

Employment Issues in the Rio Grande Valley

BEDES 2013

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Discussion Topics

- Compare and contrast the RGV with the rest of Texas along the lines of education, poverty, self-employment and labor-force attachment.
- Show that earnings differentials exist between the RGV and the rest of Texas for some members of the community.
- Discuss reasons for the earnings differentials and which groups are most impacted.

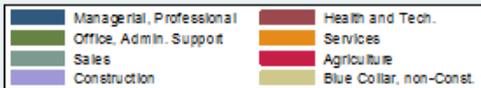
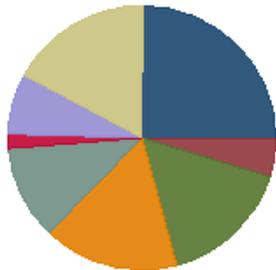
Table 1 – Educational Attainment, Poverty Rates, and Workforce Attachment of the Population Ages 25-64 in Hidalgo County, Cameron County, and the Remainder of Texas in 2006 and 2011

Characteristic	Hidalgo County		Cameron County		Remainder of Texas	
	2006	2011	2006	2011	2006	2011
<i>All:</i>						
Education (average)	11.2 years	11.3 years	11.4 years	11.5 years	12.8 years	13.0 years
Less than 9 years	35.9%	34.0%	31.8%	30.5%	18.8%	16.8%
College graduate	15.4%	16.7%	15.5%	16.3%	26.3%	27.9%
Poverty rate	29.3%	31.4%	29.3%	26.4%	11.9%	13.4%
Attached to workforce	55.2%	55.7%	58.1%	57.0%	66.1%	65.9%
Self-employment rate, att. workers	15.3%	14.5%	10.1%	10.0%	10.1%	9.2%
<i>Hispanics only:</i>						
Education (average)	10.9 years	11.0 years	10.9 years	11.2 years	10.7 years	11.1 years
Less than 9 years	39.2%	36.5%	36.4%	33.9%	41.4%	36.7%
College graduate	13.2%	14.5%	11.3%	13.9%	10.6%	12.5%
Poverty rate	31.9%	32.8%	32.5%	28.0%	18.4%	20.5%
Attached to workforce	54.5%	55.3%	57.2%	57.3%	64.3%	63.4%
Self-employment rate, att. workers	15.3%	14.3%	9.5%	9.7%	8.2%	7.9%

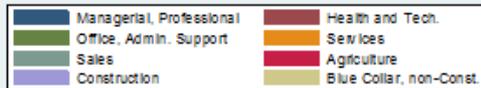
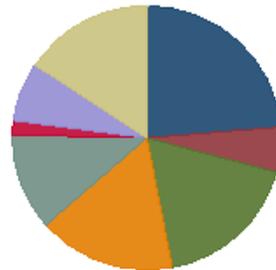
Source: Authors' estimates using ACS data in the IPUMS.

Notes: The poverty rates exclude individuals residing in group quarters. We consider workers to be attached to workforce if they worked at least 20 hours per week for 27 or more weeks the previous year.

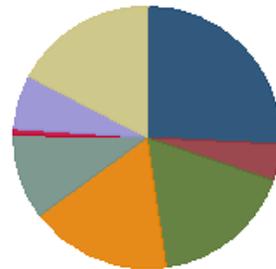
Hidalgo County - 2006



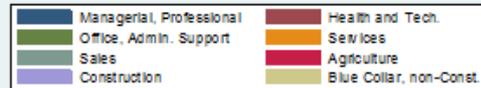
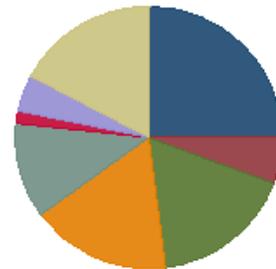
Hidalgo County - 2011



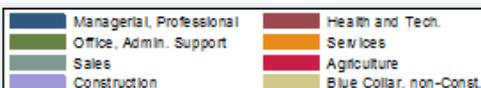
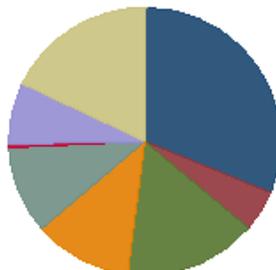
Cameron County - 2006



Cameron County - 2011



Rest of Texas - 2006



Rest of Texas - 2011

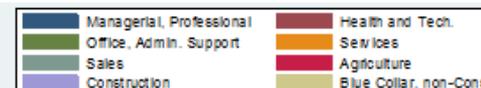
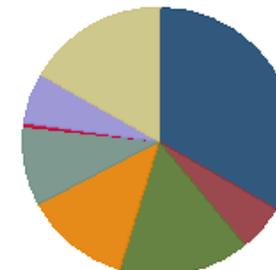


Table 2 – Explained and Unexplained Annual Earnings Differentials between Hidalgo and Cameron Counties versus Workers in the Remainder of Texas in 2006 and 2011

Characteristic	Hidalgo County		Cameron County	
	2006	2011	2006	2011
<i>Total earnings gap with rest of Texas:</i>				
All workers	-38.0%	-38.2%	-42.0%	-34.7%
Hispanics only	-10.9%	-13.1%	-20.2%	-9.1%
Managers, professionals	-35.8%	-33.8%	-34.2%	-28.8%
Sales and services	-41.0%	-26.0%	-46.4%	-32.7%
Office and admin. supp.	-31.5%	-38.7%	-38.7%	-21.7%
Blue collar (incl. constr.)	-28.5%	-27.9%	-39.2%	-30.0%
Self-employed	-46.6%	-46.6%	-31.1%	-45.8%
<i>Unexplained earnings gap with rest of Texas:</i>				
All workers	-10.8%	-9.4%	-16.2%	-8.7%
Hispanics only	-13.2%	-9.8%	-20.6%	-8.6%
Managers, professionals	-5.4%	0.9%	-9.9%	-0.2%
Sales and services	-12.9%	-10.8%	-15.7%	-0.4%
Office and admin. supp.	-14.4%	-11.5%	-20.7%	-20.6%
Blue collar (incl. constr.)	-17.3%	-12.1%	-26.8%	-17.0%
Self-employed	-20.4%	-1.6%	-2.6%	-4.0%

Source: Authors' estimates using ACS data in the IPUMS.

Notes: Only individuals who worked at least 20 hours per week for 27 or more weeks the previous year are included here. The list of control variables used to explain the earnings differentials include education; potential experience; experience-squared; limited-English proficiency; gender; race [White (base), Black, Native American, Asian, and other/mixed]; birthplace other than the U.S. mainland; years in the mainland if born outside; a housing cost index we constructed; residence outside of metropolitan areas; paid- versus self-employment; the number of weeks worked [less than 48 (base), 48-49, and 50-52]; and the number of hours usually worked per week.

Concluding Thoughts

- Relatively low education levels of RGV residents
- Poverty rates and low labor-force attachment - what role does public assistance play in these higher than expected levels?
- Earnings differentials of low-skill labor

QUESTIONS?