EMPLOYMENT: Dallas, Houston Among Best Cities for New Grads

Dallas (No. 5) and Houston (No. 8) returned to the Top 10 Best Cities for New Grads in the fifth annual study by Apartments.com and CareerBuilder.com. Both areas, along with San Antonio, have been in the top 10 before—making Texas one of the best states for recent college graduates. This year, Texas is the only state with two cities in the ranking.

While class of 2012 college graduates possess higher skills than many other people in the 20–24 demographic, the age group's unemployment rate was 13.7 percent in June, up from 8 percent in June 2007, according to the Bureau of Labor Statistics. With many graduates still struggling to find jobs, deciding where to look is vital, and availability of employment was an important factor in the study.

Dallas and Houston scored well, with lots of entry-level jobs in information technology, engineering, health care and energy. Additionally, while the unemployment rate has hovered around 8 percent nationally, the jobless rate in Dallas and Houston stands at 7 percent or lower.

The study also focused on the affordability of housing and quality of life for young professionals. Dallas and Houston scored well in housing; the average one-bedroom apartment costs 30 percent of the average income for entry-level job holders, compared with more than 50 percent in Washington, D.C., and New York City.

—Christina Daly

IMMIGRATION: How Many Youths Will Get Deportation Reprieve?

An estimated 210,000 undocumented Texas immigrants under age 31 can seek two-year renewable work permits as part of a national program that would no longer make them subject to deportation. The policy was announced by President Barack Obama in June and is being implemented by the Department of Homeland Security.

To qualify, applicants must have arrived in the U.S. before age 16, continuously lived in the U.S. for at least five years and acquired no criminal record. They also must have a high school diploma or GED or be enrolled in school. Across the country, the program covers 800,000 immigrants, according to federal officials; the Migration Policy Institute estimates the number at 1.8 million. The Texas estimate of 210,000, which comes from the institute, represents about 1.8 percent of the state's population below 31.

Once approved, immigrants can get state identification cards such as a driver's license, pursue higher education and ultimately move into better-paying jobs. The program doesn't convey permanent status or citizenship, thus preventing qualification for public programs such as welfare assistance and the ability to sponsor relatives for legal permanent residence.

The regional economy is expected to benefit from fewer workers employed off the books and from increased productivity, spending and tax revenue. Some of these gains could be mitigated if the provision attracts more unauthorized migration. Additionally, implementation costs will be incurred for such functions as processing biennial renewals and inducing eligible individuals to apply.

—Melissa Lopalo

FINANCE: Inflation-Protected Sovereigns Catch On in Mexico

The Mexican government's Bonos de unidades de inversión, or Udibonos, offer sovereign debt investors protection against inflation. Like Treasury Inflation-Protected Securities (TIPS) in the United States, the securities' principal adjusts as the consumer price index changes, preventing inflation from eroding its value.

When unveiled in May 1996, Udibonos had a three-year maturity. The government increased the maturity to five years in 1997 and to 10 years in 1999. The securities—traded in the secondary market, allowing holders an alternative to retaining them to maturity—have helped develop Mexico's capital markets.

Udibonos are denominated in unidades de inversión, or UDIs, an inflation-adjusted unit of account. The amount of the initial placement, interest payments and amortization is converted to pesos when money exchanges hands—at maturity or sale—or when interest payments are made. While Udibonos guarantee an above-inflation return to investors, market conditions can impact value. Future declines in real interest rates raise the return on Udibonos outstanding, while increases in real interest rates lower the return.

Outstanding Udibonos totaled UDI147.5 billion, or MXN699.1 (US$52.1 billion) as of June 30. The securities account for 17.1 percent of Mexico's government paper outstanding. Almost 89 percent of Udibonos are held domestically, mostly by institutional investors such as pension and retirement funds and insurance companies.

—Edward C. Skelton