Hispanics make up 60 percent of the Corpus Christi population, and nearly half of the local workforce is female. Despite their increasingly significant roles in the regional economy, these minority groups have continued to fall behind in income earnings. Higher education explains much economic disparity among various demographic groups, but schooling is far from providing a level playing field, highlighting the complexity of this deeply rooted socioeconomic issue.

One such consequence is the increasing significance of the Hispanic and female workforce. In an article recently published in the U.S. Bureau of Labor Statistics’ *Monthly Labor Review*, Marie Mora, an economist at University of Texas Rio Grande Valley, describes historical changes in the U.S. workforce from the perspective of the growing presence of these two demographic groups.

**Growing Hispanic Role**

Since 1990, the number of Hispanics in the U.S. workforce has grown by nearly 140 percent, more than 10 times the overall growth of their non-Hispanic counterparts. According to Mora, the relative growth patterns of the Hispanic and female workforce reflect the disparate growth trends of our nation’s different population segments.

As the presence of Hispanics, especially Hispanic women, continue to grow in the U.S. workplace, ethnicity and gender-related issues become increasingly important.

As Mora points out, the rapid growth of the Hispanic population during the past decade was driven more by U.S.-born Hispanic residents than immigrants. This fact contrasts the common perception that much of the Hispanic population growth across the nation is the outcome of the arrival of Hispanic immigrants. Given this new perspective, instead of the issues of language barriers and assimilation, policymakers should now focus more on such socioeconomic issues as education attainment and skill training.
Which begs this question: How do minority groups fare economically? In a newly released report by the Federal Reserve Bank of St. Louis, William Emmons and Bryan Noeth explain the discrepancies in both income and wealth across the nation’s major racial or ethnic groups. The two authors show that after adjusting for inflation, a typical Hispanic or black family in fact earned less income and built less wealth in 2013 than two decades ago.

Meantime, their non-Hispanic white counterparts earned 18% more income, which helped raise their wealth or net worth by 86%. Asian families fared even better during that period.

**Behind the (not so) Great Divide**

One common suspect for such disparities is the under-education of Hispanics and blacks. In particular, Mora indicates that Hispanics aged 25 years and older have nearly three years less education than non-Hispanic whites (11 years versus 13.7 years).

**Median Family Income, 2013**

<table>
<thead>
<tr>
<th></th>
<th>Four-Year College Graduates</th>
<th>Non-College Graduates</th>
<th>College Income over Non-College Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Families</td>
<td>$87,250</td>
<td>$36,523</td>
<td>2.4</td>
</tr>
<tr>
<td>White</td>
<td>$94,351</td>
<td>$41,474</td>
<td>2.3</td>
</tr>
<tr>
<td>Asian</td>
<td>$92,931</td>
<td>$32,668</td>
<td>2.8</td>
</tr>
<tr>
<td>Hispanic</td>
<td>$68,379</td>
<td>$30,436</td>
<td>2.2</td>
</tr>
<tr>
<td>Black</td>
<td>$52,147</td>
<td>$26,581</td>
<td>2.0</td>
</tr>
</tbody>
</table>

Source: Survey of Consumer Finances.

Higher education tends to boost income earnings. Families headed by a college degree holder typically earn at least twice as much as those without a college degree. But according to the two St. Louis Fed economists’ calculations, the income-boosting effect of more schooling is not equal across ethnic groups. The earning gains are proportionally larger for Asian and non-Hispanic white families than for Hispanic and black families. This might be explained by relatively more advanced or professional degrees obtained by whites and Asians.

What’s more startling is that over the past 20 years, black and Hispanic college graduates not only fared worse than white and Asian college graduates, but also in comparison with blacks and Hispanics who never finished college. Compared to whites, blacks now have more student loan debt than whites and Hispanics.

Between 1992 and 2013, the median incomes of blacks and Hispanics who finished college in fact dropped, while their white and Asian counterparts rose by double-digit percentages. For example, a typical black graduate earned $52,150 in 2013, as opposed to $59,300 two decades earlier. Emmons and Noeth attribute this phenomenon to inequities in hiring.

**Vicious Cycle**

Income gaps tend to exacerbate economic disparities over the longer term. Higher income families tend to accumulate more wealth from one year to the next. In such, discrepancies in wealth accumulation across ethnic groups are much more dramatic than discrepancies in annual income. For instance, the net worth of Asian college graduates is nearly 10 times that of Asian families without a college degree. And for families with college degrees, whites build more than 10 times in wealth than blacks do.

Between 1992 and 2013, wealth accumulation was associated with higher education only among whites and Asians. For Hispanic and black families, a college degree seemed to be associated with less wealth. As a result, the wealth gap has only widened over the past two decades.

According to Signe-Mary McKernan at the Urban Institute, partly because of lower incomes, blacks and Hispanics are less likely to own a home or save for retirement. So they benefit little from Federal government programs that provide tax breaks and subsidies for homeownership or retirement. Those income and wealth gaps tend to widen from one generation to the next. Also, whites are 5 times more likely to receive large gifts or inheritances than blacks.

**Local Trends**

Similar trends can be observed in the Corpus Christi metro area. As Hispanics represent 60% of the metro area’s total population, as opposed to 17% nationwide, the pervading issues of economic disparities for the minority groups are paramount for this local community.

Since 2001, the local Hispanic population has grown 24%, while the non-Hispanic white and black populations both have declined. The population share of Asians, while still relatively small at

**Median Family Wealth, 2013**

<table>
<thead>
<tr>
<th></th>
<th>Four-Year College Graduates</th>
<th>Non-College Graduates</th>
<th>College Wealth over Non-College Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td>All Families</td>
<td>$273,586</td>
<td>$43,625</td>
<td>6.3</td>
</tr>
<tr>
<td>White</td>
<td>$359,928</td>
<td>$80,692</td>
<td>4.5</td>
</tr>
<tr>
<td>Asian</td>
<td>$250,637</td>
<td>$25,632</td>
<td>9.8</td>
</tr>
<tr>
<td>Hispanic</td>
<td>$49,606</td>
<td>$12,160</td>
<td>4.1</td>
</tr>
<tr>
<td>Black</td>
<td>$32,780</td>
<td>$9,006</td>
<td>3.6</td>
</tr>
</tbody>
</table>

Source: Survey of Consumer Finances.
at about 5,000, has increased by 60% over the past 15 years.

Because of the different workforce participation rates, the shares of total local employment for the various demographic groups differ from their population shares. Hispanics make up slightly less than half (48%) of the local workforce, compared with their population share of 60%. On the contrary, the share of blacks in the local labor market is more than twice (7%) their share of the local population.

Other than workforce participation rates, local income earnings vary widely by ethnicity as well as gender. According to the latest Census data, the median income for full-time employees in Corpus Christi was about $40,000 in 2013.

As for the nation, Corpus Christi’s income disparities seem to reflect differences in education attainment. Only 15% of Hispanics in the area at age 25 or older have finished college, the lowest among all ethnic groups. The percentage of college degree holders is more than twice for non-Hispanic whites. That share reaches as high as 57% for Asians.

**Gender Gap**

Yet higher education alone cannot level the playing field. This is particularly true for females, who make up 46% of Corpus Christi’s workforce. And the percentage of females with a college degree is 52% in the area, compared to 48% for males. But then full-time female employees typically earn less than 67% of their male counterparts do. This income inequality between men and women prevails across different ethnic groups except Asians. In 2013, the median income of Asian females was within 95% of that for Asian males.

Despite our better understanding of the nature of economic disparities by ethnicity and gender today, their underlying factors seem to be much more complex and deeply rooted than we once thought.
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