Takeaways

- Economic connectedness in the form of friendships between rich and poor children helps create a path out of poverty for the poor later in life.
- Other than climbing up the economic ladder within the same community, people can achieve better economic outcomes by moving to an area that provides them with more economic opportunities. Yet poor young people are less likely than rich young people to move out of Corpus Christi.
- Increasingly more young adults are disconnected from the economy altogether as they are not in school or the workforce.
This article describes new data and findings on the economic and geographical mobility of Corpus Christi's young residents. Extensive research has revealed the extent to which socioeconomic segregation limits the potential for people to move up the economic ladder. Poor children raised in a poor neighborhood will likely stay in poverty in their adult life; poor children growing up in richer areas tend to be more successful as adults.

As described in an earlier Economic Pulse article, people in Corpus Christi born to a family with lower income tended to earn more in percentage terms as young adults relative to their family's current income. According to the data compiled by the Opportunity Insights team, children who are raised by families in the lowest 20th percentile of the income bracket moved up to the 42nd percentile on average at age 35. This extent of upward mobility between generations reflects the extent of interactions of people of different socioeconomic backgrounds in Corpus Christi relative to the rest of the nation, especially the southeastern region where economic mobility is most limited.
The Influence of Friends

But, not until now, the reason why some communities are much better than others at removing barriers to upward mobility was not clear. A new study, published in *Nature*, showed the effects of so-called economic connectedness, which is measured by the extent of Facebook social media interactions of more than 70 million people in different economic classes. The key finding is that if poor children grew up in neighborhoods where 70 percent of their friends came from higher-income families, then their future incomes would on average increase by 20 percent.

The authors of the study, led by the same researchers at Opportunity Insights, found that the impact of cross-class friendships on income mobility is stronger than school quality and different socioeconomic characteristics of a community.

Befriend the Rich

The results are universal across different neighborhoods in the United States. Whether the neighborhood is predominantly white, black or Hispanic, high economic connectedness leads to high economic mobility.
In Nueces County, 36.3 percent of low-income (below-median) children’s friends on Facebook were high-income (above-median) children compared to the national average of 40 percent. As a result of a relatively low connectedness with richer friends, those low-income children earned $33,100 per year on average in their adulthood, which was still slightly below the national average.

The level of economic connectedness in Nueces County is lower in comparison with some fast-growing Texas communities. For instance, the share of high-income friends is 49.9 percent in Williamson County, part of the Austin metro area; and 53.1 percent in Collin County, part of the Dallas-Fort Worth metro area.
These findings underscore the limitations of many policy actions to increase socioeconomic diversity, including affirmative action, school busing and multifamily zoning. Bringing people together is not enough on its own to increase the opportunity to connect.

Economic connectedness arises from how people of different socioeconomic backgrounds interact. Even in childhood, ties to more affluent people can build aspirations for the poor to go to college or pursue a better career. The power of friends reflects the positive aspect of an adage “keeping up with the Joneses.”
However, it has been the norm that rich people tend to have mostly rich friends, and poor people have mostly poor friends. Within the city of Corpus Christi, it is no surprise that people in more affluent neighborhoods, like those in the Southside and North Padre Island, have relatively more friends with high incomes.

According to Opportunity Insights’ data by ZIP code, people living in the ZIP codes 78414 and 78418 have more than 45 percent of their friends in the high-income group. These are also neighborhoods with more educated and affluent residents.

By contrast, in the predominantly low-income, Hispanic neighborhood of ZIP 78405 in the Westside, the share of high-income friends falls to 25.8 percent.

College students tend to have relatively more high-income friends. In Corpus Christi, 79.6 percent of students at Texas A&M University-Corpus Christi belong to the high-income
group. This share falls to 54.8 percent among students at Del Mar College.

Still, these figures pale in comparison with the 86.9 percent for Texas A&M University in College Station and 89.6 percent for the University of Texas at Austin, the two flagship public universities in Texas.

**Geographic Mobility**

Other than having rich friends in the same community, young people can move up the economic or income ladder over time by moving to areas with more economic opportunities for them. Using Census data at the local level, the [Opportunity Insights](https://storymaps.arcgis.com/stories/e369ef816ddbf67af35fcd62a26873f) team has presented patterns of where people move between childhood (age 16) and young adulthood (age 26).
In the Coastal Bend, which makes up Corpus Christi’s commuting zone, 68 percent of local young adults have not moved out of the area. Among the 32 percent of young adults who have moved for different reasons, ranging from going to college or taking a job position outside the region, most of the moves were to areas within Texas. San Antonio was the destination of nearly one in three moves, followed by Houston and Austin.

The share of young adults who have moved out of Corpus Christi is on par with the national average. This seems to ameliorate a long-standing concern of brain drain in the region related to the loss of local talents.

**Rich Youth More Likely Move**

However, the migration pattern is uneven between young people from rich and poor families. Those who grow up in richer families seem to be more able or willing to move out of
the region. While half (50%) of young adults in Corpus Christi with parental income at the top 20 percent of the national income bracket have moved out of the region, only one in four (25%) young people with parental income at the bottom 20% have done so.

Among different sociodemographic groups, Hispanics with parental income at the bottom 20 percent have the lowest rate of migration at 21 percent. This means that nearly four out of five (79%) young people who grew up in the poorest Hispanic families stay in Corpus Christi. In other words, the majority of the area's poor Hispanic young people are limited to economic opportunities available within the region. On the contrary, less than half of white and Asian young people from the richest 20 percent of families have not moved out of the area.

**Disconnected Youth**

Increasingly more young adults who do not leave their hometown are “disconnected” from the local economy, meaning they are not in school and not working. Young people between the ages of 16 and 24 are at a critical stage for building human capital through education and workforce training that generate higher wages and other benefits later in life. From this perspective, those youth disconnected from work or school are also called “opportunity youth” for missing potential economic opportunities that follow.
Before the COVID-19 pandemic, the percentage of disconnected youth in the U.S. had followed a decade-long steady decline from 14.7 percent in 2010 to 10.7 percent in 2019, according to Measure of America. In 2020, the youth disconnection rate nationwide jumped to 12.6 percent, while Texas has an even higher rate of 14 percent. In the recovery from the pandemic, many young Texans dropped out of high school and college, while others were slow to return to the labor force. Youth disconnection is expected to be on an uptrend.

![U.S. Youth Disconnection, 2008-2020](https://storymaps.arcgis.com/stories/e369ef8166db46bf67af35fcd6f78310)

Youth disconnection has been even more problematic in the Coastal Bend region than statewide. Due perhaps to a modest high-school dropout rate, the rate of disconnected youth ages 16-19 in Nueces County was historically considerably lower than the rate for the 16-24 age group.

Compared to 9.1 percent for the 16-19 age group, the disconnection rate of 14.9 percent for the 6-24 age group in 2015-19 means proportionally more young adults were not attending college or working. The 2020 estimate of youth disconnection is evenly higher at 19.3 percent, more than
5-percentage-points over the state average.

<table>
<thead>
<tr>
<th>Disconnected Young People in Nueces County</th>
<th>2015-19</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ages 16-19</td>
<td>9.1%</td>
<td>13.0%</td>
</tr>
<tr>
<td>Ages 16-24*</td>
<td>14.9%</td>
<td>19.3%</td>
</tr>
</tbody>
</table>

Source: Census 2015-19, 5-Year Estimate; Census 2020.
Note: The disconnected youth rate for ages 16-24 in 2020 is estimated using the ages 16-19 rate.

<table>
<thead>
<tr>
<th>Disconnected Youth Rate (%) by Community in Corpus Christi MSA</th>
<th>2015-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northeast Region</td>
<td>26.5</td>
</tr>
<tr>
<td>North Central Corpus Christi</td>
<td>22.6</td>
</tr>
<tr>
<td>Rest of Region</td>
<td>17.1</td>
</tr>
<tr>
<td>South Central Corpus Christi</td>
<td>7.7</td>
</tr>
</tbody>
</table>

Source: Census 2015-19, 5-Year Estimate.

The extent of youth disconnection varies widely across the region. The rate ranges from 26.5 percent in the rural neighborhoods of the metro area to 22.6 percent in the city of Corpus Christi’s north-central neighborhoods (including the Westside) to 7.7 percent in the south-central neighborhoods.

Disparities in youth disconnection across communities are associated with different sociodemographic factors, such as race/ethnicity. The disconnection rate is the highest among black and Hispanic youth. Among black youth, the extent of disconnection is remarkably higher for men than women.
Disconnected youth are the least mobile, economically and geographically. For this reason, attempts to reduce youth disconnection will help the poor rise out of poverty.

---

Cover Image  Adobe Stock