

SWOT Analysis³⁵

This SWOT Analysis also incorporates resilience to economic and disaster threats:

This SWOT analysis synthesizes the key findings from survey data and resiliency notes to assess the region's Strengths, Weaknesses, Opportunities, and Threats for economic development and resiliency. It also includes key considerations for workforce development, infrastructure, water resources, and mental health services, which are critical for the region's long-term stability.

Strengths

1. Diverse & Growing Economic Base
 - Presence of major employers (e.g., Baylor University, Mars Wrigley, SpaceX, L3Harris, Ascension Providence).
 - Strong manufacturing sector with opportunities in advanced robotics and renewable energy.
 - Expanding retail and tourism industries (e.g., Magnolia Market, HEB, Walmart).
2. Workforce & Education Strengths
 - Access to higher education institutions like Texas State Technical College (TSTC), McLennan Community College (MCC), and Hill College for workforce training.
 - Educated and skilled workforce, with programs focused on healthcare, manufacturing, and technical skills.
 - Strong partnerships between businesses and educational institutions to drive innovation.
3. Infrastructure & Connectivity
 - Strategic location along Interstate 35 & 45 enhances logistics and manufacturing opportunities.
 - Expanding freight rail access and intermodal transport hubs.
 - Increasing investment in broadband expansion for rural communities.
4. Community & Government Engagement
 - Strong governance and regional cooperation across HOTCOG counties.
 - High levels of volunteerism, community engagement, and local business support.
5. Natural & Recreational Assets
 - Agricultural strength, supporting regional food production.
 - Expanding outdoor recreation and tourism opportunities.
 - Growing focus on sustainable development and resource stewardship.

Weaknesses

1. Workforce & Employment Challenges
 - Skill gaps in high-demand industries (e.g., healthcare, technology, manufacturing).
 - Limited job opportunities in rural counties, leading to long commutes.
 - Brain drain – Loss of young talent to larger metropolitan areas.
2. Housing & Infrastructure Constraints

- Housing affordability and availability remain concerns for growing populations.
- Aging water infrastructure threatens long-term economic development.
- Limited public transportation and rural road connectivity hinder workforce mobility.
- 3. Healthcare & Mental Health Services Gaps
 - Limited access to mental health resources, particularly in rural areas.
 - Insufficient social services for vulnerable populations, including those experiencing substance abuse and homelessness.
 - Healthcare facility accessibility issues, especially in underserved counties.
- 4. Business & Economic Barriers
 - Barriers to small business growth, including regulatory challenges and limited funding.
 - Lack of business retention strategies to prevent large employers from relocating.
 - Unequal economic development across the region, with rural counties lagging behind urban centers.

Opportunities

1. Workforce Development & Economic Diversification
 - Strengthen technical and trade training programs to meet industry needs.
 - Expand entrepreneurship support programs, leveraging Waco's growing business scene.
 - Promote remote and hybrid work models by enhancing rural broadband access.
2. Infrastructure & Water Resource Investments
 - Improve water conservation strategies to ensure long-term sustainability.
 - Continue investment in highways, bridges, and rural road upgrades.
 - Expand renewable energy projects (e.g., solar and wind energy development).
3. Technology & Innovation Expansion
 - Increase access to high-speed internet for rural businesses and residents.
 - Leverage SpaceX and other tech-driven companies to build innovation hubs.
4. Tourism & Cultural Growth
 - Promote historical and outdoor tourism initiatives to drive regional economic activity.
 - Expand hospitality and leisure services to support increased visitor traffic.
5. Resilience & Disaster Preparedness
 - Strengthen emergency preparedness programs, focusing on weather-related risks (floods, droughts, tornadoes, and fire events).
 - Enhance regional collaboration for disaster response and recovery.

Threats

1. Economic Risks & Market Volatility
 - Recession and inflation affecting business stability and household financial security.
 - Rising costs of goods and services, impacting affordability for residents.
2. Natural Disaster & Infrastructure Challenges

- Increasing frequency of severe weather events (e.g., tornadoes, floods, droughts).
- Water scarcity and infrastructure degradation due to population growth, aging systems, and increased demand.
- 3. Workforce & Demographic Shifts
 - Aging population leading to increased healthcare and service demands.
 - Out-migration of younger talent due to limited high-wage job opportunities.
- 4. Public Health & Social Stability Concerns
 - Mental health crises and substance abuse issues growing across the region.
 - Rising homelessness rates due to lack of affordable housing and job opportunities.
 - Crime and public safety challenges in certain areas.
- 5. Infrastructure & Funding Constraints
 - Limited funding for long-term infrastructure improvements in rural counties.
 - Challenges in securing state and federal grants for key projects.

Key Strategic Direction/Action Plan:

1. Workforce & Business Development

- Expand workforce training in high-demand sectors (healthcare, tech, skilled trades).
- Attract new industries by offering business incentives and regional partnerships.
- Strengthen small business support programs through grants and funding initiatives.
- Develop targeted strategies to retain young professionals in the region.

2. Infrastructure & Water Sustainability

- Prioritize water infrastructure upgrades to address long-term sustainability concerns.
- Invest in broadband expansion to enhance digital access for rural businesses and residents.
- Upgrade road and rail infrastructure to support economic growth and logistics.
- Expand renewable energy projects to reduce reliance on traditional power sources.
- Improve wastewater infrastructure by upgrading aging systems and expanding treatment capacity to accommodate regional growth.
- Enhance stormwater management systems to prevent flooding and protect water quality.

3. Mental Health & Social Services Enhancement

- Increase funding for mental health services, particularly in rural areas.
- Expand social programs to address homelessness and substance abuse.
- Develop community-based health initiatives to improve regional well-being.

4. Economic Stability & Disaster Preparedness

- Enhance regional collaboration on disaster recovery and emergency planning.
- Strengthen financial preparedness programs for businesses and households.

- Expand emergency management infrastructure to respond to severe weather events and natural disasters.

Conclusion

- The Heart of Texas region has strong economic, educational, and infrastructure assets but must address workforce gaps, water and wastewater infrastructure sustainability, mental health accessibility, and business retention challenges to ensure long-term resilience.
- By expanding workforce development, investing in critical infrastructure (including water and wastewater upgrades), improving public health resources, and strengthening disaster preparedness, will create a stronger, more sustainable economy for the region.

Strategic Direction/Action Plan

Guiding Principle

Grow the Economy: Foster economic prosperity for all by enhancing regional investment, expanding the workforce, and advancing infrastructure development.

Vision

The Heart of Texas Economic Development District (HOTEDD) envisions a resilient and sustainable regional economy driven by strong workforce development, strategic infrastructure investment, and business expansion. Through collaborative partnerships, innovation, and forward-thinking economic strategies, we aim to create vibrant communities where businesses thrive, opportunities grow, and residents enjoy a high quality of life in a rapidly evolving economic landscape.

Strategic Direction

The Heart of Texas region is transforming into a dynamic hub where traditional industries and emerging economic sectors coexist, fostering innovation, manufacturing, logistics, and entrepreneurship. The 2025-2030 strategy is designed to enhance workforce development, modernize infrastructure, strengthen economic resilience, and promote sustainability. The goals and KPIs outlined provide a structured approach to achieving these regional priorities.

Goals/Objectives

Goal 1: Strengthen Workforce & Business Development

Objective: Expand workforce training programs, retain skilled talent, and foster entrepreneurship.

- KPI 1: Increase job placement rates for workforce training programs to 25% by 2030.
- KPI 2: Grow small business survival rate to 60% five years after startup.