

Texas Informal Housing Communities and Human Capital: School-to-Work Transitions

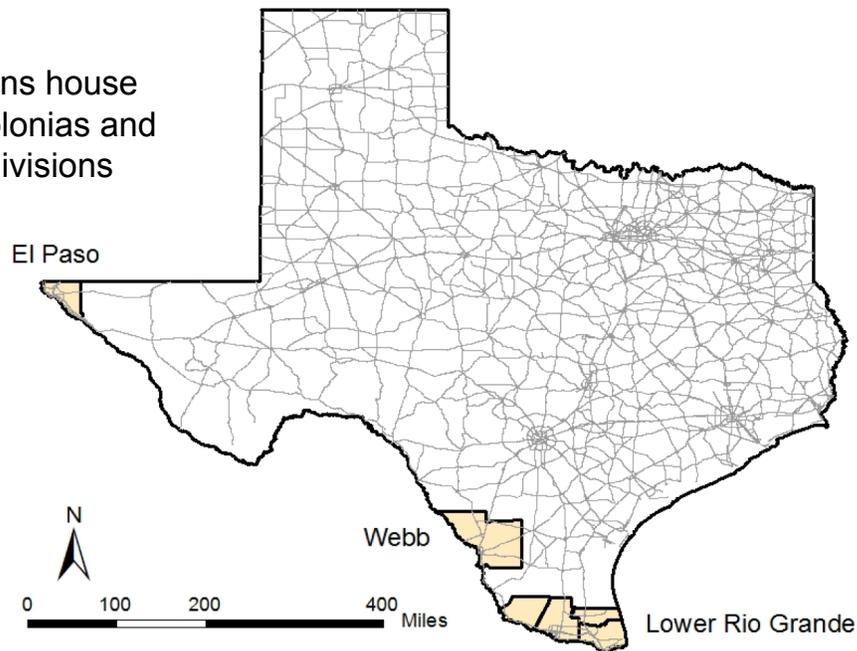
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Southwest Border Colonias: Housing and Sustainable Development
El Paso, TX

Research Case Studies

Three regions house
the most colonias and
model subdivisions



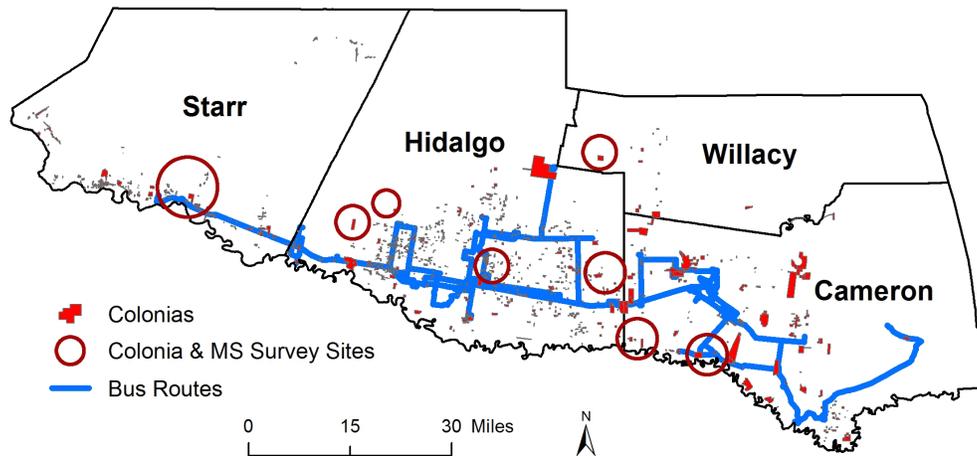
Informality – Old and New



Adverse Effects of Residential Segregation

- Reduces workforce participation and labor market outcomes
- Workers lack social and information networks to access job opportunities, face mobility (auto and public transport) barriers, or find commute times too costly relative the reservation wage
- Employers discriminate against workers as having particular characteristics conducive to productivity or not amenable to their customer base and refuse to hire or pay them less

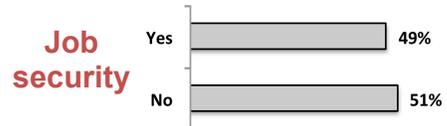
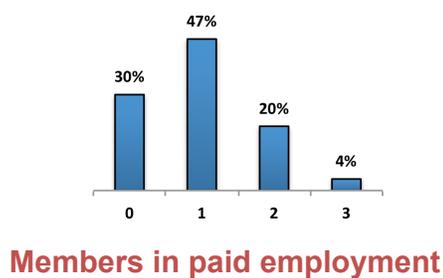
Phase I – Data and Methods



Administered 343 surveys (systematic sampling), photographed and conducted key informant interviews across 15 colonias (N=192) and 8 MSs (N=151)



Household Survey Findings

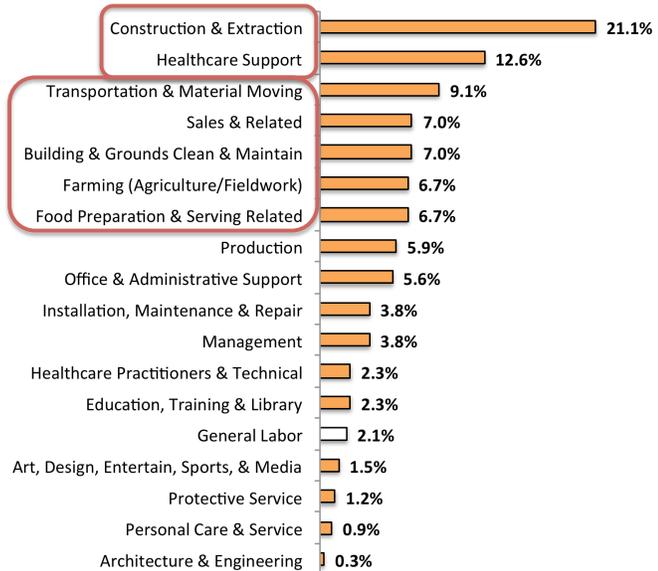


- Two-thirds have monthly income < \$1,600
- Many count on retirement, disability or other govt. transfers, or are currently unemployed or working informally
- 50% food insecurity – food programs/banks are a crucial safety net
- 83% no access to traditional loans – low interest credit unattainable



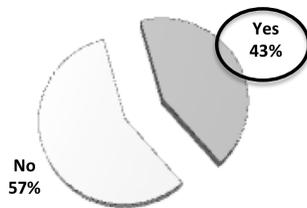
Survey Findings – Occupations

- carpenter, cement mason/finisher, painter, plumber, roofer, labor
- home health aide
- trucker and warehouse labor (packer, forklift operator, etc.)
- retail sales (cashier, stocker, etc.)
- janitorial, maid & grounds keeping
- field worker (incl. agri. migrant)
- cook (fast and non-fast food)

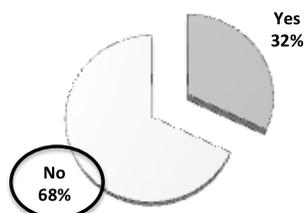


Survey Findings

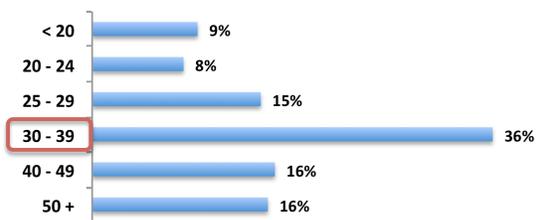
Training demand: cosmetology; nursing or nurse assistant; culinary or cooking; electrical, plumbing or carpentry; & computer skills or repair



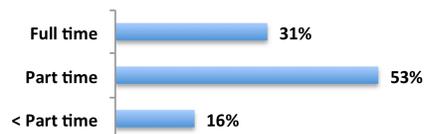
Interest in job training



Know where to get training

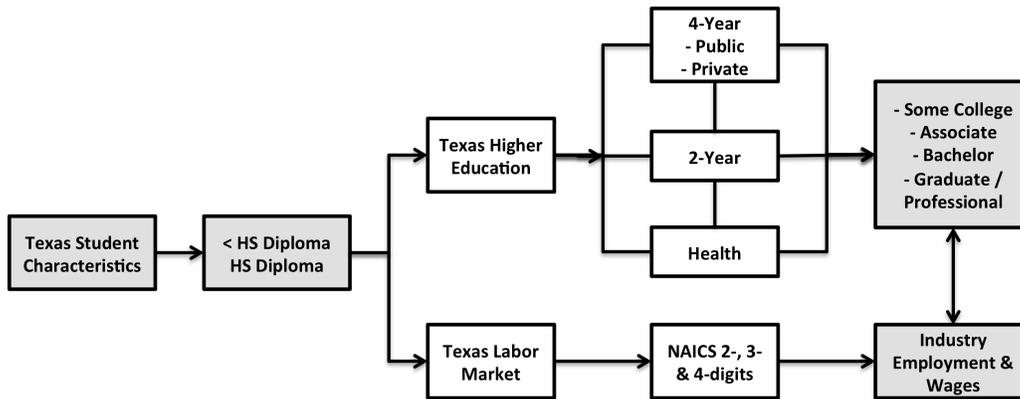


Age of person interested in training



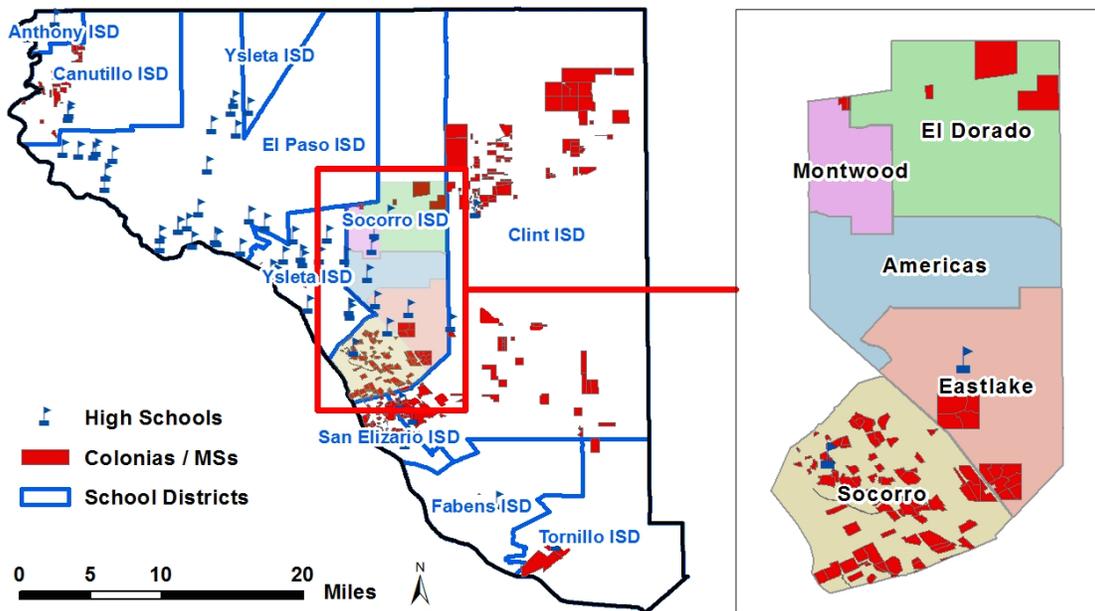
Availability for training

Phase II – Data and Methods

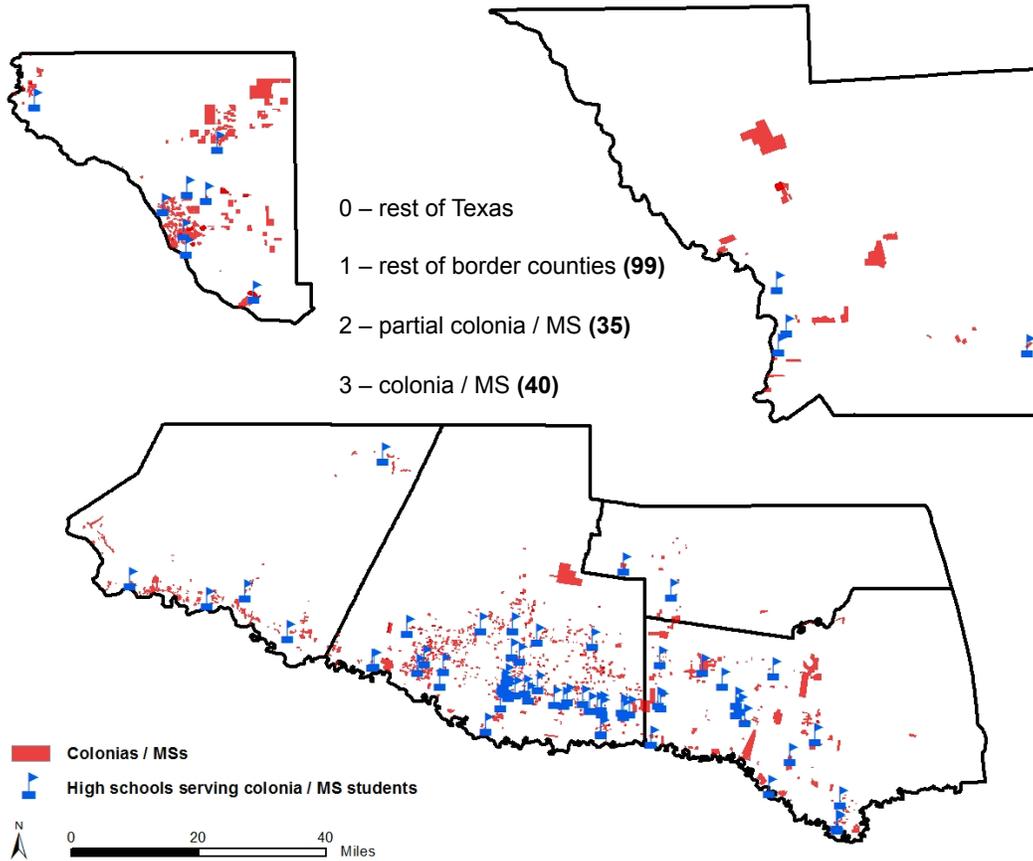


- Education Research Center data clearinghouse
- Track the trajectory of individual high school students since the early 1990s through post-secondary education and labor force

Students Originating from Colonias/MSs



ISD school enrollment boundaries



Data Cleaning

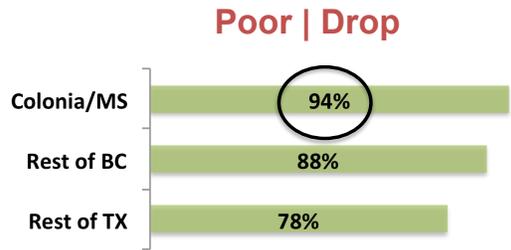
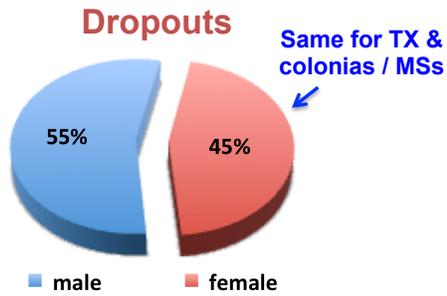
Source	Data Files	Years	Unique Records
TX Education Agency	Demographic, graduate, dropouts, exit reason, campus	1994 - 2012	12,121,798
TX Higher Education Coordinating Board	Enrollment & degree (4 campus types for Fall & Spring)	1990 - 2012	7,197,388
TX Workforce Agency	Wages, employment & industry (quarterly)	1990 - 2013	30,831,859
Merged TEA w/ Demographics			11,622,419
Merged TEA - THECB			15,899,711
Merged TEA - THECB - TWC			36,792,440

**270,840 (2.33%)
colonia/MS students**

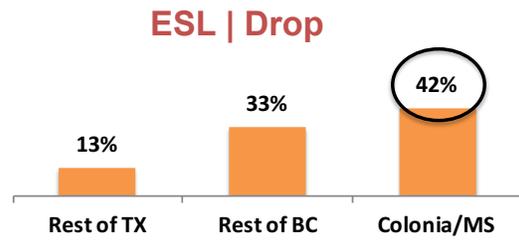
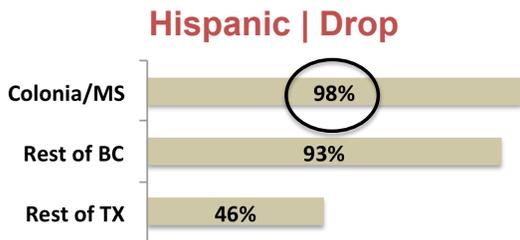
**3.84 million
high school graduate
or dropout matches
(153,842 are colonia/
MS students)**

9.5 million school-to-work matches

High School Exiters

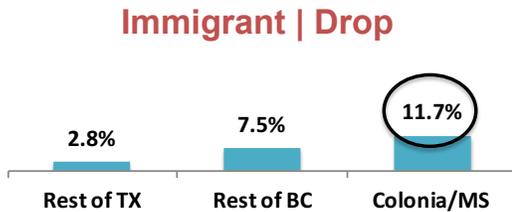


Free or reduced meals are a crucial safety net



More likely to live with Spanish as primary home language

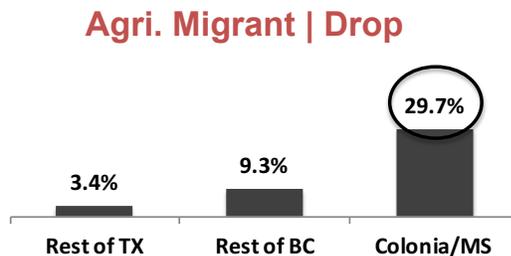
High School Exiters



➤ Larger shares of immigrants in colonias / MSs (8% vs. 2% in TX)

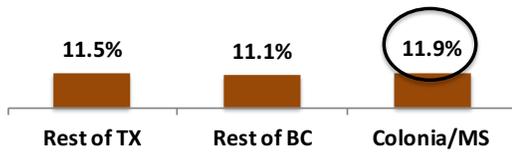
Since 2000:

- Almost 1 in 5 colonia / MS kids have worked fields
- Almost 1 in 3 colonia / MS dropouts have worked fields



High School Exiters

Gifted | Grad

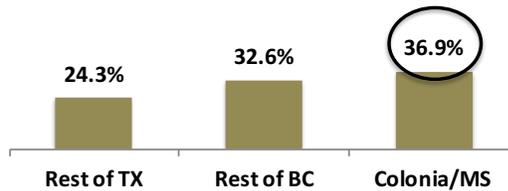


➤ Student's potential is equal, notwithstanding supply-side differentials

➤ Larger share of colonia / MS students enrolled in 4 + 2 Tech Prep study

➤ Focus on technical skills for fast entry-level employment after HS while attending 2-year college or apprenticeship program

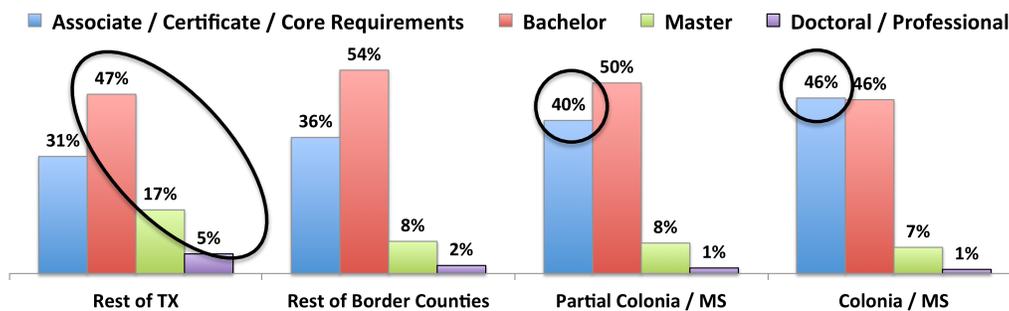
Tech Prep | Grad



Higher Ed. Attainment – Where & Type

	NonColonia/MS Schools		Colonia/MS Schools	
	Rest of Texas	Rest of Border Counties	Partial but Substantial	Mostly or Exclusively
2-year	30%	36%	40%	46%
4-year	59%	58%	56%	50%
Health	3%	2%	1%	1%
Independent	8%	4%	3%	2%
Total	100%	100%	100%	100%

➤ 2-year colleges play crucial role in skills attainment of colonia / MS students



Ages of College Degrees

Age	1st degree		Highest degree	
	Rest of Texas	Colonia / MS	Rest of Texas	Colonia / MS
<= 18	1%	3%	1%	2%
19	3%	6%	2%	4%
20	5%	10%	3%	7%
21	14%	17%	11%	14%
22	16%	19%	14%	17%
23	10%	13%	10%	13%
24	7%	9%	7%	10%
25	5%	6%	6%	7%
26	4%	4%	5%	6%
27	4%	3%	4%	5%
28	3%	2%	4%	4%
29	3%	2%	3%	3%
30 +	27%	4%	31%	8%
Total	100%	100%	100%	100%

68% (61%) get 1st (highest) degree in ages 20 thru 24, vs. 51% (46%) for rest of TX students

Higher education window for colonia / MS students

Few pursue higher education in later years relative rest of TX

College Semester Duration

Long Semesters	From enroll to 2-yr high degree		From enroll to 4+ yr high degree	
	Rest of Texas	Colonia / MS	Rest of Texas	Colonia / MS
<= 4	28%	18%	19%	8%
5 - 8	38%	40%	46%	35%
9 - 12	22%	29%	27%	41%
13 +	12%	12%	7%	17%
Total	100%	100%	100%	100%

➤ Less likely to finish 2- or 4-year degree "on time"

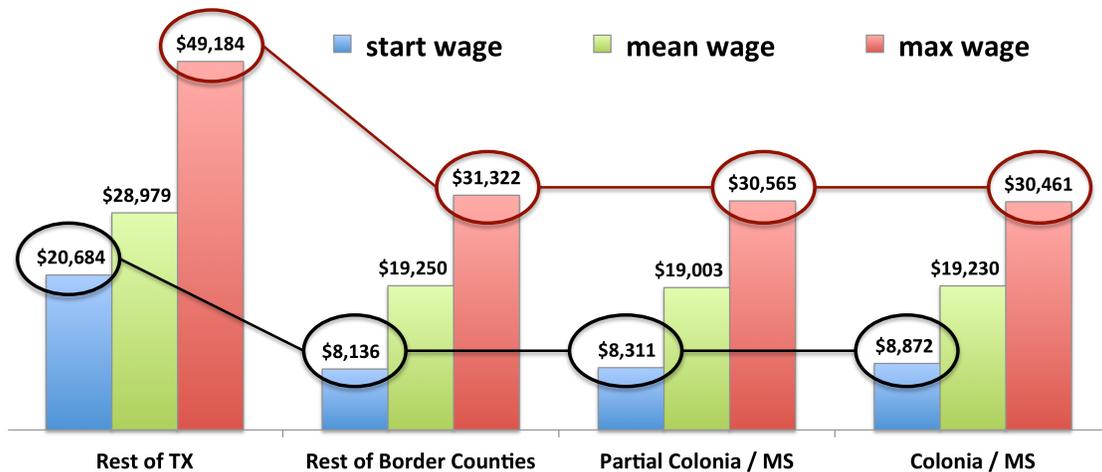
Higher Education Declared Majors

Rank	Rest of Texas		Colonia / MS	
	%	Major of highest degree	%	Major of highest degree
1	18.3%	Business, mgmt & marketing	15.3%	Health professions
2	13.9%	Health professions	14.8%	Business, mgmt & marketing
3	6.1%	Liberal arts/sciences & humanities	9.1%	Multi-interdisciplinary studies
4	6.1%	Education	5.9%	Liberal arts/sciences & humanities
5	5.3%	Multi-interdisciplinary studies	5.2%	Education
6	4.2%	Engineering	5.1%	Homeland/law/fire enforcement
7	4.2%	Social sciences	3.5%	Social sciences
8	3.1%	Psychology	3.3%	Biological & biomedical sciences
9	3.0%	Homeland/law/fire enforcement	3.2%	Mechanic & repair technologies
10	2.8%	Communication & journalism	3.1%	Psychology
Top 10	67.1%		68.4%	

- Research shows lower paying health professions in colonias/MSs
- Little college training for construction trades – role of apprenticeships?



UI Employment Wages



- Why slightly higher start wages for colonia/MS? Potentially more full-time early entry in labor market (to assist household) vs. more part-time in rest of border.
- Max wages do not account for informal, irregular, or seasonal (lower paying) work.

Note: Wages estimated for a 20-hour minimum work week paying at least minimum wage for that respective year.



Employment Shares & Location Quotients

Rank	Rest of Texas		Colonia / MS		
	%	NAICS Employment Sectors	%	LQ	NAICS Employment Sectors
1	11.5%	Retail trade	17.5%	1.52	Retail trade
2	10.8%	Accommodation & food	13.5%	1.26	Accommodation & food
3	9.6%	Admin., support & waste mgmt.	12.9%	1.38	Health care & social assistance
4	9.4%	Health care & social assistance	10.0%	1.05	Admin., support & waste mgmt.
5	9.2%	Manufacturing	9.7%	1.38	Educational
Top 5	50.5%		63.7%		

- 1) **Clothing, general merchandise, health/personal care**
 - 2) **Food services & drink places**
 - 3) **Home health care & social assistance**
 - 4) **Janitorial, landscaping, employment services**
 - 5) **Elementary & secondary schools**
- **Public Admin. (LQ 1.34) ; Agriculture, forestry & fishing (LQ 1.25)**

Summary

- Many transition early into the labor market and community colleges play an important pathway in skills attainment
 - Both limit their labor market opportunities and wage growth
 - 2- to 4-year college pathway has low probability of success
- Critical age window for higher education attainment
 - Employers have less incentive to provide training so workforce development becomes important safety net