



# Workforce Development in El Paso: A view from the Dallas Fed

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# Outline

1. 60x30 TX
2. A perspective on El Paso
3. Role of Dallas Fed



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# 60x30TX



## 60x30

By 2030, at least **60 percent** of Texans ages 25-34 will have a postsecondary credential or degree.

**Achieving the 60x30 goal is critical for Texas to remain globally competitive and for its people and communities to prosper.**



Source: Texas Higher Education Coordination Board Members

# 60x30TX



## THE OVERARCHING GOAL: 60x30

At least 60 percent of Texans ages 25-34 will have a certificate or degree.

✦ *Supports the economic future of the state*



## THE SECOND GOAL: COMPLETION

At least 550,000 students in 2030 will complete a certificate, associate, bachelor's, or master's from an institution of higher education in Texas.

✦ *Requires large increases among targeted groups*



## THE THIRD GOAL: MARKETABLE SKILLS

All graduates from Texas public institutions of higher education will have completed programs with identified marketable skills.

✦ *Emphasizes the value of higher education in the workforce*



## THE FOURTH GOAL: STUDENT DEBT

Undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions.

✦ *Helps students graduate with manageable debt*



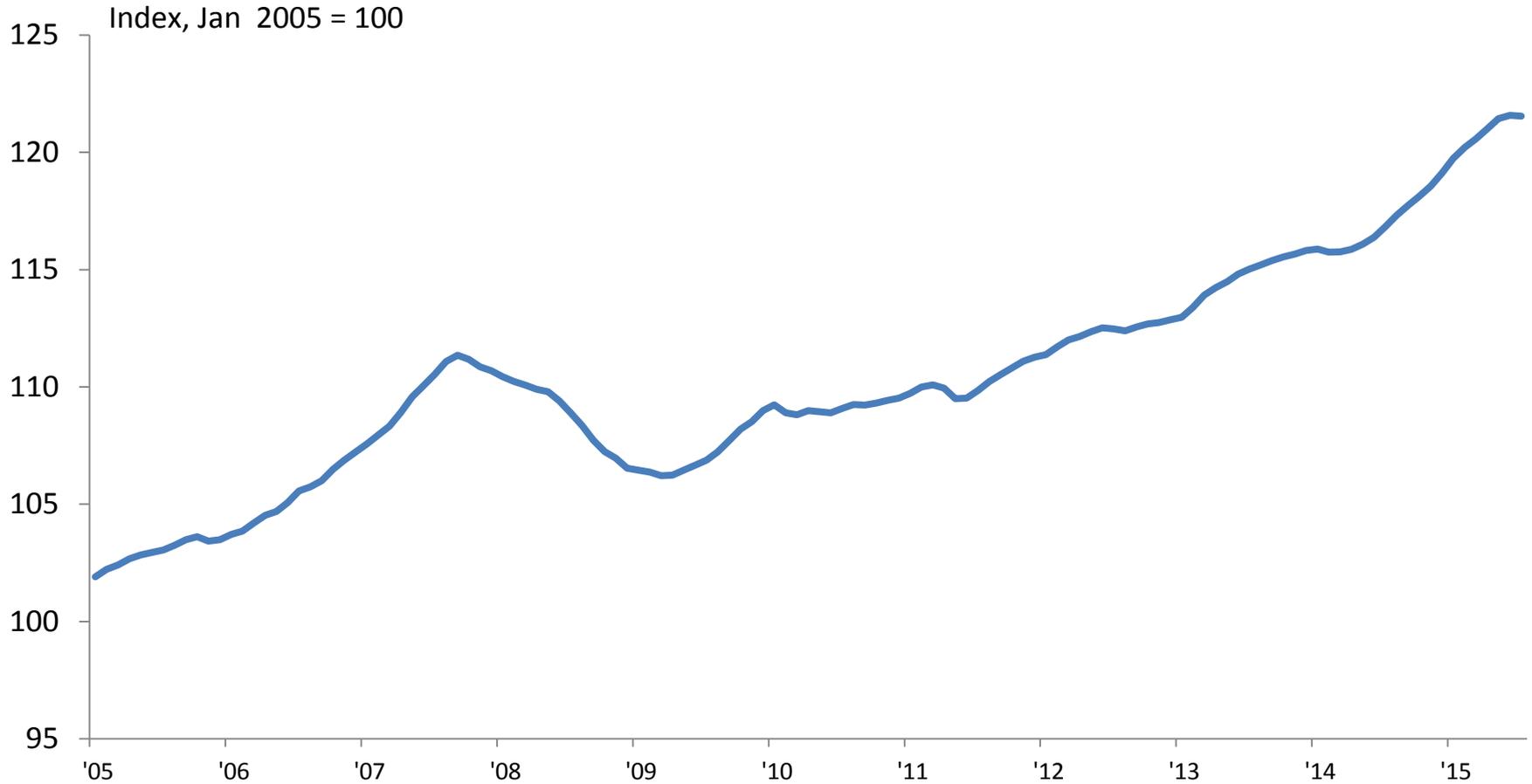
Source: Texas Higher Education Coordination Board Members

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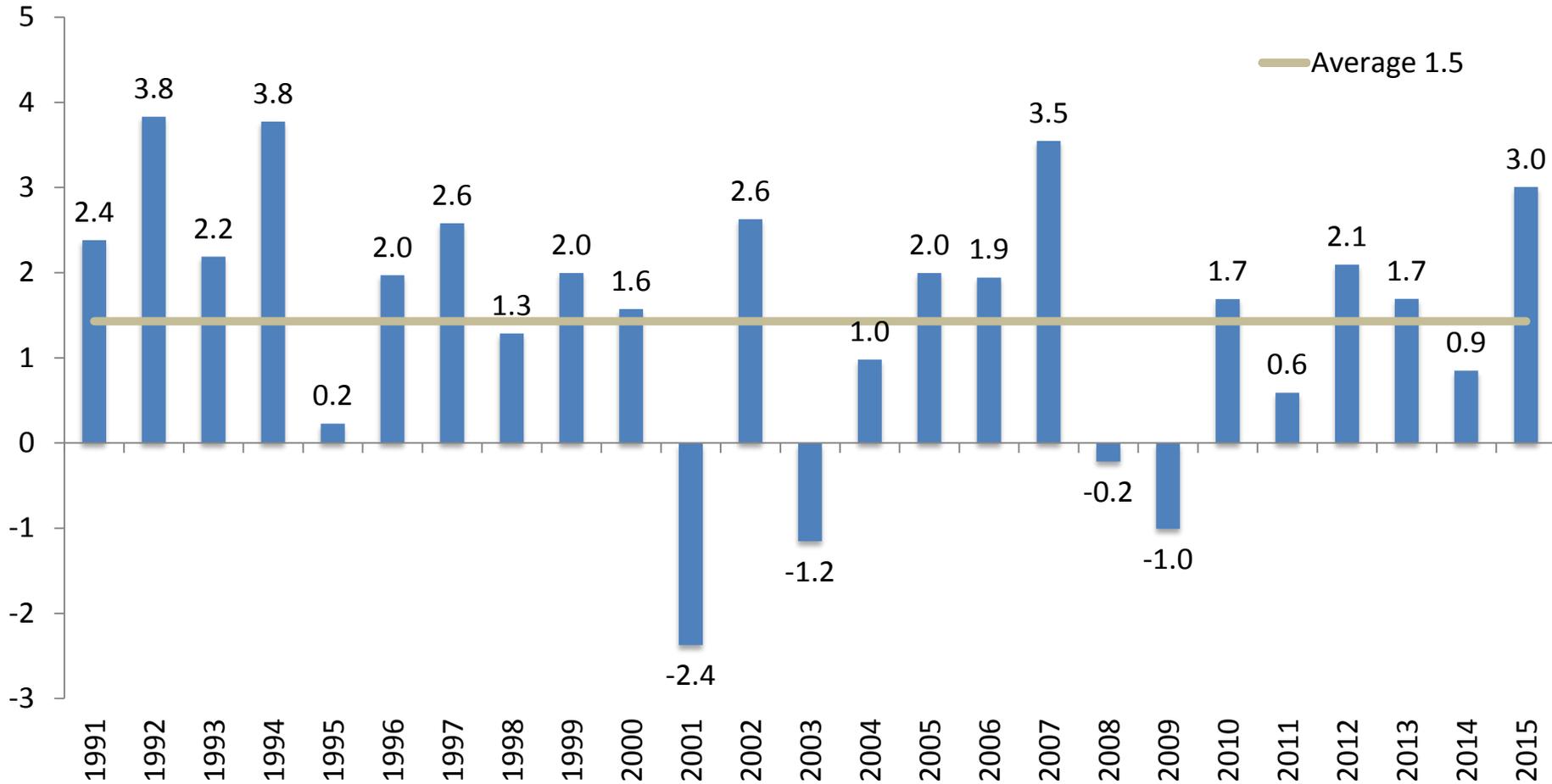
# El Paso's economy boomed in 2015...



SOURCE: Federal Reserve Bank of Dallas

# ...as employment grew above average

Percent, Dec/Dec, S.A.



Source: Federal Reserve Bank of Dallas.

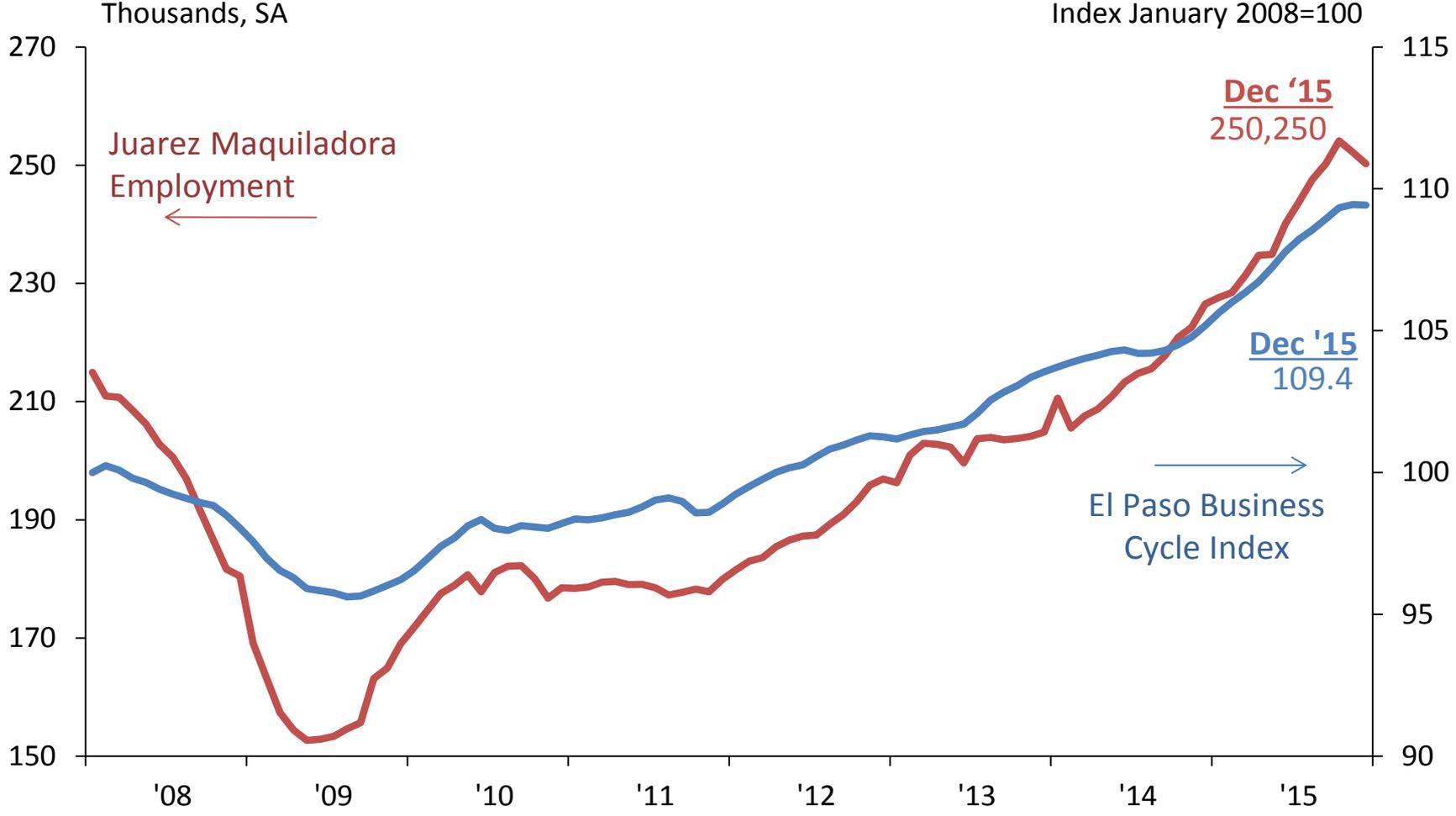


# Main economic drivers

- U.S. economy
- Mexico's economy
- Ciudad Juarez and the maquiladora industry
- Cross-border retail activity
- Government sector



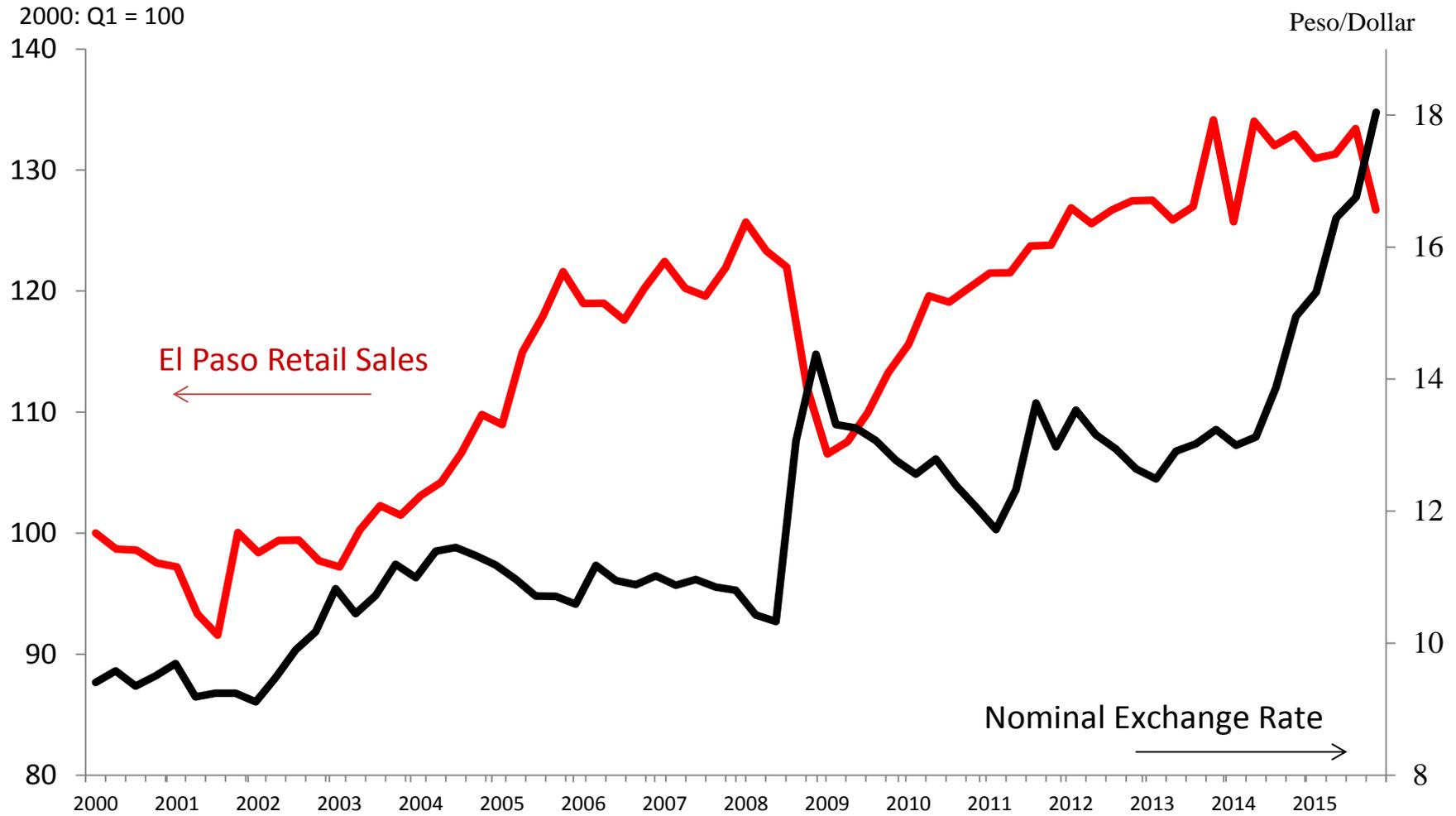
# El Paso follows the maquiladora industry



NOTE: El Paso Business Cycle is a composite index that includes employment, unemployment rate, retail sales and wages. SOURCE: INEGI and Dallas Fed



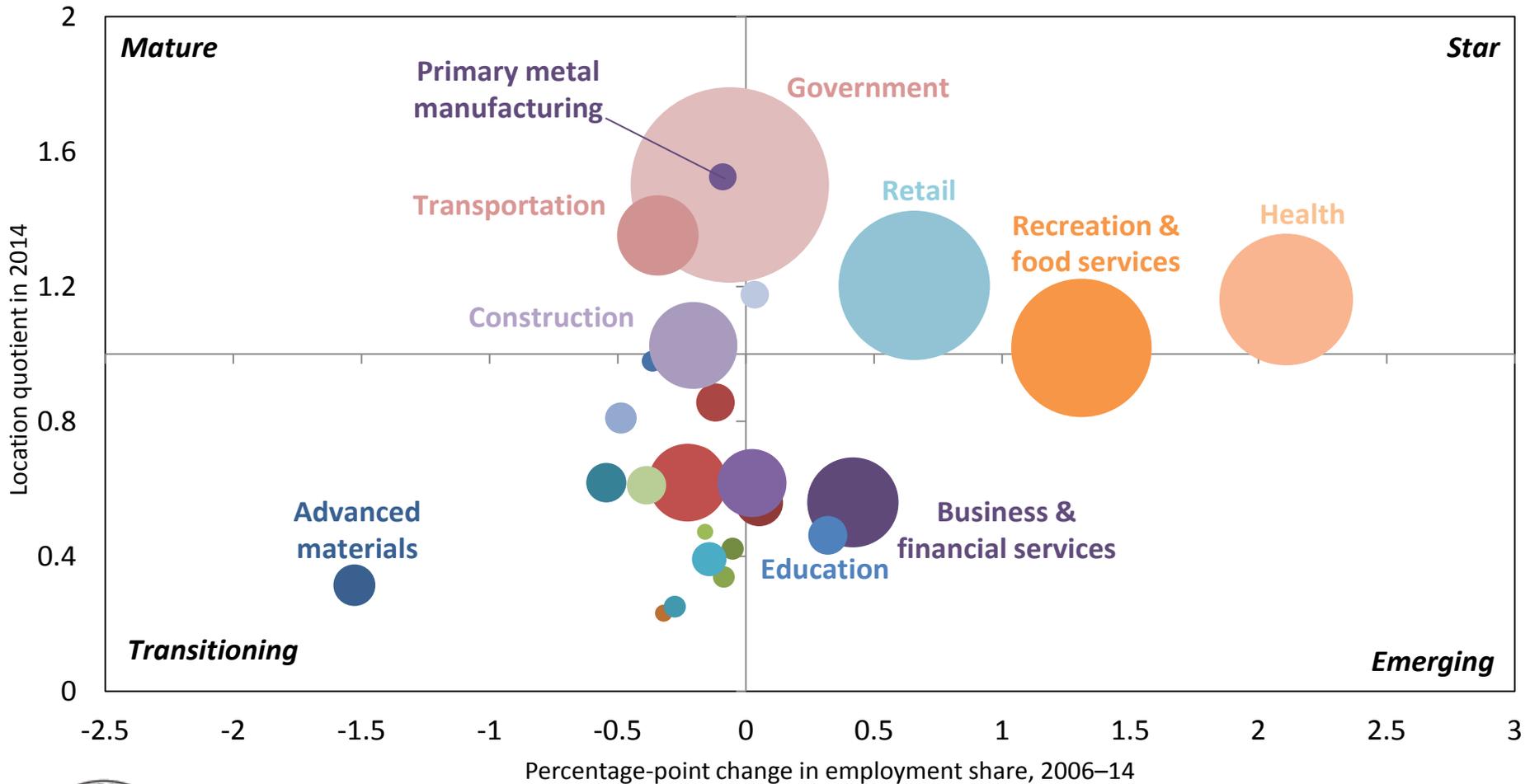
# El Paso retail sales slow



Source: Texas Comptroller of Public Accounts, Federal Reserve Bank of Dallas



# El Paso's economy dependent on government, but health is a rising industry

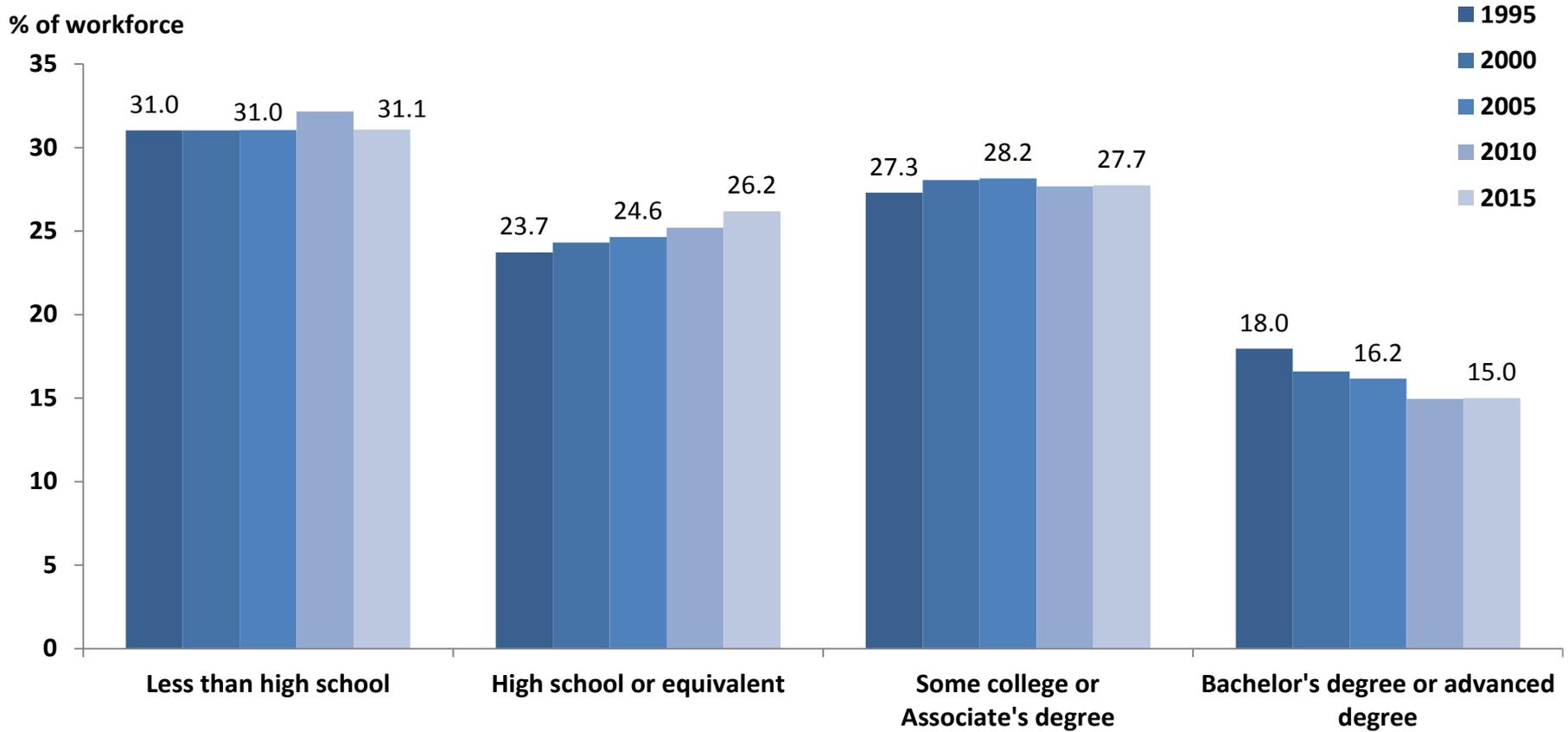


Note: Bubble size represents cluster share of metropolitan statistical area employment.

Source: "At the Heart of Texas: Cities' Industry Clusters Drive Growth" Federal Reserve Bank of Dallas, February 2016;



# Only 43 percent of El Paso workforce has an Associate's degree or higher...



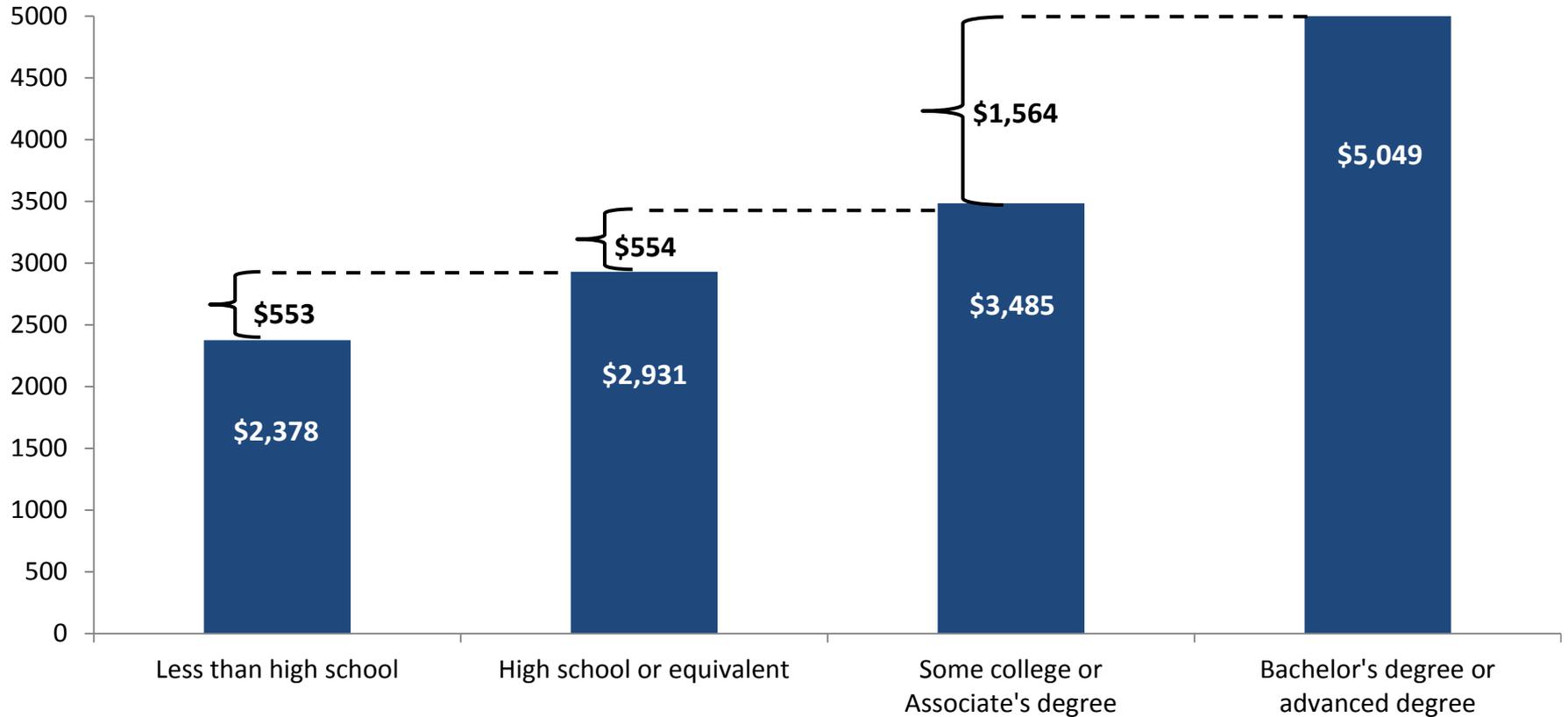
Note: Excludes "Educational Attainment not Available (workers aged 24 or younger)"

Source: U.S. Census Bureau, Center for Economic Studies, LEHD; Q3 data for El Paso Metropolitan



# ...Yet, they have the highest earnings

Average Monthly Income, Dollars



Note: Dollar amount above bars is average monthly premium compared to one level of education higher

Note: Excludes "Educational Attainment not Available (workers aged 24 or younger)"

Source: U.S. Census Bureau, Center for Economic Studies, LEHD; 2015 Q3 data for El Paso Metropolitan



# Where a 2-year degree pays the most

## Associate's Degree Wage Premium\*

	Industry	Monthly Premium
1	Office of Physicians	\$1843
2	Health and Personal Care Stores	\$881
3	Computer Systems Design and Related Services	\$860
4	Automobile Dealers	\$761
5	Agencies, Brokerages, and Other Insurance Related Activities	\$757
6	Architectural, Engineering and Related Services	\$748
7	Scheduled Air Transportation	\$676
8	General Medical and Surgical Hospitals	\$653
9	Depository Credit Intermediation	\$637
10	Wired Telecommunications Carrier	\$625

\*Some college or Associate's degree

Note: Excludes "Educational Attainment not Available (workers aged 24 or younger)"

Source: U.S. Census Bureau, Center for Economic Studies, LEHD; Q2 data for El Paso MSA



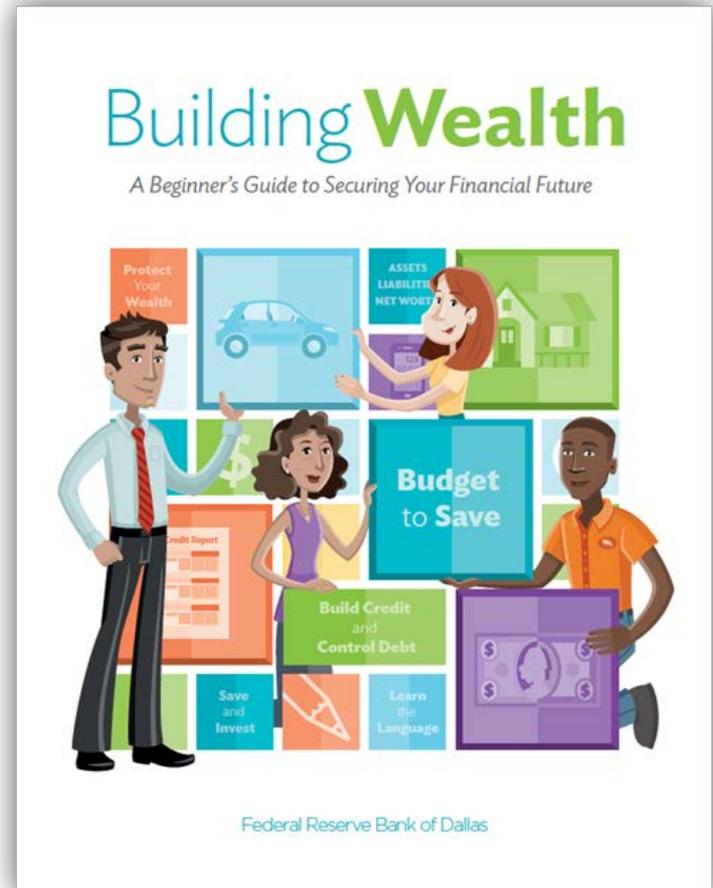
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# Financial Literacy

- Financial literacy is strongly correlated with an ability to make wiser choices and realize better outcomes
- National surveys suggest Texans have a relatively low level of financial literacy that can adversely affect decision-making.
  - 60+ percent of Texas survey respondents haven't planned for retirement.
  - Texans also fare poorly when it comes to having a bank account.



Source: Anthony Murphy, Policy Advisor and Senior Economist, Dallas Fed, "High School Financial Literacy Mandate Could Boost Texans' Economic Well-Being, Southwest Economy, 1Q:2016,



# Regional Partnerships and Initiatives

- Borderplex Workforce Solutions
- Texas Higher Education Coordinating Board
- Region 19
- Borderplex Economic Alliance
- Local School Districts
- Local Chambers of Commerce
- Business and Community Leaders



# Other District Resources

Teacher Handbook

## NAVIGATE

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March 31, 2016 READ MORE »

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- 4.7 Hopes and Fears About Oversupply Whipsaw Oil Prices

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#### Upcoming Events

- 5.11 RAISE Texas Summit 2016 (Day 1, Includes Funder Roundtable)
- 5.12 RAISE Texas Summit 2016 (Day 2)
- 6.22-23 Southwest Border Colonias: Housing and Sustainable Development

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- 4.14 Board of Governors - Powell, Trends in Fixed-Income Markets
- 4.13 Board of Governors - Agencies announce determinations and provide feedback on resolution plans of eight systemically important, domestic banking institutions
- 4.12 Board of Governors - Minutes of the Board's discount rate meetings from February 8 and March 14, 2016

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#### Economic Snapshot

Last Update: 03/25/2016

Unemployment | GDP | Job Growth | Texas Exports | Texas Cities

### Unemployment Ticks Down in Texas, Steady in U.S.

Percent\*

\*Annually, seasonally adjusted.  
SOURCE: Bureau of Labor Statistics; adjustments by the Federal Reserve Bank of Dallas.

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