

DRIVING DIVERSITY IN KATY FOR ECONOMIC GROWTH AND SUCCESS

Analyzing Katy's increasingly diverse population, the possible ways in which this new demographic could affect the local economy, and suggestions for how we can ensure that this effect is positive for Katy residents

A white paper
produced under the
Katy Economic
Development
Council's "Visions of
Katy" initiative

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INTRODUCTION

Katy's demographics have evolved through the years, resulting in a population that today includes people from a wide variety of backgrounds, offering different perspectives, skills, and culture.

Prompted by this growing diversity, the Katy Area Economic Development Council (EDC) hosted a forum to exchange ideas about how Katy and its leaders can embrace the area's changing demographics and nurture this rich tapestry of cultures in a way that benefits the community as a whole, both socially and economically.

"Katy is diverse, and it has evolved," said Carmen Carter, a leader at Diversity on Demand. "There has been data that shows that the more inclusive organizations are out-performing others. If we are going to continue to be competitive, not only as an organization, not only as a community, but as a city, as a state, as a nation – then diversity is imperative."

U.S. Census figures from 2010 depict the Katy area, a region covering around 181 square miles, as having a population that was 48 percent white, 31 percent Hispanic, 11 percent black and 8 percent Asian/Pacific Islander. The past six years have experienced even more growth in these populations.

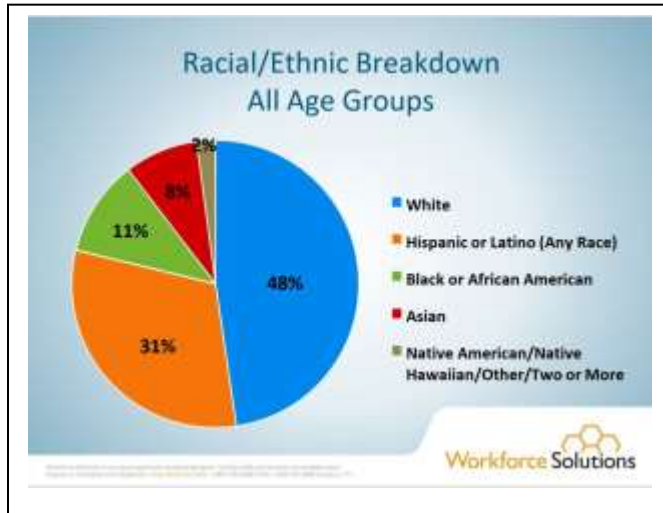
Katy ISD reports its students are 39 percent white, 34 percent Hispanic, 13 percent Asian/Pacific Islander and 9 percent black.

People of retirement age comprise most of Katy's white population, while those 35 years old and younger represent the greatest diversity in the area. There can be no doubt that a local, demographic shift is already underway.

The purpose of the forum is further extended to this white paper, which will outline the details of Katy's increasingly diverse population, present research data that indicate how this shift can affect the local economy and offer suggestions for how the Katy area can approach its new demographic in a way that benefits the community both economically and socially.

SITUATION: KATY IS A DIVERSE COMMUNITY, AND IS BECOMING INCREASINGLY DIVERSE

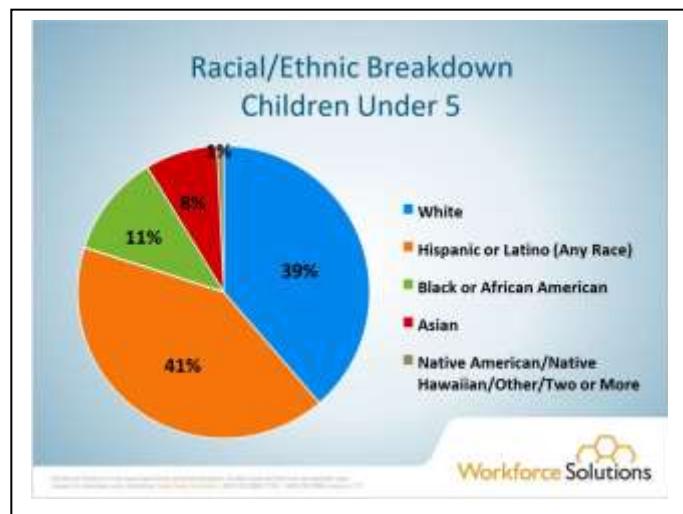
Demographic data for the Katy area reflects a diverse population, rich with residents who comprise a broad range of racial and ethnic groups, and who offer a variety of perspectives, skills, and culture.

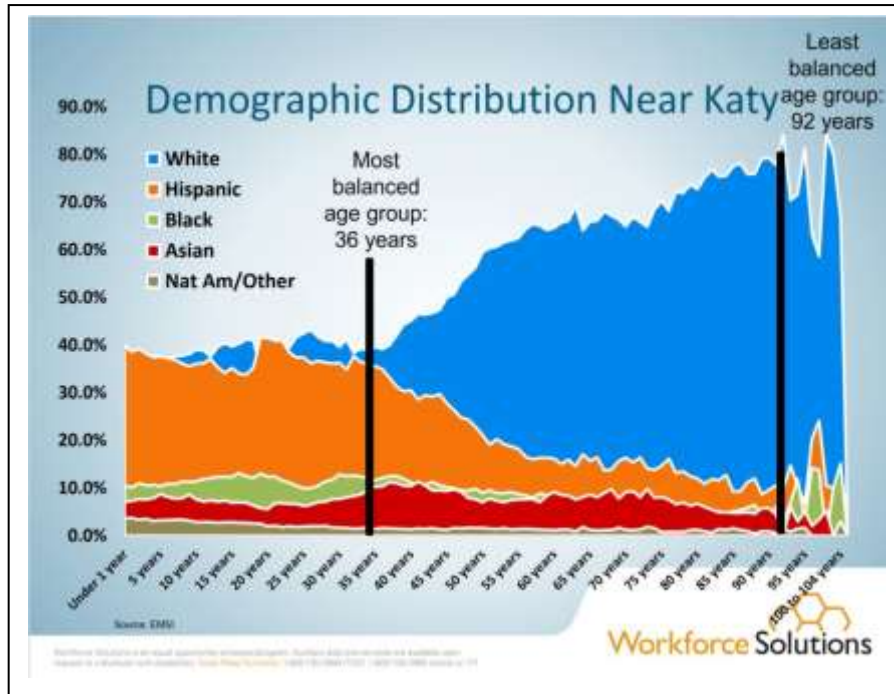


The latest U.S. Census (2010) paints a colorful picture of the Katy area, presenting a population that was 48 percent white, 31% Hispanic, 11% black and 8% Asian/Pacific Islander – with the area's diversity growing more in the past six years.

The same census reveals additional figures that speak strongly to the Katy area's very near socioeconomic future: The number of Hispanic or Latino children under the age of 5 living in the area in 2010 already exceeded the number of White children in the same age group. Citing data from 2015, Katy ISD reported

a student body composed of students that are 39% white, 34% Hispanic, 13 % Asian/Pacific Islander, and 9% black. From an economic perspective, this fragmentation is significant to the Katy area. According to a paper written by the Harvard Institute of Economic Research ("Ethnic Diversity and Economic Performance" Alberto Alesina and Eliana La Ferrara, December 2003), in more fragmented cities the provision of "productive" public goods is lower, with public budgets being "tilled away from 'productive' public goods."





The example of public education is presented, along with the finding that “older citizens [aged 65 and above] were less inclined to spend on public goods that benefit younger generations when these generations belong disproportionately to a different race.” The paper cites corresponding findings from another study (Vigdor, 20004), which revealed that the greater a community’s racial heterogeneity, the lower its rate of response to the 2000 Census form.

Response is interpreted as a local public good in that the amount of federal funds allocated to the community depend on its response rate.

The Katy area reflects a population that is least racially balanced in older age groups, with a white population that is composed mostly of people in retirement age. Meanwhile, the 35 and under age group comprises the most diverse population in the region.

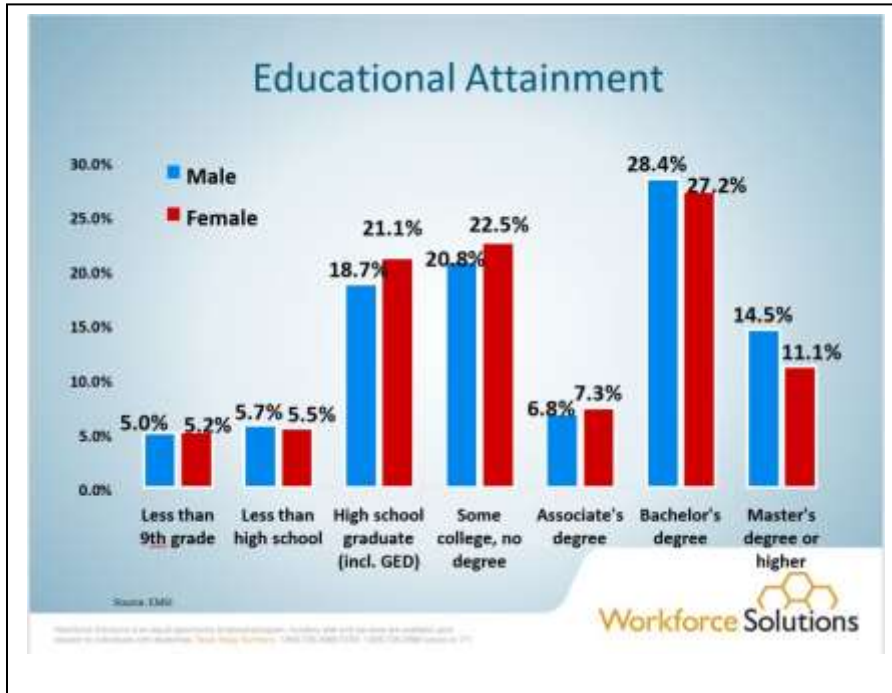
A 2013 article in the *Houston Chronicle* (“Diversity of enrollment in Katy ISD continues to increase,” April 2, 2013) highlighted the multiple shifts in diversity that Katy ISD has witnessed over the years, reporting that “minority student enrollment has skyrocketed to 58 percent with minorities outnumbering white students, who comprise about 42 percent of the district’s population.” The article also points to an increase in the number of students classified as economically disadvantaged, with 31 percent of the population classified as low income in 2012, compared to 13 percent in 2002.

The educational, spending, and career choices made by this age group, by their parents, and by the older members of the Katy population, have the potential to dramatically impact Katy’s economic landscape.

According to the Economic Policy Institute (EPI), educated workers not only have access to better job opportunities and greater salaries, but they also benefit their cities with more tax dollars over time.

The EPI points out at that a city working to strengthen its economy should strive to attract well-paying employers by investing in education and increasing the number of well-educated workers. In an article appearing on Wallethub.com (“2016’s Most and Least Educated Cities,” Wallethub, July 25, 2016) author Richie Bernardo writes, “In states with the least schooled workforces, the median wage is \$15 an hour compared with \$19 to \$20 an hour in states where 40 percent or more of the working population holds at least a bachelor’s degree.” Awareness of the role education plays in cities’ economies has prompted more and more local governments to work toward maximizing the appeal of their cities to college graduates.

Two factors suggest a favorable outcome with regard to Katy's education. First, the presence of an institution of higher-education in Katy, with the University of Houston campus planned at the Grand Parkway/I-10 intersection, will present a local option for students wishing to attend college without the expense of moving out of their family homes.



Second, the fact that Katy residents tend to be higher educated, with nearly 30% of males and females possessing a bachelor's degree, and over 20% of residents having attended some college, creates an environment that appreciates and can nurture and facilitate a future of educated citizens, regardless of race or ethnicity.

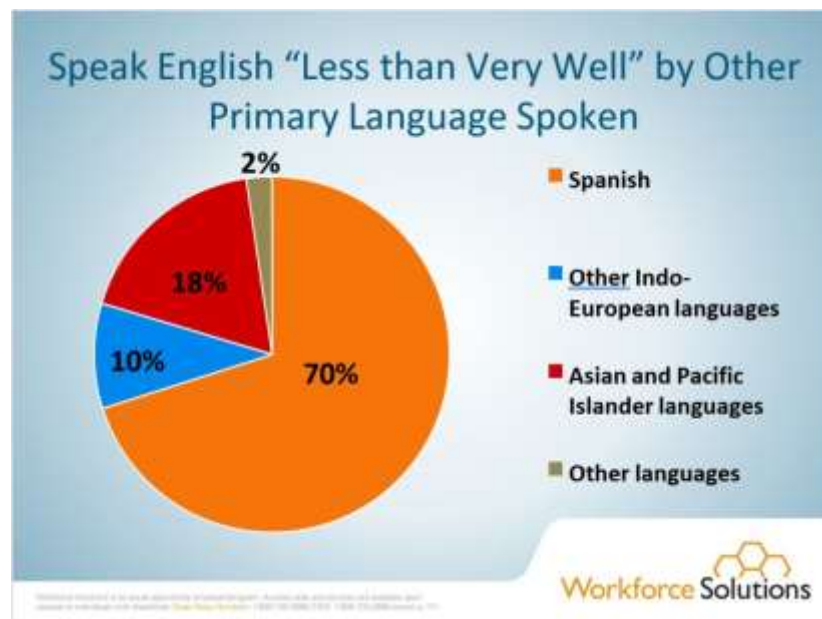
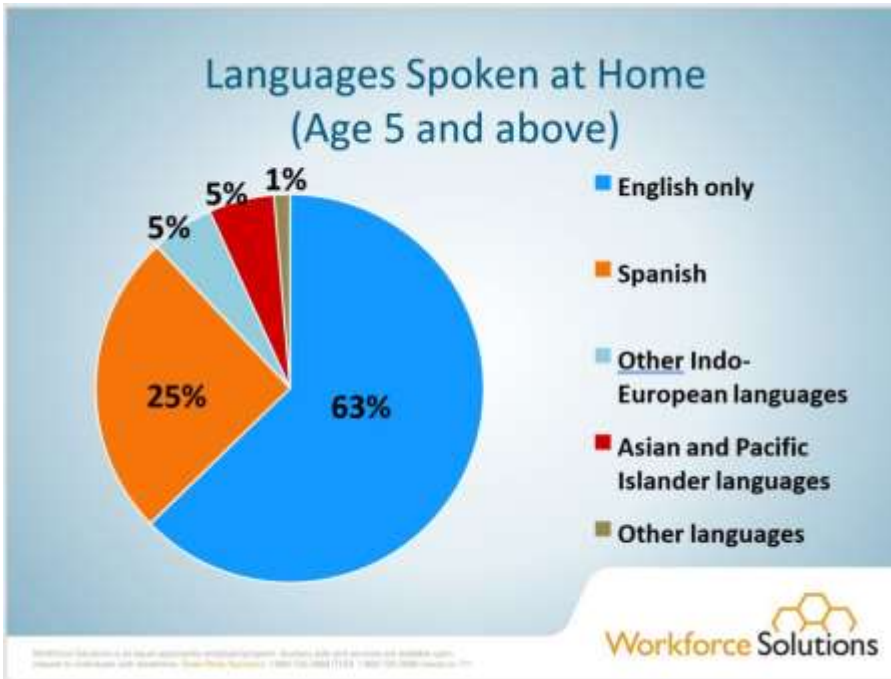
A review of the historical and projected percent change in the Katy population's race and ethnicity confirms a trend toward diversity that is consistent and ongoing, suggesting a dramatically different profile of the Katy area that must be thoughtfully considered when making plans to ensure the area's continued economic growth.



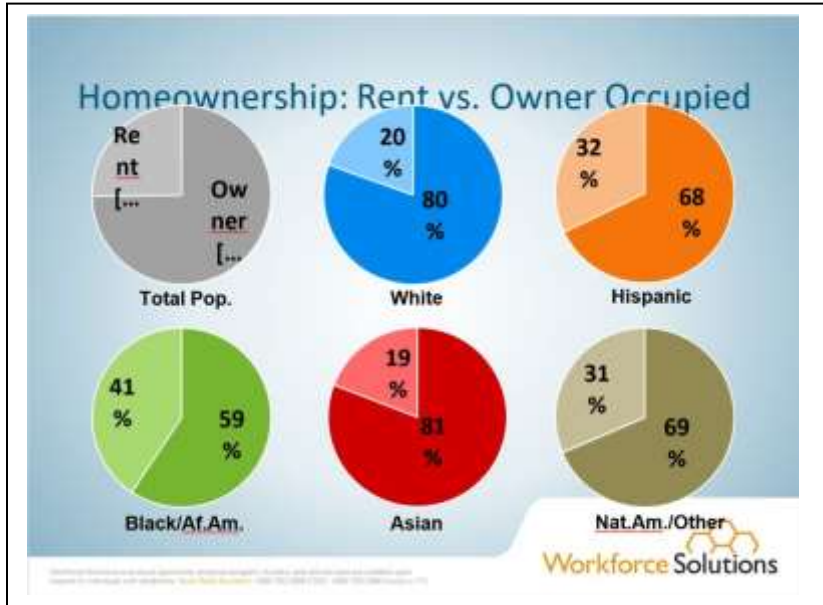
One challenging aspect of such a diverse group of people is the issue of different languages they may speak. Workforce Solutions reports that 63% of current Katy residents speak English only, 25% speak Spanish, 5% speak other Indo-European languages or Asian and Pacific

Islander languages, and 1% speak other languages.

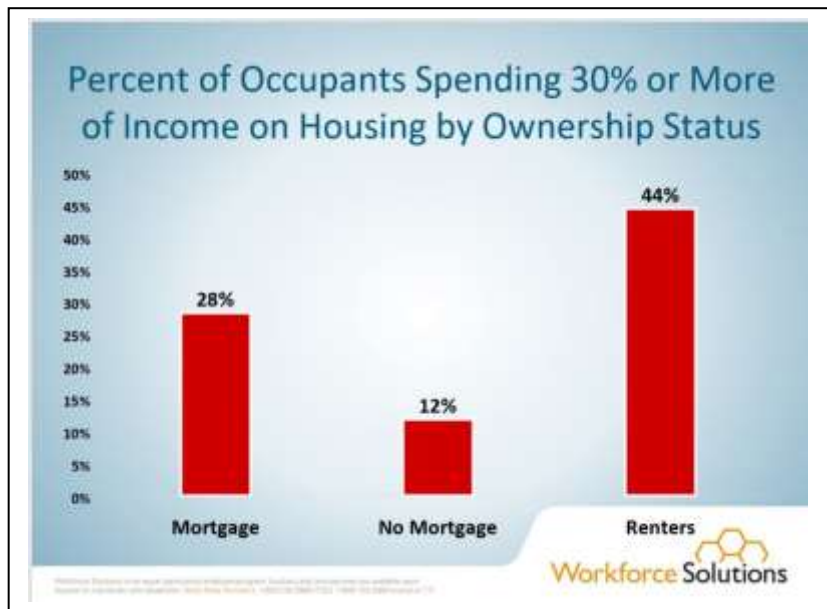
A particularly important segment to account for here is the portion of the population that speaks English “less than very well.” Workforce Solutions reports that of the Katy residents whose primary language is Spanish, 70% are indicated to be less than proficient in the English language. Eighteen percent of Asian and Pacific Islander language speakers and 10% of other Indo-European language speakers fall into this same category.



primary language.



The majority of Katy homes are owner occupied, as indicated in data provided by Workforce Solutions. Across races and ethnicities, Asian residents represent this trend most dramatically, with 81% of the population living in homes they own, vs. 19% renting their homes. White residents fall shortly behind in home ownership, with 80% owning their homes and 20% renting. Native Americans and “Other” races edge out Hispanics in home ownership by 1%. Black/African American residents represent the lowest number of residents living in homes they own, at 59%.



The rule of thumb for home renters or purchasers is that they shouldn’t spend more than 30% of their income on housing.

This benchmark appears to be losing its authority, as evidenced in data reported by Harvard University’s Joint Center for Housing Studies, indicating that the share of renters who are "cost-burdened" rose from 40% to 46% from 2003 to 2013.

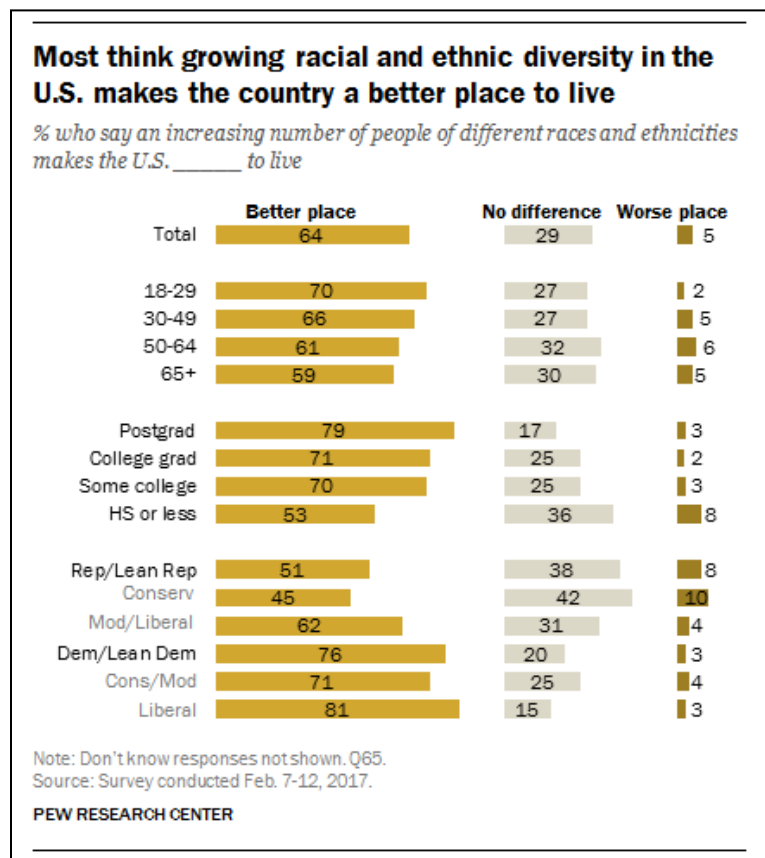
In the Katy area, 44% of renters today fall in this same category, outlying the 30% income standard. Homeowners, on the other hand, fall well below the numbers spotlighted in the Harvard study, with less than one third of owners paying more than 30% of their income on mortgages, and 12% having no mortgage.

The question of affordability of Katy housing may not necessarily be answered with the 30% income rule. In his paper analyzing housing affordability measures, David Bieri, an economist at the University of Michigan, argues that relative affordability should take into account not only quality of housing, but also any benefits received by residents. An article in *Forbes* magazine (“Why should you only spend 30% of your income on housing?” *Forbes*,

August 4, 2015) offers the following example: “The average New York family that spends 40% of its income on housing is also deriving benefits, like superior public transportation, from living in the city. Quality public education is another good that also drives up housing prices, and it might make perfect sense for a family to spend more money on a home if it means they can then spend less on education.”

The superior education offered by Katy ISD continues to be a strong draw for residents who move into the Katy area. Proximity to numerous local hospitals (Memorial Hermann Katy, Houston Methodist, and Texas Children’s West Campus), as well as a rich offering of healthcare providers, clinics, and specialists, further deepen the well of benefits residents derive from living in the Katy area.

THE RESEARCH: HOW DIVERSITY AFFECTS LOCAL ECONOMY



American attitudes about growing diversity in the U.S. tend toward the positive. According to a February 2017 study conducted by the Pew Research Center, nearly two-thirds of Americans (64%) say an increasing number of people from different races, ethnic groups and nationalities in the U.S. makes the country a better place to live; fewer (29%) think growing diversity in the country does not make much difference, and just 5% think it makes the country a worse place to live. The share that thinks growing diversity makes the country a better place to live has increased eight points from August 2016, when a smaller majority (56%) held this view.

An overwhelming share of adults with a postgraduate degree

(79%) say that growing diversity makes the U.S. a better place to live, as do about seven-in-ten of those with a college degree or some college experience. About half of those with a high school diploma or less education (53%) think more people of different races and ethnicities in the U.S. makes the country a better place; 36% think it makes no difference either way.

Majorities across all age groups think increasing diversity makes the U.S. a better place, though younger adults are somewhat more likely to say this than adults ages 50 and older.

GENERAL ECONOMIC EFFECTS OF DIVERSITY

Production and Consumption

According to John Quigley, author of “Urban Diversity and Economic Growth” (1998), diverse populations within cities are one of the driving forces behind their economic growth and success. Quigley suggests that the increased variety in available goods and services that comes from a diverse population enables such cities to draw upon shared inputs in production and consumption, taking advantage of economies of scale. This advantage, he contends, yields more innovative and productive firms and workers.

Productivity and Utility

As with any city, the economic consequences of Katy's growing diversity can be assessed, in part, by the impact this diversity has on the area's productivity and utility. One paper on this topic ("The economic value of cultural diversity: evidence from US cities" Journal of Economic Geography, Gianmarco I.P. Ottaviano, Giovanni Peri) suggests a strong, positive correlation: "US-born citizens living in metropolitan areas where the share of foreign-born increased between 1970 and 1990 experienced a significant increase in their wage and in the rental price of their housing."

According to this paper, diversity has been considered by economists as valuable both in consumption and production. Some research concludes that the diversity of available consumption goods and services is one of the attractive features of cities. Other research stresses the importance of the diversity of creative professions employed in research and development or high-tech industries. And still other studies acknowledge that the "love of variety" in preferences and technology is the building block of their theory of spatial development: the production of a larger variety of goods and services in a particular location increases the productivity and utility of people living in that location.

The growing number of ethnic restaurants and grocery stores in Katy--including "Katy Asian Town," the 15.5-acre retail center that developers liken to Houston's Chinatown--present valuable consumption amenities that would be inaccessible to Katy residents were it not for its culturally diverse population.

Similarly, the skills and abilities of foreign-born workers and thinkers may complement those of native workers and thus boost problem solving and efficiency in the workplace. Cultural diversity, therefore, may increase consumption variety and improve the productivity of Katy "natives." It has been suggested, however, that the extent to which an area's U.S.-born population perceives multi-cultural growth as a benefit is undermined if the "natives" feel their own cultural values are being endangered. Furthermore, if "natives" attribute job losses to increased immigration, the resulting friction in the workforce could drive down productivity. In light of these considerations' being overlooked and/or mismanaged, cultural diversity can be said to decrease both the utility and productivity of natives.

Ability to adapt

Various studies have suggested that countries with high levels of diversity are better able to adapt new technologies and ideas. Technological innovation and human capital have long been considered facilitators of economic growth and development. Adding to this equation, cultural diversity and an area's openness to different cultures, religions and lifestyles, are also viewed as playing important roles in economic growth.

Some schools of thought propose that diversity is a product, rather than a factor, of economic development, arguing that diverse populations migrate to lucrative areas. However, a study by economists Quamrul Ashraf of Williams College and Oded Galor of Brown University ("Cultural Diversity, Geographical Isolation and the Origin of the Wealth of Nations," released by the National Bureau of Economic Research) challenges this idea by plotting the role of geographic isolation, proximity and cultural diversity on economic development from pre-industrial times to the modern times. **The conclusion of this charting**

was simple: diversity *spurs* economic development, and homogeneity *slows* economic development.

Specifically, this study examined the "Great Divergence" in economic development: Both Europe and the New World experienced a rapid rate of economic development during the Industrial Revolution. "The gap in per capita GDP between the richest regions of the world and the poorest increased from a modest 3 to 1 ratio in 1820 to an astounding 18 to 1 ratio in 2000," the study notes. Ashraf and Galor maintain that the New World enjoyed greater economic growth than other areas because it was more open to foreign cultures.

Impact on Wages

The Ottaviano/Peri paper examined US metropolitan areas and found that, other things being equal, **US-born workers living in cities with higher cultural diversity are paid, on average, higher wages and pay higher rents, than those living in cities with lower cultural diversity.**

The findings reinforce a positive effect of diversity on productivity, suggesting that a more multicultural environment makes US-born citizens more productive. The paper's authors, however, do make room for the possibility that "people with higher education, higher international experience, and higher exposure to culture and news may be more appreciative of diversity. They may also be different from other US natives in several characteristics that are related to productivity. **If this is true, 'tolerant' cities are more productive due to the characteristics of US-born residents rather than to the 'diversity' of these cities.**"

While considering this possibility, the paper's writers express confidence in their belief that their ongoing research will show that **both factors, diversity and tolerance, are likely to play important roles in the productivity and utility of a city's US-born natives.**

Reciprocal Learning

The analysis goes on to consider the effect of complementary skills between a city's US- and foreign-born residents. "Even at the same level of education, problem solving, creativity and adaptability may differ between native and foreign-born workers so that **reciprocal learning may take place.**

Furthermore, foreign-born workers may provide services that are not perfectly substitutable with those of "natives."

"An Italian stylist, a Mexican cook and a Russian dancer simply provide different services that their US-born counterparts cannot. Because of a taste for variety, this may increase the value of total production," the analysts explain.

With regard to the labor market, these analysts explore the effect of new immigrants on the wages of domestic workers and the effect of new immigrants on the migration behavior of domestic workers. They conclude that **immigrants bring down the relative wages of low-skilled workers but raise the wages of intermediately-skilled workers**, a direct effect of immigrants who are abundant in low skills and scarce in intermediate skills.

However, when skills of immigrants and natives are *complementary*—and **in the case of highly skilled workers**, who also are abundant among immigrants-- **the impact of immigration on the average wage of US born workers can be positive.**

In the paper “Is Cultural Diversity Good for the Economy?” (Wesley Sze, University of British Columbia), Sze describes the relationship between cultural diversity and the mean earnings and rents of native-born residents of Canada’s metropolitan areas from 1981-2006. His “highly robust positive correlation” revealed **that native-born workers living in more diverse cities received higher earnings and paid higher housing rents.**

Like Ottaviano and Peri, Sze attributes the increases to a causal effect of diversity, but he adds an important new finding: **“this diversity effect is almost entirely driven by the highly educated class—diversity of the low educated does not contribute to earnings and rents. At the same time, everyone experiences the benefits of a diverse high education group, suggesting human capital type spillovers.”**

Other research has presented evidence of a positive effect of immigrant inflows on rents in cities (Saiz 2003a, 2003b), but the author interprets this effect as a consequence of increased demand in housing, rather than an increased value of houses due to higher diversity and higher wages.

A key feature of “global cities” like London, Paris, New York, and Tokyo is the cultural diversity of their populations. In his work exploring sociology and economics (“Cities and the Creative Class”), American urban studies theorist Richard Florida considers that **diverse and tolerant cities are more likely to be populated by creative people, thus attracting such industries as high tech and research that heavily rely on creativity and innovative ability.**

Research in the late 90s determined that more fragmented or diverse societies promote more conflicts and predatory behavior, thereby stifling growth (Africa’s Growth Tragedy: Policies and Ethnic Divisions,” William Easterly and Ross Levine, 1997); however, recent studies challenge this logic with findings that **“as long as institutions are democratic, fractionalized societies perform better in the private sector than more homogenous ones.** Framed within efficient institutions, diversity may serve as a valuable asset for society (Collier, Ruth Berins, Democratic Transition (2001)). Katy government entities and organizations will want to keep this point in mind when considering a diverse representation of leadership.

Diversity in the workforce

A diverse workforce combines workers from different backgrounds and experiences that together breed a more creative, innovative, and productive workforce. Katy businesses will do well to learn that they can draw upon Katy’s diversity to strengthen their bottom line. In this way, diversity is a key ingredient to growing a strong and inclusive local economy.

According to a *Forbes* article (December 2016), McKinsey & Company’s research shows that ethnically-diverse companies are 35% more likely to outperform their peers. In the United States, there is a linear relationship between racial and ethnic diversity and better financial performance:

for every 10 percent increase in racial and ethnic diversity on the senior-executive team, earnings before interest and taxes rise 0.8 percent.

The same article presents research showing that inclusive teams outperform their peers by 80% in team-based assessments. “Companies that embrace diversity and inclusion in all aspects of their business statistically outperform their peers,” the article states. “In today’s working world, your ability to attract and engage people of all ages, cultures, backgrounds, and types is paramount to your business success.”

Here are some of the benefits of workplace diversity offered by an article written by the Center for American Progress (“The Top 10 Economic Facts of Diversity in the Workplace,” July 12, 2012):

- Diversity is a key aspect of entrepreneurialism.
- Diversity in business ownership, particularly among women of color, is key to moving our economy forward.
- Diversity in the workplace is necessary to create a competitive economy in a globalized world.
- Diversity in the boardroom is needed to leverage a company’s full potential.

ECONOMIC GAINS DIVERSITY BRINGS TO KATY SECTORS

International business

Research supports the idea that cultural diversity boosts productivity, labor participation and taxation revenue. Katy's businesses, especially multinational businesses, further stand to gain from the international connections made possible by a culturally diverse staff, particularly migrant workers, who may aid the flow of labor, goods, services, and knowledge between any such business and staff members' nations of cultural heritage. A diverse staff also lowers barriers to entry for new culturally diverse talent for the organizations and increases markets with increasingly culturally diverse populations.

Education sector

Cultural diversity provides a competitive advantage in attracting international students and to the appeal of Katy as an education destination, thereby benefitting the area's institutes of higher education, including the University of Houston, as well as enriching the educational experience for students, and developing a more educated citizenship.

University of Arizona's Jeffrey E Milem conducted a study assessing the impact of culturally diverse education environments in higher education institutions (Milem, J. (2003). "The educational benefits of diversity: Evidence from multiple sectors," in Chang, M., Witt, D., Jones, J., Hakuta, K. (eds.), *Compelling interest: Examining the evidence on racial dynamics in higher education*, Palo Alto, Stanford University Press, 126-169). Among his findings of benefits to students were: improved racial and cultural understanding, enhanced openness to diversity and challenges, enhanced critical thinking, and greater satisfaction with their higher-education experience. Benefits to the educational institution included: more student-centered approaches to teaching, greater diversity in curriculum, greater diversity of staff, and more research focusing on cultural and ethnic diversity. Milem also noted wider societal benefits, including a more educated citizen body and greater equity in society.

Research and innovation

A diversified workforce engages "creative conflict," of different experiences and perspectives, resulting in greater creativity and increased introduction of new ideas (Gould, J., 2015 "How arts organisations can reap the benefits of cultural diversity"). Diverse groups generate hard-to-imitate resources leading to competitive advantage. Cultural diversity, along with high technological capabilities, will contribute to the vibrancy of Katy's regional business networks and entrepreneurship.

Tourism

A movement toward "niche" and cultural tourism has taken the tourism industry by storm. In an economically-driven response, cities are developing "ethnic quarters," like Chinatowns (Syrett and Sepulveda), to broaden their tourism and capitalize on the desire for new and varied cultural experiences. Cultural events and festivals in ethnic quarters, such as the San Gennaro festival in New York City, have become successful drivers for tourism to cities, increasing visitation and visitor spending. Similarly, the organic clustering of cultural groups, such as New York City's Harlem, offer the benefit of heightened tourism to culturally diverse cities, differentiating them from other tourist destinations.

Hospitality and the food industry

With Katy's cultural diversity comes an increase in choices for various food and dining options. Katy's local dining and food shopping scene has exploded with new choices in culinary experiences, including Vietnamese, Korean, Chinese, Mediterranean, Mexican, Central American, African, Italian, South American, and Russian restaurants and groceries. The range of options is marked not only by culture of origin, but also by price point, with examples of eateries tucked away in local gas stations, to strip-mall mid-end restaurants, and an increasing number of high-end establishments, all of whom attract experienced chefs and who maintain a loyal customer base.

With increased diversification also comes the potential for more diversified and creative fusion cuisines. The food industry is a strong beneficiary of a culturally diverse Katy, as is the population of people who enjoy these foods and who also benefit from a positive cultural interaction with the groups who create them.

Katy's hospitality industry benefits from the increased tourism that accompanies the area's being recognized as an interesting, multicultural destination with excellent food, communities, and entertainment associated with these cultures.

Attracting knowledge workers

An area's diversity and tolerance have been identified as "essential elements for attracting knowledge workers--the 'creative class' essential to the long term economic sustainability of cities as the world's economy is increasingly driven by innovation and ideas" (Richards, G., Wilson, J., (eds.) "Tourism, Creativity and Development," Routledge, London). With Katy's growing knowledge-based economy, consisting of a thriving medical and healthcare industry, engineering firms, schools, and institutes of higher-education, the need for knowledge workers becomes increasingly vital to the city's economic well-being. A diverse population and foundation of tolerance are keys to attracting and retaining such human capital.

WHERE DO WE GO FROM HERE? MAKING DIVERSITY WORK FOR THE KATY ECONOMY

The community spokespeople present at the Katy EDC forum, which included Katy ISD Superintendent [Lance Hindt](#), as well as business leaders and businesspeople, laid out points on how to cultivate Katy's diversity.

Education Has Taken Steps, More Work to Be Done

Starting with Education, much can be done—and has been done—to overcome cultural issues and linguistic barriers that can present academic challenges to the classroom. The shift in Katy's demographics presents a problem for teachers who face the challenge of how to talk to parents who don't speak the same language. School officials have taken aggressive steps to place qualified minority teachers who meet the district's high standards in KISD classrooms. The district trains staff in cultural diversity, considers changes in its approach to instruction, and encourages teachers to obtain certifications in English as a second language (ESL).

Still, there is a need to help families migrating from other countries to understand the American public education system, including graduation requirements and the college admission process. The need for minority educators ranks high in the list of Katy Association of Professional Educators' priorities for accommodating Katy's growing diversity. The following statistics were reported in the *Houston Chronicle* ("Diversity of enrollment in Katy ISD continues to increase," *Houston Chronicle*, April 2, 2013):

- The average KISD teacher salary for 2011-12 was \$51,000.
- The hiring of minority teachers lags behind the state of Texas.
- In 2002, Katy ISD had 130 Hispanic teachers representing about 5 percent of all teachers in the district. This compares to 2,334 white teachers, who represented 92 percent of district classroom professionals.
- By 2012, the number of Hispanic teachers increased to 450, representing about 12 percent of all teachers compared to 3,104 white teachers representing 80 percent of all teachers.
- Black students represented 6 percent of students in 2002 while black educators represented a little more than 2 percent of district teachers.
- By 2012, black students made up about 10 percent of those enrolled and the number of black teachers increased to 5 percent.
- Hiring has remained stagnant for the second fastest growing population: Asian students. In 2002, Asian students comprised 6 percent of enrollment but less than 1 percent of teachers were Asian.
- In 2012, Asian students comprised 11 percent of those enrolled compared to about 2 percent of the teaching staff.

Employers must drive diversity

Local immigration attorney and EDC Talent and Leadership Task Force member [Rehan Alimohammed](#) discussed the benefits of diversity in business at the forum. He cited research by

University of Chicago sociology professor [Cedric Herring](#), who found that companies across the U.S. make 6 percent greater revenue when they are formed by a diverse staff, and those same companies generally outperform their peers.

Create community events

The City of Katy can work with local arts organizations (KCAM, KVPAC, World Theatre, etc.) and ethnic restaurants and grocery stores to sponsor an annual international festival that celebrates the area's rich cultural diversity.

Festivals or other events centered around food can be particularly effective in this regard, as many cultural and ethnic groups use the same ingredients to produce different dishes. These dishes are a form of diversity that is non-threatening and typically welcomed by everyone. One idea is to come up with a particular ingredient and then ask each group to share information and to demonstrate how it uses that ingredient. A **Katy International Cook-Off**, for example, could feature competitions in categories featuring different ingredients.

EXAMPLE: Annual Egg Rolls & Egg Creams Festival (New York City)

During a free, day-long event held in Manhattan's Lower East Side and Chinatown, two immigrant communities unite to celebrate their diversity and cultural heritage. Jews from Eastern Europe and the Chinese shared the challenge of maintaining their cultures in the face of rapid change and have sought similar things in America: freedom from persecution and prejudice, and opportunities to advance economically and socially. The annual *Egg Rolls & Egg Creams Festival* helps to introduce these two diverse communities to each other and to audience members from other cultural groups. By increasing awareness through art, they believe they will create an opportunity for understanding and dialogue. The festival features 30 folk artists and performance groups and pays tribute to the cultural practices of traditional language, arts, music, and dance. This community-building event is sponsored by the Museum at Eldridge Street, and it fulfills two important aspects of their mission: (1) to preserve Eastern European culture and (2) to promote Lower East Side neighborhood cultural diversity and inter-group understanding. The entire festival incorporates hands-on activities through a variety of games, performances, and crafts, allowing visitors to participate directly and integrate what they are learning. From the festival's humble beginnings with 250 neighborhood visitors, attendance has grown to attract more than 9,000 people in 2014. Part of this dramatic increase includes many repeat visitors, attesting to the festival's importance. source: <http://www.eldridgestreet.org>

Promote a diverse local leadership

Members of the Katy Area EDC agreed that the Katy area's leadership is one area where diversity, particularly with Hispanics, is lacking. Most leadership and member positions in the local school district, chamber of commerce, EDC and at city hall being filled by white, U.S. native individuals.

It is important to identify and support new leadership candidates from different racial and ethnic groups to run for city council and other community-wide governing bodies. Conducting

candidate forums and voter-registration drives, will give Katy residents an increased knowledge about the candidates and what they represent and will increase candidates' accountability to constituents.

Alimohammed also said in order to see more diversity in local leadership and business groups, different clusters of people also have to be willing to participate to alter the demographics and perspectives present. "It takes time," Alimohammed said. "Everything good takes time. Maybe we are impatient in saying there's no diversity in Katy area leadership right now, and maybe it's true, but it's going to take time. As the younger people come in, over time, it will change. I think this (forum) is a good step."

That same issue is present in many entities across the state and country, said Carmen Carter, a leader at Diversity on Demand, but she believes Katy leaders are taking the right steps to embrace the area's diversity. "It's a great conversation," she said. "It's a great opportunity for the Katy area. It's not a reactionary type of thing like this is happening because of something negative. It's like, 'things are changing, so how do we best grow it?' The case for inclusion in business speaks for itself."

EXAMPLE:

Ebrahim Ulu was a teacher and public-health worker in Ethiopia who went to Houston in 2007 on a diversity visa, a certain number of which go to countries with historically low rates of immigration to the United States. For six months, he slept in the car in order to buy a car and bring his family from Africa. Today his family is with him in Houston. He owns the car he drives but must lease the right to operate a taxi in the form of a costly \$170-per-week medallion.

In 2011, the burden of having to rent the medallion from a middleman prompted Ulu and his fellow drivers to form an unofficial union, the United Houstonian Taxi Drivers Association. Previous organizing efforts had been attempted, but the distrust among the 10 different ethnic groups involved created problems. So the group tried using representatives.

Each community of drivers — Latinos, African-Americans, East Africans, West Africans, South Asians — now has a voice in leadership, and the union has become a fixture at city council hearings, demanding more reasonable lease rates, improved sanitation at the airport depot, direct ownership of medallions and, most recently, protection against informal ride-sharing companies such as Uber and Lyft.

Create a Diversity Task Force

The Katy Area EDC has formed a diversity task force to move the discussion forward, said EDC Leadership Committee Chairman [Stan Goss](#). The task force will be composed of EDC members and volunteers who can discuss goals for embracing and growing Katy's diversity.

Promote inclusion from the highest levels

As community builders, understanding culture is Katy Area EDC's business. Culture is a strong part of people's lives. It influences their views, their values, their humor, their hopes, their loyalties, and their worries and fears.

The benefits and costs of cultural diversity may be experienced differently by different groups. For instance, Syrett and Sepulveda (Syrett, S., Sepulveda, L., 'Realising the diversity dividend: population diversity and urban economic development', Environment and Planning) note that lower-income neighborhoods, often the areas that host first- and second- generation international migrants, "may experience the costs of poor social cohesion, such as a lack of trust and polarization with established host communities."

In order to build communities that are powerful enough to attain significant change, the Katy area needs large numbers of people working together. Each cultural group in Katy has unique strengths and perspectives that the larger community can benefit from. Understanding cultures will help the Katy area overcome and prevent racial and ethnic divisions. People from different cultures have to be included in decision-making processes in order for local programs or policies to be effective.

Examples of Inclusion from Houston

On July 12, 2014, Houston Mayor Annise Parker hosted her third annual Iftar dinner, symbolically breaking the Ramadan fast with 2,000 guests. "We have the largest refugee, expat and immigrant population in the U.S.," she told the crowd, praising the city's diversity and calling for a compassionate response to young Central Americans crossing the border. It was an un-Texan speech at an un-Texan meal delivered by an un-Texan politician: Parker is a three-term liberal and a married lesbian. Her nuptials, however, took place in California, since her home state doesn't recognize same-sex marriage.

City policies have adapted to changes in the population. Last year Parker signed an executive order requiring municipal agencies to provide services and information in the city's top five languages other than English. "Over 100 languages are spoken in Houston," said Terence O'Neill, division manager of Houston's Office of International Communities, but "immigrant and refugee populations and services is a very limiting way of thinking about [diversity]. People come here for all kinds of reasons. It's a prosperous city."

Source: <http://america.aljazeera.com/articles/2014/8/26/immigrants-reshapehoustonamericasmostdiversemetropolis.html>

Address Racism

As noted by Gillian Trigg ("Social cohesion in a multicultural Australia: The importance of human rights," 2014), president of the Australian Human Rights Commission, the many possible benefits of cultural diversity can be derailed by racism and discrimination. When racial prejudice is supported by institutions and laws, racism is present. The economic well-being of a group of

people is intertwined with racism and unless it is addressed intentionally and thoroughly, a community building effort will not reach its full potential.

As the Katy area becomes more diverse and the world's residents more mobile, the area must be prepared to act in order to reduce the potential for hostility due to differences in residents' physical traits and other characteristics. A good place to start is with the youngest of Katy's residents. KISD might take a cue from The Center for Community Health and Development's Community Toolbox (<https://ctb.ku.edu>) and consider making changes or additions to the district curriculum to teach anti-racism and to provide seed grants to teachers or instructors to help them conduct research and activities about racism and to promote anti-racist values and principles.

Public Education Campaigns

The Center for Community Health and Development also suggests that public education campaigns can be a useful strategy to raise a community's awareness about conditions that helped shape a group's identity and current situation. In such a campaign, the Katy Area Economic Development Council and Chamber of Commerce can gather research data (e.g., cite statistical evidence about the tax contributions of immigrants to the U.S. economy to dispel myths about the large number of undocumented immigrants that are benefiting from public monies) and stories from actual residents (e.g., how an immigrant in the community started a small business that is now a source of employment for local residents) to make the point.

Examples of ideas for a public education campaign include:

- A series of articles in the *Katy Times*, *Katy Magazine*, *Community Impact*, or other local publication about the plight of a group of refugees who recently resettled in the community
- Table tents (e.g., for restaurants) and posters that celebrate the community's diversity
- Planned and facilitated discussions in schools, block associations, Chamber of Commerce, and other community settings about topics such as institutionalized racism, homophobia, xenophobia, and other forms of discrimination

Tear-out slips or QR codes should be provided at the end of each article or in the table tents and posters, so that individuals interested in participating in the Katy area's community building effort can send their contact information. This way, we can expand the circle of people who want to do something about the growing diversity of the Katy area community and, at the same time, develop a list of potential volunteers.

CONCLUSION

The evidence clearly paints a picture of the Katy area that is growing in diversity. Research on the topic of diversity and its impact on a community suggests that this rich variety of ethnicities, races, and cultures can work toward positive economic gains for the area. Increases in production and consumption, productivity and utility, ability to adapt, increased wages and rents, and reciprocal learning will strengthen the economy of the Katy area if the community takes steps to embrace and encourage this diversity.