side of Figure 1. With three additional branches, it has nine total matching offices, to Kleberg County's 7, shown in blue. Calhoun County, which is displayed in orange in this report, comes in between these, with eight matching offices. There are many similarities between the three counties in terms of unique banking institutions and matching offices.

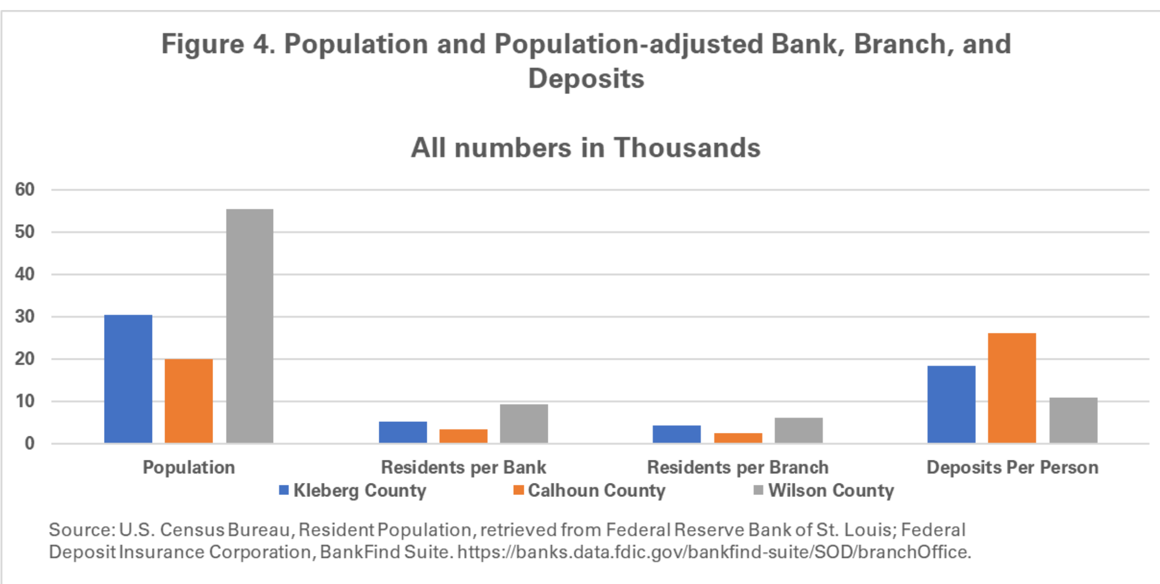
The second banking environment characteristic that comes to most people's minds is the level of deposits at the local banks. Banking deposits over the 2014 to 2024 period are exhibited in Figure 2. The graphic reveals the relative consistency of Kleberg County, with a deposit level that is between the benchmark counties in 2014 and again in 2024. However, the order of the benchmark counties has changed. In 2014, Calhoun County residents had the most money on deposit, but by 2024, likely due to the growth of San Antonio, Wilson County had the most deposits.



While bank deposits are typically stated in terms of dollars at the bank, an analysis of deposits over time has to consider their purchasing power. To illustrate the importance of this consideration, Kleberg County deposits are reported both with and without inflation adjustment, using blue and orange bars, respectively, in Figure 3. Without adjustment for inflation, deposits increased from $415 million to $562 million, representing a 35 percent rise. However, in terms of purchasing power of the money on deposit, the value of Kleberg County bank deposits rose by only 3 percent, from $415 million to $426 million. The adjustment is consistent with the 32 percent increase in costs experienced over the past decade, as measured using the Consumer Price Index.



The region's population is the other key consideration when evaluating whether a County is rich in terms of banking resources. Justification for subsequent comparison to Calhoun County and Wilson County can be witnessed in Figure 4, where we find Kleberg County's population to be midway between that of Calhoun County and Wilson County. The second set of bars was obtained by dividing the population by the number of banks. As shown in Figure 1, each county has six unique banks. Hence, the second set of bars has the same relationship as that found in the first set of bars. The number of residents per branch does not follow the same pattern because the number of branches rose across the benchmark counties, as shown in Figure 1. Hence, the relative advantage of Wilson County in terms of residents per branch has shrunk.

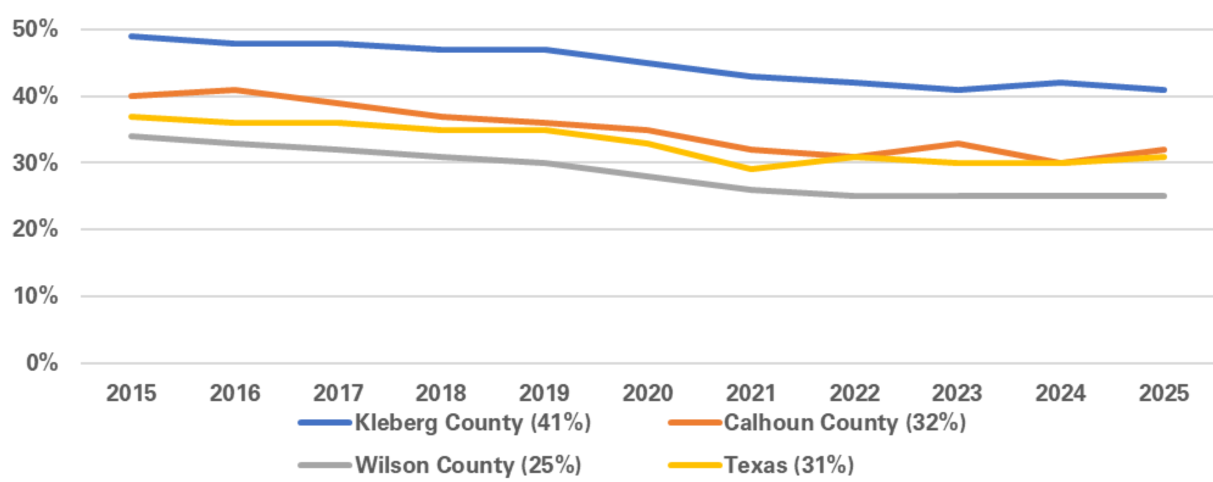


The consideration of bank deposits, presented in Figure 2, based on county population, is illustrated in the right set of bars shown in Figure 4. Due to its smaller population, Calhoun County rates highest on this measure of bank utilization. Although bank deposits in Wilson County have risen the most, the increase has not kept pace with the population growth, resulting in Wilson County having the lowest level of deposits per resident.

The banking industry's strength and the financial success of its residents are closely linked. To assess resident financial conditions, Exhibit 9 reveals the proportion of the population with a subprime credit rating over the past decade, as labeled by the credit-reporting agency Equifax, which refers to individuals with a credit score under 660. Supported by a strong banking environment, there has been a recognizable drop in the percentage of the population with subprime credit in all three listed counties and Texas overall. For instance, the percentage of loan applications with a subprime credit score, as defined by the Equifax credit reporting agency as a credit score of 660 or less, stood at 49.0 percent in Kleberg County in 2015. Earlier this year, this percentage had declined to 41.0 percent. Over the years, the decline has been relatively consistent, if not almost monotonic. Nevertheless, the proportion of subprime loan requests in Kleberg County is still the highest among the studied jurisdictions. Kleberg County's 8 percent drop is slightly better than that found across Texas, which saw a decline of 6 percent in those with subprime credit scores.

Kleberg County, however, began the past decade with a higher 49 percent subprime rate. To assess whether subprime loan applications have decreased, one must consider the decline in loan requests from subprime borrowers in relation to the percentage of loans that had subprime credit scores in 2015. Hence, the gap closure has been 16.3 percent (i.e., 8%/49%) in Kleberg County, while Texas overall has experienced a 16.2 percent (i.e., 6%/37%) gap closure. Hence, as shown in Figure 5, the increase in borrower strength has paralleled the statewide trend.

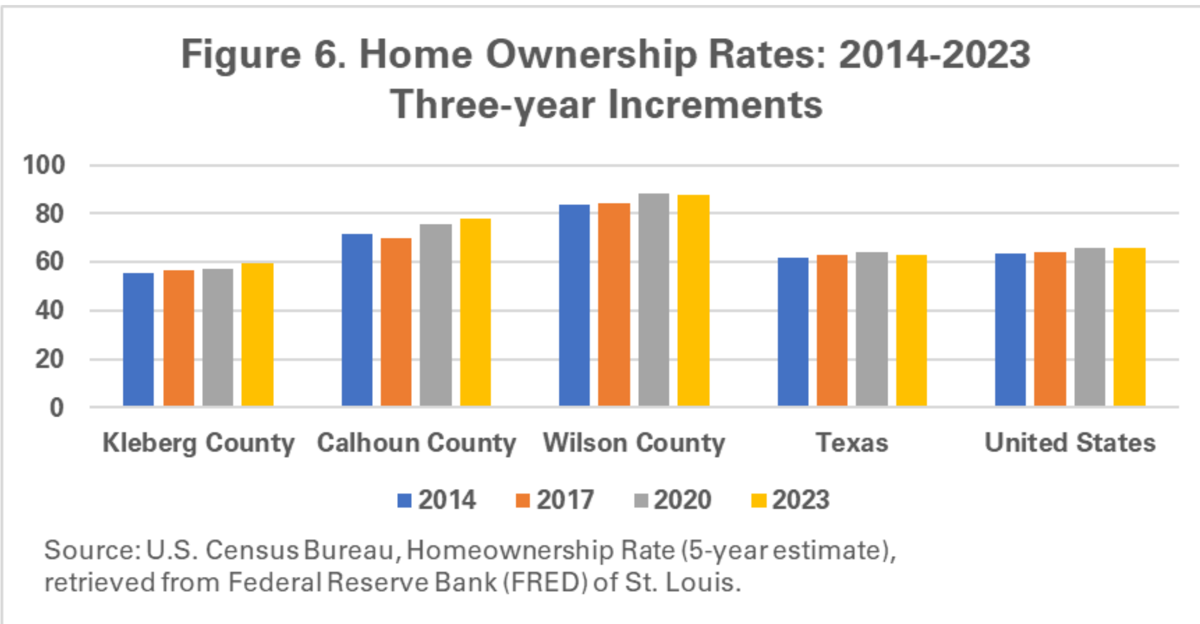
Figure 5. Equifax Subprime Credit Population: 2015-2025
Percent of Population with Credit scores below 660
2025 percentage in parentheses



Source: Equifax and Federal Reserve Bank of New York, Equifax Subprime Credit Population, retrieved from FRED, Federal Reserve Bank of St. Louis.

Housing Conditions

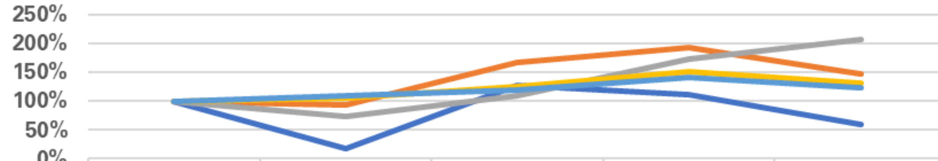
Perhaps the key relationship that most residents have with their bank revolves around home purchases. Therefore, the Kleberg County housing market is a separate component of this year's analysis. Home ownership rates across time, using three-year increments, are displayed in Figure 6. Home ownership, defined as the percentage of households that own their homes, which may be with an outstanding mortgage, has risen slightly in each set of bars. In Kleberg County, for instance, the home ownership rate rose from 56 percent in 2014 to 59 percent in 2023. Calhoun County has the largest increase in the home ownership ratio, rising from 72 percent to 78 percent. The most recent data reveal that Wilson County has the highest ownership rate, at 88 percent.



A key driver of home ownership is the availability of housing. As illustrated by the blue line in Figure 7, new housing permits in Kleberg County have been consistently lower and more volatile than in any other studied area. On average, during the two-year 2015-2016 period, 32 permits were issued annually for new private housing in Kleberg County. This 32-unit annual level is set as a base of 100, and subsequent two-year periods are contrasted to it.

There was almost no new housing during the 2017-2018 period, as illustrated by the steeply sloped downward blue line in Figure 7. During these two years, eleven building permits were issued, with the number of housing permits being only 17 percent of what it had been over the 2015-2016 period. The highest relative building period was 2019-2020, when 81 new building permits were issued. The annual number of new building permits fell back to 61 during the 2021-2022 timeframe. Recently, the yearly number of new building permits tanked in the 2023-2024 period, when the U.S. Census Bureau reported that only 38 new structures were built. At a rate of 19 permits per year, new housing permits were only 59 percent of the 2015-2016 average.

Figure 7. New Private Housing Structures Authorized By Building Permits: Two-year Windows
Perentage of 2015-2016 New Housing Structures
(2023 & 2024 Housing Permits in parantheses)



	2015-2016	2017-2018	2019-2020	2021-2022	2023-2024
Kleberg County (38)	100%	17%	127%	111%	59%
Calhoun County (71)	100%	94%	167%	194%	147%
Wilson County (306)	100%	74%	109%	173%	207%
Texas (445,658)	100%	106%	125%	151%	131%
United States (35,818,000)	100%	108%	119%	142%	124%

Source: U.S. Census Bureau, New Private Housing Structures Authorized by Building Permits, retrieved from FRED, Federal Reserve Bank of St. Louis; August 5, 2025.

During the 2015-2016 period, there were 33 more building permits in Calhoun County and 109 more in Wilson County. All three counties and the State of Texas experienced a slowdown in the 2017-2018 period, followed by a rise in building activity from 2019 to 2022. During the last years, the number of new building permits in Calhoun County has decreased by 24 percent, which leaves new building permits at a pace that is well ahead of the 46 percent drop in Kleberg County.

Given Wilson County's proximity to San Antonio, it is not surprising that the number of new building permits each year is twice what it was during the 2015-2016 base period. In fact, its growth rate is somewhat of an outlier compared to other political jurisdictions, including Texas and the United States as a whole. However, the rate of new housing for even the lowest of these, the United States overall, is still up 24 percent from its 2015-2016 base period.

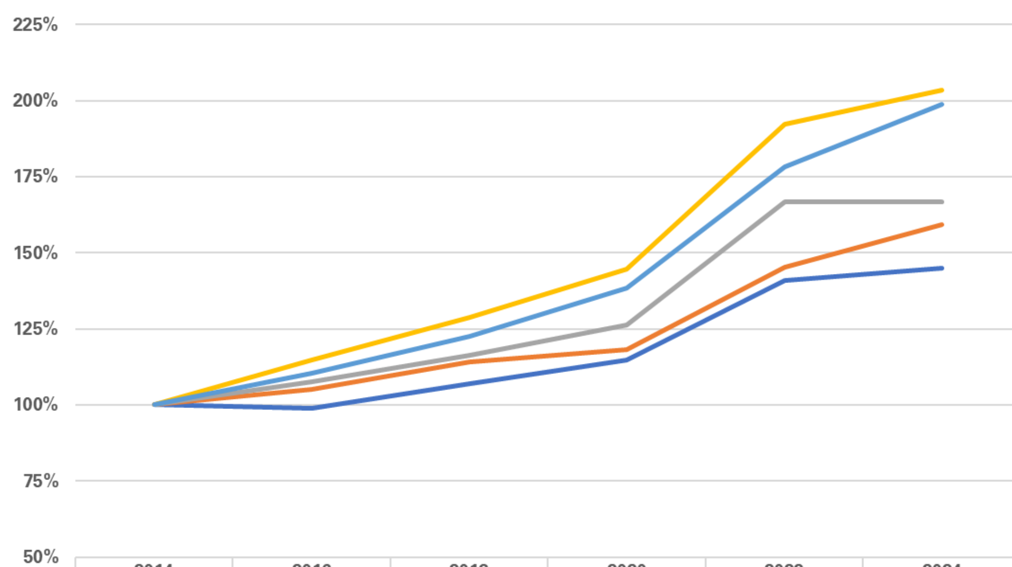
Housing costs, in addition to housing availability, significantly influence the decision to own a house. The relative price of housing across all housing sizes (i.e., single-family homes, duplexes, multi-family housing) during the 2014-2024 decade is reported in Figure 8. Despite the lower number of units being built, housing prices in Kleberg County are relatively low, as illustrated by a blue line that tracks below that of the other studied political jurisdictions.

Of course, the lower level of housing prices may also be a reason that builders have eschewed constructing housing in Kleberg County. Support for this contention is found early in the studied period. As reported in Figure 7, the decline in the number of new homes in the 1917-1918 period was preceded by a decrease in housing prices in 2016. Meanwhile, over the 2014-2016 period, new housing prices had increased elsewhere from 5 percent in Calhoun County to 15 percent, on average, across Texas. House prices in Kleberg County increased fairly rapidly over the next six years; however, its 42 percent (141 - 99%) price surge was only two-thirds of the 68 percent (i.e., 178% - 110%) found nationwide. The low

price growth during the past two years, from 141 percent to 145 percent of 2014 levels, is again during a time when local house building has been in the doldrums.

Despite the recent slowdown, Kleberg County's house price escalation over the 2016-2022 period has left prices at levels comparable to those of the benchmark counties. Specifically, compared to Kleberg County's 45 percent increase in price, housing prices rose 15 percent more in Calhoun County and 22 percent more in Wilson County. However, housing prices in South Texas have paled in comparison to the growth rate across the United States, which is 99 percent (i.e., almost doubling), and in Texas, particularly, where prices have more than doubled.

Figure 8. Increase in All-Transactions Housing Prices: 2014-2024
2014 = 100%



	2014	2016	2018	2020	2022	2024
Kleberg County	100%	99%	107%	115%	141%	145%
Calhoun County	100%	105%	114%	118%	145%	159%
Wilson County	100%	108%	116%	126%	167%	167%
Texas	100%	115%	129%	145%	192%	204%
United States	100%	110%	122%	138%	178%	199%

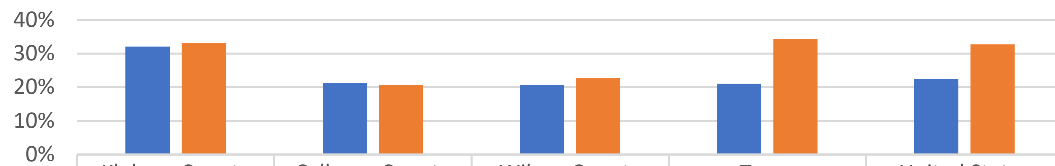
Source: U.S. Federal Housing Finance Agency, All-Transactions House Price Index, retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org, August 5, 2025.

In real dollar terms, the consumer price index rose by 32 percent from December 2014 to December 2024. Hence, on a real-dollar basis, the all-transaction cost of housing in Kleberg County increased by 13 percent. That equates to approximately one percent per year. While not as great as the average 72 percent real housing price growth across Texas, it is at least positive. The lower prices should make owning a house less of a burden in Kleberg County.

The negative impact of rising housing prices is evident in Figure 9, which shows that the percentage of households with a housing burden has increased rapidly due to rising housing prices. The U.S. Census includes mortgage costs, real estate taxes, utilities, and fire, hazard, and flood insurance in housing costs. Across Texas, the percentage of non-renting families spending over 30 percent of their income on housing-related items increased from 21.1 percent to 34.4 percent, a rise of almost fifty percent. With housing prices that have been almost as high as those in Texas, as revealed in Figure 8, we now see that one in three homeowners is experiencing a housing burden. These are the residents who have sufficient funds to secure a home mortgage. In Texas, the current housing burden of renters is 51 percent (More cost-burdened Texans struggle to pay rent, study finds | The Texas Tribune, January 25, 2024).

Figure 9. Housing Cost-Burdened Households: 2014-2018 & 2019-2023

Percent of homes spending over 30 percent of income on housing expenditures



	Kleberg County	Calhoun County	Wilson County	Texas	United States
2014 - 2018	32.1%	21.3%	20.7%	21.1%	22.5%
2019 - 2023	33.1%	20.7%	22.7%	34.4%	32.8%

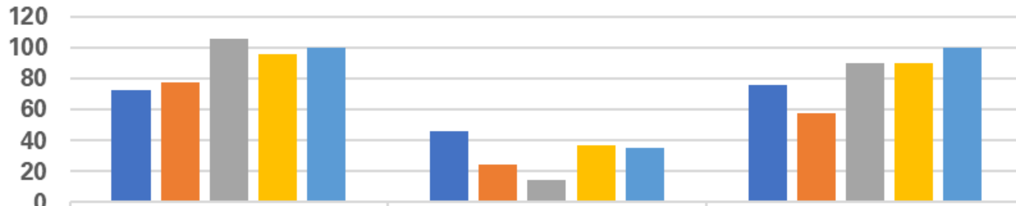
Housing-related burdens in South Texas Counties, which have experienced less of a price bubble, have fared better. In fact, the proportion of burdened households has declined in Calhoun County. In Wilson County, the proportion of households burdened by housing costs has increased slightly to 22.7 percent, indicating that a significant portion of the housing surge shown in Figure 7 has been in affordable housing.   Kleberg County has a higher proportion of burdened households, but this proportion did not increase significantly from the 2014-2018 period to the 2019-2023 period. The relatively consistent high household burden in Kleberg County is attributed mainly to local economic conditions, which are examined next.

County Economic Conditions

Cost of Living & Income

Housing costs comprise the largest single component of family budgets, followed by food, healthcare, transportation, and taxes (www.investopedia.com/terms/costofliving). Of course, individual situations vary.   In aggregate, the cost of living in Kleberg County is 73 percent of the national average, as shown in Figure 10. By comparison, the cost of living in Wilson County is 106 percent of the national average.

Figure 10. 2024 Cost of Living and Renting
United States Value = 100



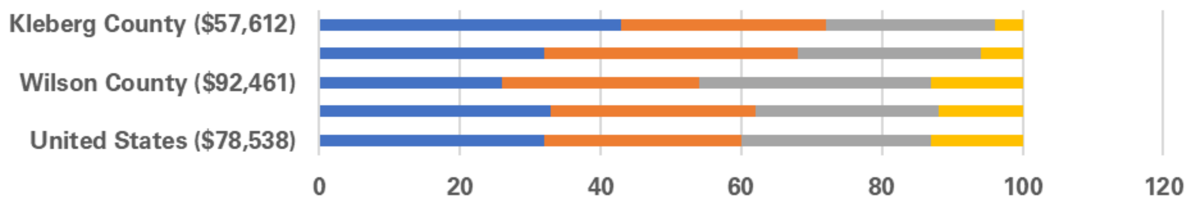
	Cost of Living	Percent Renting	Cost of Renting
Kleberg County	73	46	76
Calhoun County	78	24	58
Wilson County	106	14	90
Texas	96	37	90
United States	100	35	100

Source: https://www.bestplaces.net/cost_of_living/county/texas/calhoun

The question that arises is whether Kleberg County's cost of living can be so low when a large portion of residents are burdened by house-related costs, as reported in Figure 9. Part of the answer can be found on the renter side of the housing equation. As illustrated by the blue bar in the middle of Figure 10, almost half the local residents are renters. Scanning to the right set of columns, one finds that rental costs are only 76 percent of the national average. Of course, housing and rental structures vary across the nation. Still, in terms of the cost of living, about half of Kleberg County residents are experiencing rental expenditures that lie 24 percent below the national average. Texas overall has the second-highest percent of its population renting, but its costs are higher, at 90 percent of the national average.

Perhaps the key factor keeping the cost of living and rental expenditures relatively low is the limited household income in Kleberg County. As illustrated by the top row of Figure 11, a higher percentage of residents in Kleberg County have an income under \$50,000, under \$100,000, and under \$150,000. The difference arises from the fact that 43 percent of the households in Kleberg County have an income of under \$50,000. The next highest percentage is Texas overall, at 33 percent. In aggregate, 72 percent of Kleberg County households earn under \$100,000 annually, while 68 percent of Calhoun County residents earn \$100,000 or less.

Figure 11. 2023 Household Income Distribution



	United States ($78,538)	Texas ($76,292)	Wilson County ($92,461)	Calhoun County ($71,870)	Kleberg County ($57,612)
< $50,000	32	33	26	32	43
$50,000 - 100,000	28	29	28	36	29
$100,000 - 200,000	27	26	33	26	24
> $200,000	13	12	13	6	4

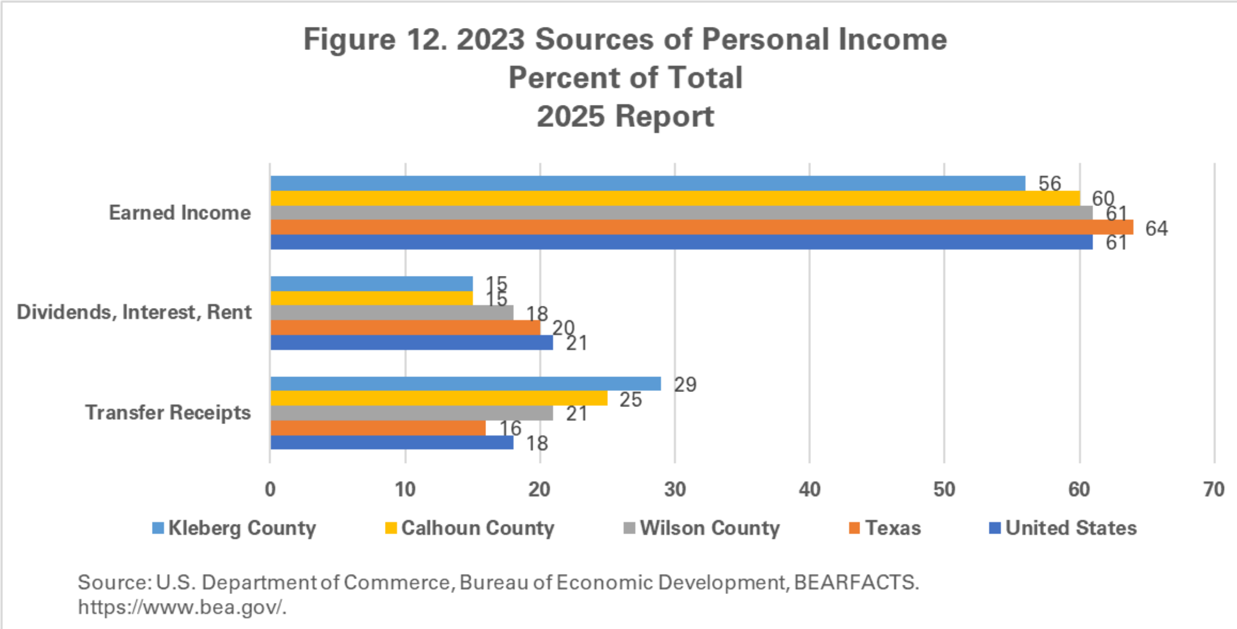
< $50,000 $50,000 - 100,000 $100,000 - 200,000 > $200,000

Source: U.S. Census, American Community Survey, 2023, reported in ttps://censusreporter.org/profiles.

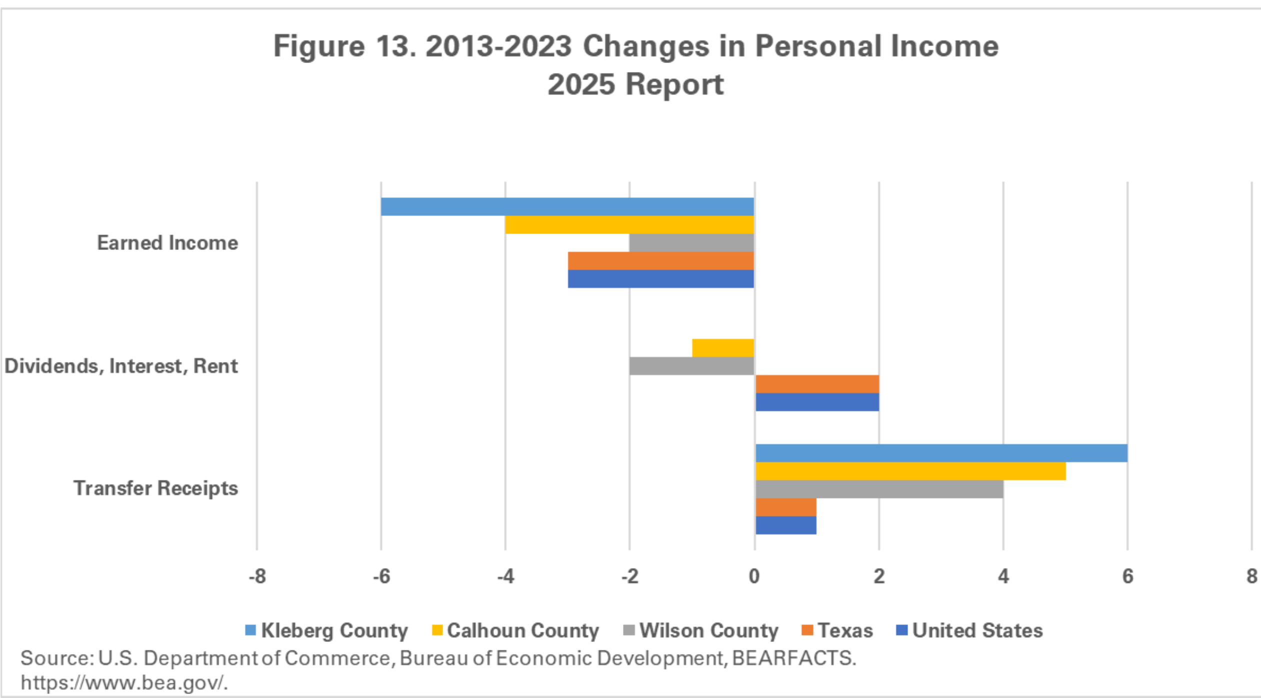
At the other extreme, only 4 percent of Kleberg County residents earn over $200,000. That would be a ratio of 1 in 25 households. Calhoun County is similar, with 6 percent of its households, or 1 in 17, earning under $200,000. At the other extreme, across the nation, 13 percent of the households in Wilson County and across America earn $200,000. That would be a ratio of 1 in 8 households. Before dissecting household income, examining the median income in different areas is worthwhile. In Kleberg County, half of the households earn $57,612, or less, and the other half earn more than this median amount. The median across Texas is 32 percent higher, at $76,292.

The differences in household income shown in Figure 11 lead to consideration of the sources of personal income. As exhibited in the top set of bars in Figure 12, a relatively low proportion of personal income is earned. None of the other regions has earned income rates below 60 percent. Compared to the rest of Texas, Kleberg County experiences 8 percent less income coming from employment and earned income. However, none of the other drops were as drastic as that found in Kleberg County.

The second set of bars found in Figure 11 covers income from dividends, interest, and rents. Here we again see Kleberg County falling behind, with only 15 percent of income in the area coming from these sources. Compared to the rest of Texas, Kleberg County residents receive 5 percent less personal income in the way of dividends, interest, and rents. Kleberg County makes up the difference in transfer payments after falling 13 percent behind from earned and unearned sources. Social security and welfare payments are 29 percent of the personal income earned in Kleberg County. Transfer payments are 4 percent lower in Calhoun County and another 4 percent lower in Wilson County; however, these percentages exceed the typical levels of transfer payments in Texas (e.g., 16%) and the United States (e.g., 18%).



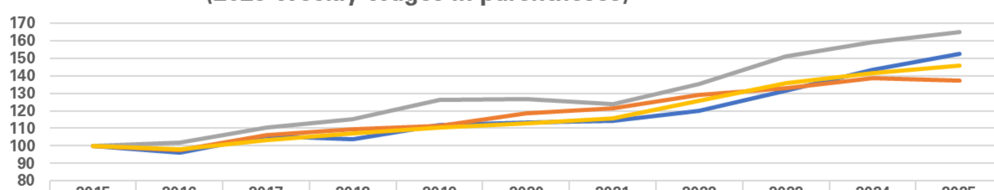
The relatively low level of earned income might not be detrimental if the trends suggest that more money has recently been flowing into households through earned income. As illustrated by the top set of bars in Figure 13, this is not occurring. In fact, from 2013 to 2023, the most recent available data shows a 6 percent decline in the percentage of income coming into Kleberg County households. In fact, households in all of the political jurisdictions studied experienced a decrease in the percentage of household income coming from earned income.



The proportion of personal income derived from dividends, interest, and rents remained unchanged from 2013 to 2023. While both benchmark counties experienced a slight change in these ownership-based sources of income, across Texas and the United States, the gain was two percent. Figure 13 plainly shows the increased reliance on social programs for income, with Kleberg County's six percent increase leading the way. Nonetheless, in Texas and the United States, the proportion of personal income from transfer receipts has increased by one percent.

Although the prior section highlights the growth in transfer payments nationwide, especially in Kleberg County, the decline in real income may be a consequence of relatively low wages and slow wage growth. To address this possibility, the relative level of wages from 2015 to 2025 is illustrated in Figure 14, which shows that wages have increased over time. The average level of weekly wages during the first quarter of 2015 is set as a base, with subsequent values being viewed as a percentage of this base. In Kleberg County, weekly wages have increased by 53 percent over the period, representing an annualized increase of 4.3 percent. This rate is higher than that experienced by residents in Calhoun County and the state of Texas as a whole.

Figure 14. Relative Level of Weekly Wages: 2015-2025
2015 = 100
(2025 Weekly Wages in parentheses)



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Kleberg County ($1,065)	100	96	105	104	112	113	114	120	132	144	153
Calhoun County ($1,619)	100	98	106	110	111	119	121	129	133	139	137
Wilson County ($1,029)	100	102	111	115	126	127	124	135	151	159	165
Texas ($1,587)	100	98	103	107	110	113	116	126	136	141	146

Source: https://data.bls.gov/maps/cew/TX?period=2024-Q4&industry=10&geo_id=48000&chartData=3&distribution=1&pos_color=blue&neg_color=orange&showHideChart=show&ownerType=0, U.S. Bureau of Labor Statistics, QCEW.

For comparison purposes, the inflation rate during the period from March 2015 to March 2025 was 35.4 percent (https://www.bls.gov/data/inflation_calculator.htm), so wages would have to rise by this amount to have increased in terms of purchasing power. In real dollar terms, weekly wages in Kleberg County are up 18 percent. In fact, all weekly wages have risen by a rate exceeding the inflation rate!

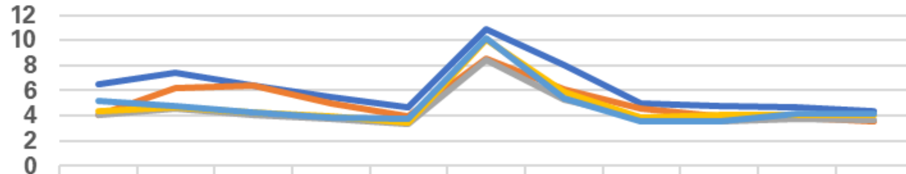
Wage growth, however, only captures one half of the wage spectrum. Wage levels are the other concern. As shown in the parentheses, the typical weekly salary in Kleberg County during the first quarter of 2025 was $1,065, which is $522 per week below the state average. Only Wilson County had a lower average weekly wage during the first quarter of 2025. The reason for the relatively high growth rate lies in the low weekly wages during the first quarter of 2015, when the average weekly wage was $698. Over the past ten years, weekly wages have grown $367. The lower Texas growth rate comes from a higher base of $1,089 in 2015. Hence, despite the lower growth rate, weekly wages across the state have grown $498 on average, or $131 more than that experienced locally.

Business Environment

To earn wages, one must be employed. In June 2025, the unemployment rate in Kleberg County stood at 4.4 percent. This rate is 2.1 percent lower than a decade earlier and 6.5 percent below 2020 levels.

Looking across the 2015-2025 period, the June 2025 unemployment rate was the lowest it had been at the midway point of the year during the past decade.

Figure 15. Unemployment Rate: Mid-year 2015-2025



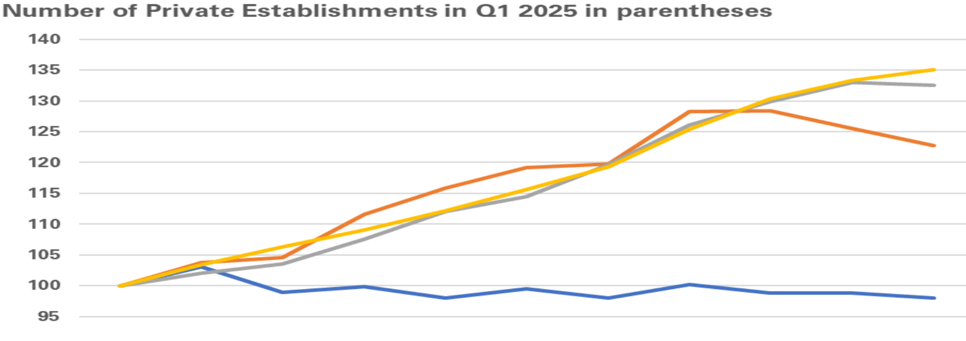
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Kleberg County	6.5	7.4	6.4	5.5	4.7	10.9	8	5	4.8	4.7	4.4
Calhoun County	4	6.2	6.4	5	3.9	8.5	6.1	4.6	3.9	3.8	3.5
Wilson County	4	4.6	4	3.7	3.3	8.4	5.3	3.8	3.5	3.7	3.6
Texas	4.4	4.7	4.3	3.9	3.4	10.1	5.9	3.8	4	4.1	4
United States	5.2	4.8	4.3	3.8	3.7	10.2	5.4	3.5	3.5	4.2	4.2

Source: U.S. Bureau of Labor Statistics, Unemployment Rate [UNRATE], Federal Reserve Bank of St. Louis.

Nonetheless, local unemployment rates are slightly higher than they are in other regions. For instance, the unemployment rate in Calhoun County is 3.5 percent, or 0.9 percent lower. Across the nation, the unemployment rates are slightly lower. Perhaps the most notable aspect of Figure 15 is the relatively narrow range of reported unemployment rates, which vary by only one percentage point.

Employment requires successful establishments. The number of private establishments in Kleberg County has stayed fairly stagnant across the 2015-2025 period, resulting in the horizontal blue line in Figure 16. In fact, the number of businesses in Kleberg County has decreased by 11, representing a 2 percent drop.

Figure 16. Relative Level of Private Establishments in All Industries: 2015-2025
2015 Level = 100
Number of Private Establishments in Q1 2025 in parentheses



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Kleberg County (549)	100	103	99	100	98	99	98	100	99	99	98
Calhoun County (626)	100	104	105	112	116	119	120	128	128	125	123
Wilson County (859)	100	102	104	108	112	115	120	126	130	133	133
Texas (830,642)	100	103	106	109	112	116	119	125	130	133	135

Source: U.S. Bureau of Labor Statistics and Federal Reserve Bank of St. Louis, Number of Private Establishments for All Industries in Kleberg County, TX [ENU4827320510], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/s

By comparison, the number of private establishments has risen 23 percent and 33 percent in Calhoun and Wilson, respectively. The number of new business establishments across Texas is growing at a rate of 35 percent, which is even higher than the national average. Adjusting for population (using https://www.texas-demographics.com/counties_by_population) to gauge business density, there are 18 businesses per 1,000 people in Kleberg County, compared to 27 businesses per 1,000 citizens across the state.

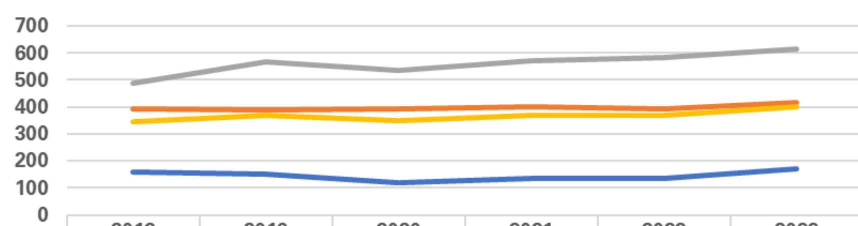
Gross Domestic Product & Sales

Although Kleberg County has had approximately the same number of private business establishments, as shown in Figure 16, there may be an increase in productivity among the existing businesses. To address this potential situation, changes in gross domestic product over the most recent five years, using 2018 as a base, are reported in Figure 17. The Bureau of Economic Analysis (BEA) releases gross domestic product (GDP) information by county in December, with a one-year lag to verify the accuracy of the numbers. Therefore, values from 2019 through 2023 (the most recent values) are compared to those from 2018.

Figure 17. Real Gross Domestic Product Across Sectors: 2018-2023

MIlions of dollars

Percentage change over past five reported years in parentheses



	2018	2019	2020	2021	2022	2023
Good-Producing Sector (4.6%)	161	152	120	135	136	169
Government Sector (6.0%)	394	388	394	399	392	418
Services Producing Sector (26.7%)	486	567	537	570	582	616
Weighted Average (15.5%)	347	369	350	368	370	401

Source: U.S. Bureau of Economic Analysis, Real Gross Domestic Product, retrieved from FRED, Federal Reserve Bank of St. Louis.

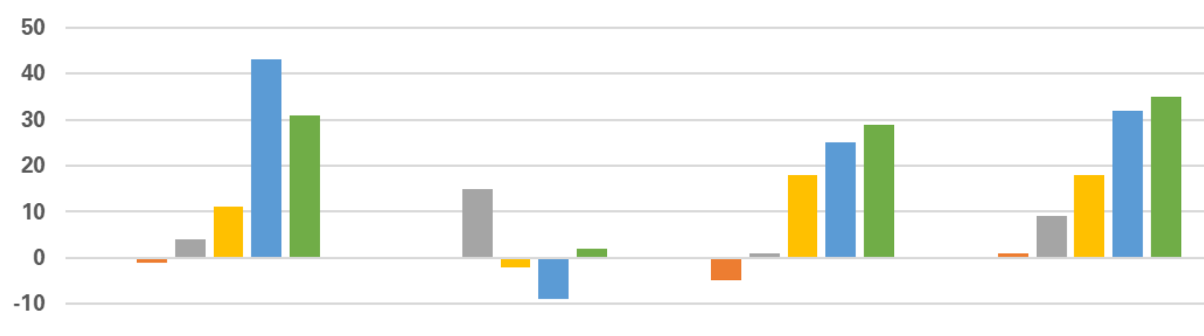
The Good-producing sector, including manufacturing and agriculture, is the smallest contributor to Kleberg County's GDP, supplying $169 million in 2023. The government sector, including governmental spending at all levels on goods and services, is the second-largest contributor to Kleberg County's GDP, supplying $418 million in 2023. The services sector, including healthcare, education, and retail sales, is the largest contributor to Kleberg County's GDP, supplying $616 million in 2023.

On a percentage basis, 51 percent of Kleberg County's GDP comes from the services sector, with 35 percent from the governmental sector, and only 14 percent from goods production. By comparison, 57 percent of Texas's GDP comes from the services sector, 26 percent from the goods production sector, and 17 percent from the governmental sector (https://gov.texas.gov/news/post/texas-economy-again-expands-faster-than-nation). Hence, Kleberg County has an 18 percent higher reliance on the governmental sector, offset by a 6 percent lower dependence on the services sector and 12 percent lower reliance on goods production in the creation of GDP.

A positive aspect of Kleberg County's economic conditions is illustrated by the positively sloped lines in Figure 17, which capture real (i.e., inflation-adjusted) GDP. GDP sector increases range from 4.6 percent in goods production to 26.7 percent in services provision. Weighting the growth rates by the sector size, Kleberg County's real GDP is up 15.5 percent, or about 1.5 percent per year. Stated another way, in terms of purchasing power, $1,000 in 2015 is equivalent to $1,015 in 2023, after adjusting for inflation.

Parallel to the slight decline in private establishments, as shown in Figure 16, and the GDP growth illustrated in Figure 17, is the volatile growth of inflation-adjusted sales levels, as depicted in Figure 18. Over the 2015-2025 period, there has been a 32 percent increase in sales within Kleberg County, as reported through the reallocation of sales taxes to municipalities. A careful review indicates that the growth rate from 2023 to 2025 was actually 42 percent higher than previously reported. While the 10 percent drop from the first 8 months of 2023 to 2025 is concerning, most of the decline can be attributed to the 5.5 percent inflation rate over the two years. Calhoun County is an outlier because its county taxes are largely incorporated within city sales tax rates. Kleberg County's real sales increase is parallel to that of Wilson County and the state of Texas as a whole. Given an inflation rate of 36 percent over the period from January 2015 to August 2025, approximately $1.78 is now spent for every $1.00 spent in Kleberg County in 2015.

Figure 18. Percentage Change in Real Sales Levels: 2015-2025
First 8 months
2015 Sales Level = 0



	Kleberg County	Calhoun County	Wilson County	Texas
2015	0	0	0	0
2017	-1	0	-5	1
2019	4	15	1	9
2021	11	-2	18	18
2023	43	-9	25	32
2025	31	2	29	35

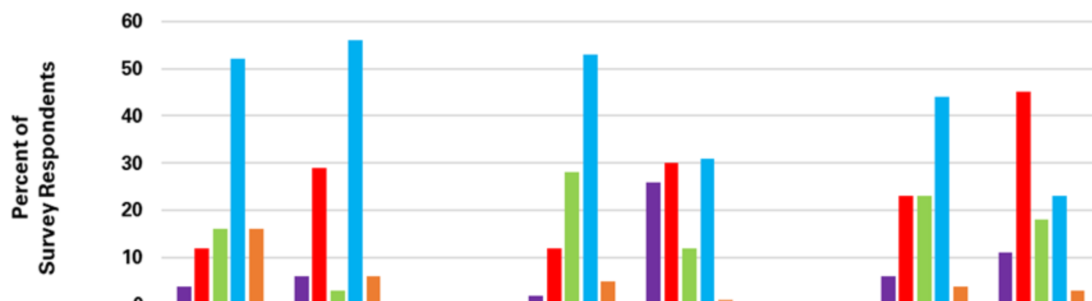
Source: https://mycpa.cpa.state.tx.us/allocation/AllocHist, https://www.usinflationcalculator.com/

2025 Economic Forum Survey

Economic Predictions: United States, Kleberg County, Personal

Since its inception, the Economic Forum has included survey results of Kleberg County stakeholders. This year, 441 responses were gathered, consisting of answers from 31 business managers, 182 residents, and 227 students. This is the largest number of surveys taken, exceeding last year's prior record by five percent. Greater participation means that this year's survey is more accurate, or has less of a "margin of error" in the parlance of pollsters. (Thank you, Somesh!) Continuing the survey design of prior years, surveys were primarily completed in Harrell's Pharmacy lunchroom. (Thank you, Nick!). To assess current economic conditions, this year's findings are compared to those from five years ago. However, those numbers are probably impacted by the survey being conducted during the first year of the COVID-19 pandemic, when patrons could only use every other booth at Harrel's Pharmacy. Hence, that year's presentation was based only on 203 surveys, or 46 percent of this year's record. At the time of the 2020 survey, COVID-19 vaccinations were still in the trial stage, but hopes about their possible release to the general public may have created widespread optimism among those surveyed.

Figure 19. Comparison of Perceptions in 2025 Versus 2020 Regarding United States' Economic Health Over Coming Year

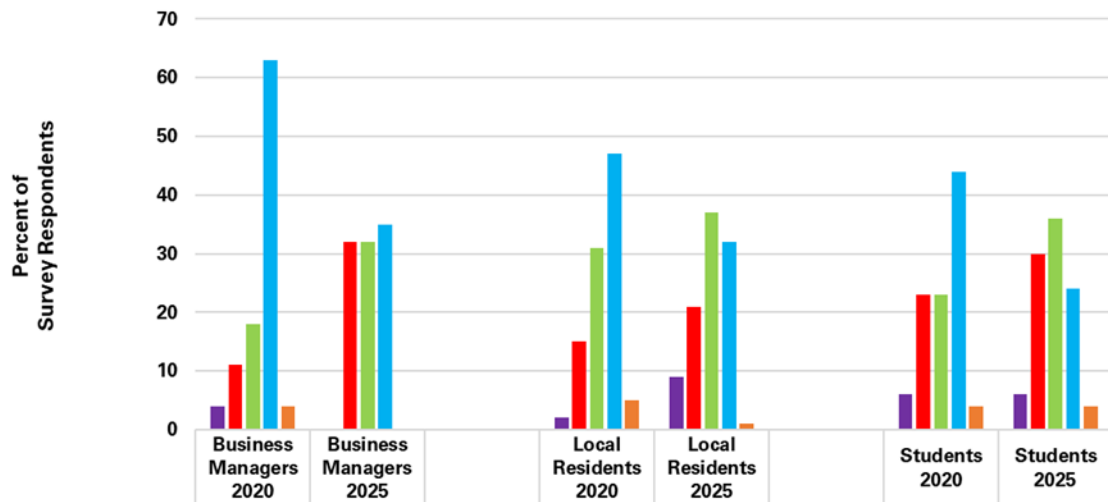


	Business Managers 2020	Business Managers 2025	Local Residents 2020	Local Residents 2025	Students 2020	Students 2025
Greatly Deteriorated	4	6	2	26	6	11
Deteriorated	12	29	12	30	23	45
Stayed About the Same	16	3	28	12	23	18
Improved	52	56	53	31	44	23
Greatly Improved	16	6	5	1	4	3

Source: Economic Forum Survey conducted annually. In 2020, there were 203 responses. In 2025, there were 441 responses, with 31, 182, and 228 from business managers, residents, and students, respectively.

Over the past five years, local expectations regarding the United States' economic health over the coming year deteriorated, as depicted by the growth of the red and purple bars in Exhibit 19. The green "stay about the same" bar has given up the most stature, dropping to only 3 percent of business managers and 12 percent of local residents. Perhaps the most distressing finding is that over half of the surveyed residents and students believe the U.S. economic condition will deteriorate over the next twelve months. Residents are more likely to expect the deterioration to be a great decline. Conversely, most business managers expected improved or greatly improved U.S. economic conditions in 2026, though the proportion expecting greatly improved conditions is 10 percent lower. Given that the survey was conducted during the August-September period, before the October 1 federal government shutdown, the deterioration in expectations regarding the national economy may have continued as of the date of the 2025 Economic Forum.

Figure 20. Comparison of Perceptions in 2025 Versus 2020 Regarding Kleberg County's Economic Health Over Coming Year



	Business Managers 2020	Business Managers 2025		Local Residents 2020	Local Residents 2025		Students 2020	Students 2025
Greatly Deteriorated	4	0		2	9		6	6
Deteriorated	11	32		15	21		23	30
Stayed About the Same	18	32		31	37		23	36
Improved	63	35		47	32		44	24
Greatly Improved	4	0		5	1		4	4

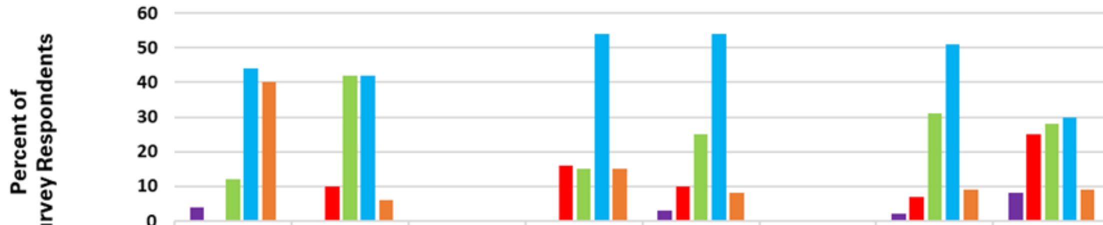
Source: Economic Forum Survey conducted annually. In 2020, there were 203 responses. In 2025, there were 441 responses, with 31, 182, and 228 from business managers, residents, and students, respectively.

Opinions regarding local economic conditions are not as negative as illustrated in Exhibit 20. Less than 10 percent of each group expects local economic conditions to deteriorate significantly, as indicated by the height of the purple bar. In fact, there is no purple bar in the manager set, because none of the surveyed managers anticipate greatly deteriorated local conditions. The largest difference between opinions regarding the national and regional economy is in the "stay the same category," which is illustrated by a relatively large green bar. Over thirty percent of each group selected this "on-the-fence" option. Nonetheless, the proportion of respondents expecting improved conditions in Kleberg County is down by 15 percent or more, and the height of the gold bar representing greatly improved local economic conditions is short, or non-existent in the case of relatively positive managers.

Support of Kleberg County Businesses: Citizens, Government Leaders, and TAMUK

Kleberg County's business sector's health and economic vitality greatly influence its citizens' economic well-being. The desire to limit travel and avoid crowds during the COVID-19 pandemic further highlighted the importance of having an economically strong and vibrant local community. Examples of "buying local" include relying on local accountants, dentists, and X-ray technicians instead of traveling out of the county to obtain these services. Local business success, in turn, is highly dependent upon the support of many constituencies. Respondents were first asked to respond to the following sentence, “Kleberg County is supportive of local business,” on a five-point rating scale ranging from 1.0 (strongly disagree) to 5.0 (strongly agree). The values presented in Exhibits 22, 23, and 24 are weighted averages of the proportions for the five possible responses within each respondent group.

Figure 21. Comparison of Perceptions in 2025 versus 2020 Regarding Personal Economic Health Over Coming Year



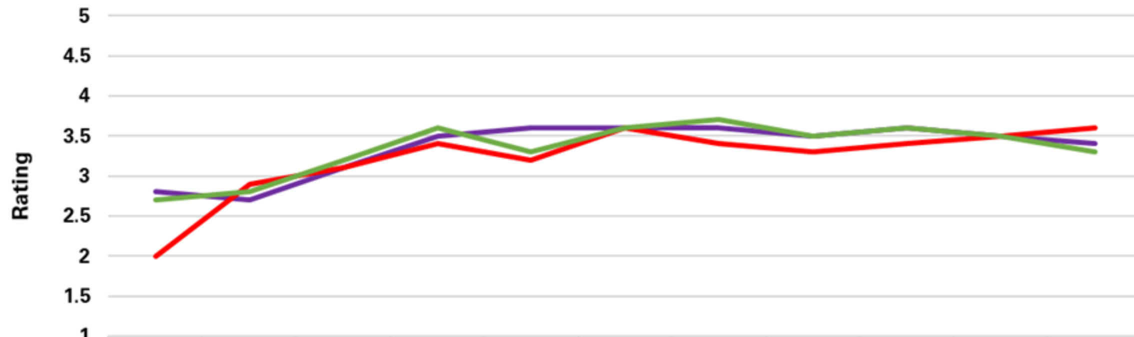
	Business Managers 2020	Business Managers 2025		Local Residents 2020	Local Residents 2025		Students 2020	Students 2025
Greatly Deteriorated	4	0		0	3		2	8
Deteriorated	0	10		16	10		7	25
Stayed About the Same	12	42		15	25		31	28
Improved	44	42		54	54		51	30
Greatly Improved	40	6		15	8		9	9

Source: Economic Forum Survey conducted annually. In 2020, there were 203 responses. In 2025, there were 441 responses, with 31, 182, and 228 from business managers, residents, and students, respectively.

The trend towards greater economic confidence, as we narrow the scope of analysis, continues with the addition of focus on opinions regarding personal economic prospects, as shown in Figure 21. Only ten percent of managers anticipate their personal economic health to deteriorate (and none anticipate great deterioration), which is consistent with their decision to get into business in the first place. Only 13 percent of residents anticipate being worse off a year from now, despite their concerns about national and county conditions. A plurality of the students expect their economic conditions to rise over the next year, as illustrated by the relatively high blue bar on the right side of Figure 21. Although the height of the blue (i.e., improved) and orange (i.e., greatly enhanced) bars is lower than it was in 2020, the decline may be more a reflection of the confidence that respondents would be able to get a COVID-19 vaccination over the ensuing year.

Perceptions regarding Kleberg County’s support of local businesses among managers, residents, and students have been relatively consistent across the past decade, as shown in Exhibit 22. While ratings of local citizen regarding their support of Kleberg County businesses were well below the median of 3, including a 2.0 ranking early in the decade, since 2020, ratings have been in the 3.3 to 3.6 range. The change to this new plateau seems to have coincided with the outbreak of the COVID-19 coronavirus. The expansion along Highway 77 that we have seen may help build confidence in the local community and enable Kleberg County residents to move to a higher level of local business support. As can be seen in the right column, residents currently hold the highest rating, with a 3.6 value placing the red line at the top this year. Manager perceptions and student perceptions of the support provided by residents to business development, as shown by the blue and green lines in Exhibit 22, both exhibit a downward trend. In fact, student perceptions of the support provided by the Kleberg County to businesses are down 10.8 percent (e.g., 3.3-3.7)/3.7) -1.00) since it reached its highest level in 2021, which coincides with the first full year of the COVID-19 pandemic.

Figure 22. Perceptions Regarding Kleberg County's Support of Business Sector: 2015-2025

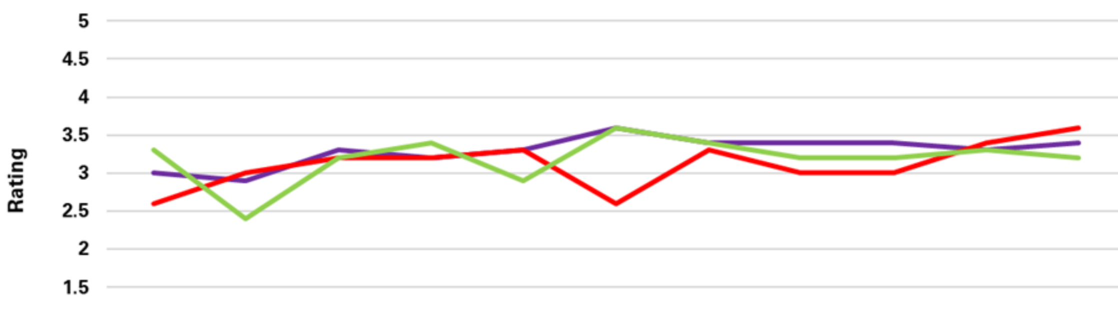


	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Managers	2.8	2.7	3.1	3.5	3.6	3.6	3.6	3.5	3.6	3.5	3.4
Residents	2	2.9	3.1	3.4	3.2	3.6	3.4	3.3	3.4	3.5	3.6
Students	2.7	2.8	3.2	3.6	3.3	3.6	3.7	3.5	3.6	3.5	3.3

Source: Economic Forum Survey conducted annually. In 2020, there were 203 responses. In 2025, there were 441 responses, with 31, 182, and 228 from business managers, residents, and students, respectively.

Resident perceptions of local government officials' support for local businesses stand at 3.6, as shown in the right column of Figure 23, representing the highest level recorded over the past decade. Local government officials are a key economic cog because they set the tone for how a local community responds to new business ventures and supports those already in existence. Supportive local governments can also prioritize securing federal aid funds and then distribute them rapidly.

Figure 23. Perceptions Regarding Local Government Officials' Support of Business: 2015-2025

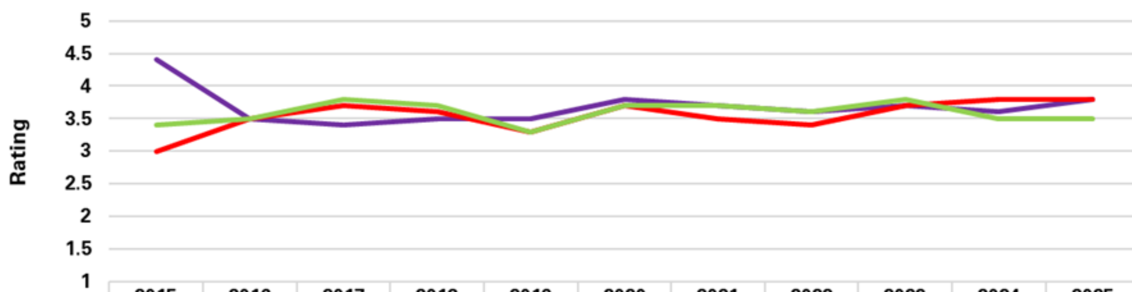


	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Managers	3	2.9	3.3	3.2	3.3	3.6	3.4	3.4	3.4	3.3	3.4
Residents	2.6	3	3.2	3.2	3.3	2.6	3.3	3.0	3.0	3.4	3.6
Students	3.3	2.4	3.2	3.4	2.9	3.6	3.4	3.2	3.2	3.3	3.2

Source: Economic Forum Survey conducted annually. In 2020, there were 203 responses. In 2025, there were 441 responses, with 31, 182, and 228 from business managers, residents, and students, respectively.

Business success is also a function of the support received from distinctive local educational institutions. One evidence of the College of Business Administration's quality is the recent rating of its online Master of Business Administration program as the 32nd best in the nation by *Fortune* Magazine (https://fortune.com/education/business/best-online-mba-programs/). Another example is the expansion of the College of Business Administration's upcoming "Business and Banking Career Expo," which now lists "Business" as its primary category due to the increase in the number of businesses participating. Considering the results in Figure 24, in comparison to Figures 22 and 23, managers and residents view Texas A&M University as making the greatest contribution to the success of local businesses. Although equal, the opinion of these groups regarding Texas A&M Kingsville's ability to supply a quality workforce has not been surpassed. The slight lag in student opinions suggests that more needs to be done to promote our relationship with the business community, and this should be a key focus of the incoming Dean.

Figure 24. Perceptions Regarding Texas A&M - Kingsville's Support of Business Sector: 2015-2025



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Managers	4.4	3.5	3.4	3.5	3.5	3.8	3.7	3.6	3.7	3.6	3.8
Residents	3	3.5	3.7	3.6	3.3	3.7	3.5	3.4	3.7	3.8	3.8
Students	3.4	3.5	3.8	3.7	3.3	3.7	3.7	3.6	3.8	3.5	3.5

Source: Economic Forum Survey conducted annually. In 2020, there were 203 responses. In 2025, there were 441 responses, with 31, 182, and 228 from business managers, residents, and students, respectively.

Key Economic Concerns and Preferred Government Spending

Upon his second inauguration, President Trump has endeavored to minimize the size and growth rate of the federal budget deficit. He sought to achieve this through the Department of Government Efficiency, or DOGE, which Mr. Elon Musk directed. On the revenue side, President Trump attempted to increase revenues by imposing tariffs. In the most recent month, tariffs added $31.3 billion to the government coffers, and were expected to bring in $500 billion in 2026 (https://www.foxbusiness.com/politics/back-to-back-highs-august-september-bring-62-6b-tariff-revenue). Given that these taxes remove money from consumer pockets. Given their reduced ability to purchase goods and services, it is not surprising that taxation is the number one concern among managers. Neither it nor Infrastructure, which comes in at Number 4, were among the top five concerns in 2020, as shown in the first two columns of Figure 25. To make room for their addition, inflation and personal security are no longer in the listing. In 2020, with limited access to goods and services, inflation was rising and eventually became a key reason for President Trump's temporary removal from office. Housing has fallen from being the top concern among managers to coming in at the fifth rung. Although it is essential, government taxation and the cost of getting themselves and utilities to their homes have become more pressing issues among managers.

Figure 25. Top Five Economic Concerns in 2025 versus 2020					
Managers		Residents		Students	
2020	2025	2020	2025	2020	2025
Health care	Taxation	Health Care	Health Care	Health Care	Health Care
Education	Education	Education	Education	Education	Housing
Housing	Health Care	Housing	Housing	Infrastructure	Education
Inflation	Infrastructure	Inflation	Inflation	Housing	Inflation
Personal Security	Housing	City Beautification	Infrastructure	Taxation	Infrastructure

Source: Economic Forum Survey conducted annually. In 2020, there were 203 responses. In 2025, there were 441 responses, with 31, 182, and 228 from business managers, residents, and students, respectively.

Residents and students have consistently identified the same top concerns over the last five years. In fact, the first four concerns among residents are listed in the same order in the two years. Infrastructure issues have replaced city beautification on the fifth rung. Indicating that residents are joining managers in their concern for transportation networks, including those for water, sewage, communications, and transportation, has become a concern. Concerns about tariffs may be emerging as a worry among residents and students, with inflation ranking as the fourth-highest concern among both groups, despite an inflation rate of under three percent from August 2024 to August 2025 (https://www.bls.gov/data/inflation_calculator.htm).

While the discussion above focused on changes, one would be remiss if they did not discuss continued concerns of managers, residents, and students. Healthcare and public education lead this list, ranking in the top three for each category. Housing is also found in all three 2025 rankings, with a progressive level of rising importance, as one scans across Figure 25 from managers to residents and then to students.

Another technique to capture the strength of economic concerns is to ask survey respondents how they would allocate money to address economic issues. Specifically, survey respondents are asked to allocate \$100 to 11 specified uses and a “other” spending account to address their concerns. Survey respondents can identify this “other” item, which, with sufficient interest, is added to both the list of potential concerns and options for spending money in future years. A comparison of the proposed allocations for 2020 and 2025 for each group, along with an equally weighted average of the three groups, is presented in Exhibit 26. The illustration focuses on all categories with at least seven percent of the total allocation (i.e., \$7) in either 2020 or 2025. Spending on Parks & Recreation moved up to 7 percent this year, while Tourism fell below 7 percent. Only solid waste, with an average allocation of \$5.60 in 2025, and the “other” account with an average allocation below \$1.00 did not reach the 7 percent hurdle in 2020 or 2025. The low allocation to “other” indicates that a good listing of potential concerns is available to those taking the survey. The extra dollars from excluding these accounts are reallocated to the ten accounts attracting at least \$7 in either year in the same proportion as those initially allocated to spend the entire \$100.

Looking at the right columns, containing the average across the three groups, we see that the Streets option has the largest proportion in 2025 at \$18. Across the groups, managers are the most willing to allocate money to this account, with a 2025 allocation of \$21, which is \$6 higher than the 2020 level. Hence, the light gray portion of the managers’ set of bars is larger. Conversely, there is a marked decline in the size of the orange portion of the managers' bars, which runs counter to the placement of taxation as their top concern in Table 25.

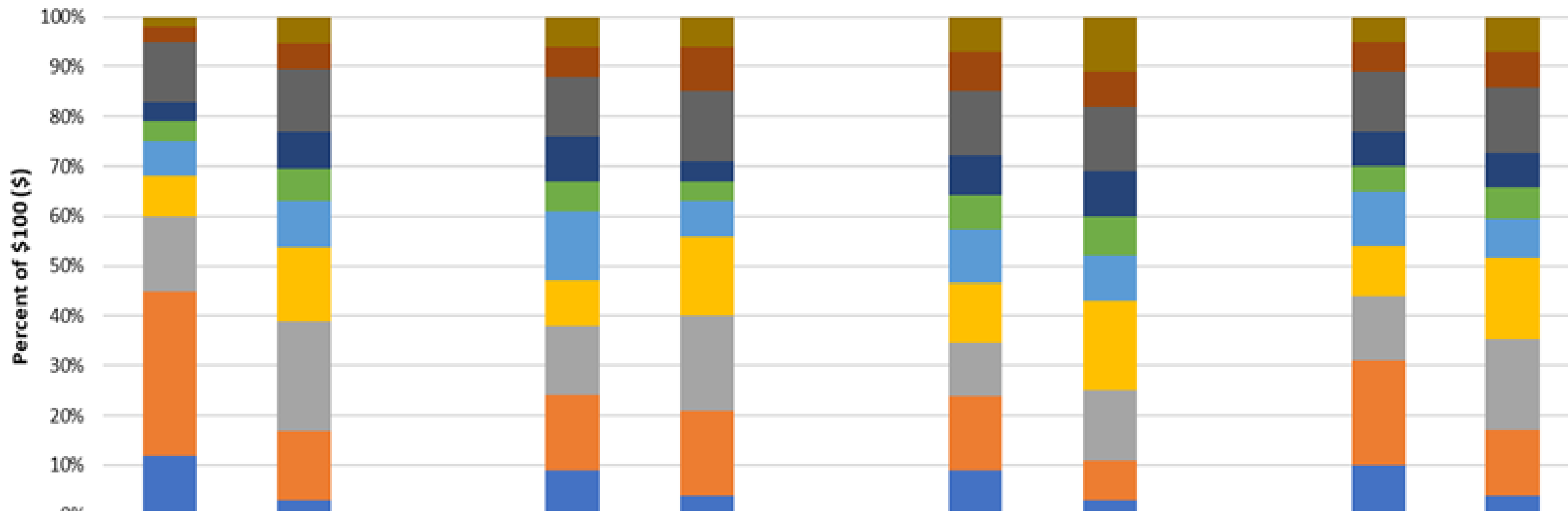
Apparently, although managers are concerned about taxation, they feel that many of the listed activities are worthy of funding. Additionally, concerns and funding to address those concerns are not necessarily the same. For instance, managers are willing to spend one percent more on public education (as shown in the first pair of bars in Figure 26), though education ranks second to taxation in Figure 25. Perhaps most notable is that five years ago, managers were particularly concerned about government spending aimed at mitigating the negative impacts of the COVID-19 pandemic. These funds were made available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act. Through 47 federal agencies, the federal government spent $4.5 trillion (https://www.usaspending.gov/disaster/covid-19). In 2020, managers were apprehensive about the funding source for this expenditure of approximately $13,500 per person.

Spending on public education received the second-highest allocation at $16, with students, who are currently benefiting the most from higher education, willing to put the most into this public education. Each group has increased spending on higher education by at least $6. This increase may not reveal as much about current conditions as it does about spending desires in 2020, when public schooling was being replaced by remote education in an attempt to limit the spread of Covid-19.

Differences in spending on police protection and tourism in 2020 versus 2025 are also more likely to be a consequence of conditions in 2020 than today. The political instability which reached its zenith with the riots following the death of George Floyd while in the hands of Minneapolis police on May 23, 2020, resulted in nationwide concern for personal safety (https://www.cbsnews.com/news/minneapolis-police-department-disband-proposal-stalled-after-george-floyd-death/). Meanwhile, the lack of travel resulted in an absence of funds to the hotel and restaurant industries, which are a key component of Kleberg County's economic engine (https://www.texasstandard.org/stories/the-travel-industry-is-big-in-texas-it-fell-hard-after-covid-19/).

The economic health of Kleberg County is very dependent upon the health of the local banking environment, which is the focus of the 2025 Economic Forum. Despite various economic strengths, concerns remain regarding weaknesses in the housing sector, employment, and income. Adding apprehensions regarding taxation and inflation, we find that there is considerable concern about having a brighter economic future. Nonetheless, survey respondents believe that the community, political leaders, and the university are doing their part to improve personal economic conditions.

Figure 26. Preferred Government Allocation of $100 in Additional Revenue: 2025 versus 2020



	Manager 2020	Manager 2025	Resident 2020	Resident 2025	Student 2020	Student 2025	Average 2020	Average 2025
City Beautification	2	5	6	6	7	11	5	7
Code Enforcement	3	5	6	9	8	7	6	7
Economic Development	12	12	12	14	13	13	12	13
Fire Department	4	7	9	4	8	9	7	7
Parks & Recreation	4	6	6	4	7	8	5	6
Police Department	7	9	14	7	11	9	11	8
Public Schools	8	14	9	16	12	18	10	16
Street Repair	15	21	14	19	11	14	13	18
Tax reduction	33	13	15	17	15	8	21	13
Toursim	12	3	9	4	9	3	10	4

Source: Economic Forum Survey conducted annually. In 2020, there were 203 responses. In 2025, there were 441 responses, with 31, 182, and 228 from business managers, residents, and students, respectively.