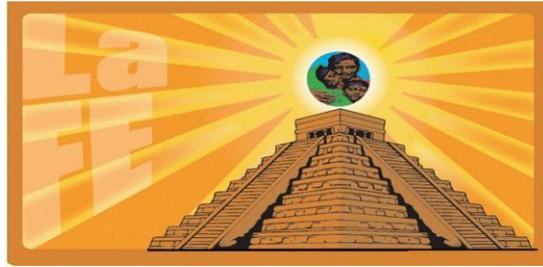


ISSUE BRIEF



*Promoviendo Bienestar para Familias y Comunidad con Conocimiento, Confianza y Poder
Promoting Family and Community Well-Being through Knowledge, Trust and Empowerment*

The Fading American Dream for Texas Hispanics

June 2015

Acknowledgments

La Fe Policy Research and Education Center (La Fe PREC) is a component of Centro de Salud Familiar- La Fe, Inc., based in El Paso, Texas. La Fe is a multiple service organization with over 45 years of social justice, and direct service delivery experience in health care, social services, cultural arts, housing, economic development, and education.

La Fe Policy Research and Education Center
P.O. Box 769569
San Antonio, Texas 78245
(210 208-9494)

This Brief is prepared from the research paper, “**Hispanic Bienestar in Texas in the Globalization and Federalism Age**” presented at the Inter-University Program for Latino Research, Fifth Siglo XXI Conference at the University of Notre Dame on April 25, 2015. The paper was authored by:

Juan Flores, M.U.P
La Fe Policy Research and Education Center

and

Rogelio Sáenz, PhD
Dean, School of Public Policy
University of Texas at San Antonio

The American Dream is fading for many Hispanic families today and for their children tomorrow. This is especially true in Texas where many Latinos face significant barriers to building wealth and future opportunities for their children. As a result, over half (2.3 million) of Hispanic children is at risk of facing the same disadvantaged position or worse than their parents when they are adults.¹

Wealth means making a living wage or better, and having assets (home, saving, retirement fund, etc.) that create more choices and resources for one's children. The reasons include:

One of every 2 Hispanic children is at risk for being disadvantaged as their parents.

1. Historical discrimination and inequitable state/local policy and regulatory practices,
2. State's response to economic globalization and new federalism relationships that are often corrosive over policy and program decisions,
3. State's conservative philosophy that minimizes human capital investments, and
4. Weak Hispanic political voting power and policy influence.

Texas amplifies the historical documented relationship of federal, state and local laws and policy rules which created or facilitated discriminatory impacts and social inequalities in education, employment, housing, health, and voting rights for racial and ethnic minorities.² For Hispanics, the result is a disproportionate number with multiple socio-economic vulnerabilities demonstrated by:³

- ❖ Weekly wages which are 46% lower on average than wages of Whites.⁴
- ❖ A poverty rate of 25% which has remained largely unchanged since the 1970's.⁵
- ❖ The majority being considered low-income since 54% are below 200% of the federal poverty level.
- ❖ Home ownership of 57% compared to 71% of Whites; and home values at 21% and 71% under \$49,999 and \$124,999 compared to 10% and 43% for Whites.
- ❖ The highest percent of individuals with less than a high school education at 39% while 18% have an Associate or higher degree compared to 7% and 43% for Whites, respectively.
- ❖ Highest (48%) employment in lower-paying service, and sales and office occupations.
- ❖ State's highest high school drop-out rates (31%) with an annual loss of 62,690 students.⁶
- ❖ Hispanic businesses, while significantly growing in number, not being anywhere comparable to White enterprises in size or wealth (profits).⁷

While Texas Hispanics are engaged in advocacy and civic efforts to address the above inequities, unlike before, they are occurring under an era of globalization and new federalism. Globalization is the increased worldwide movement of goods, ideas, capital and people which has impacted the state economy, education, labor, wages, income inequalities, and people's migration patterns.^{8, 9, 10} New federalism represents the increasing decentralization of policy authority to states over certain governmental functions. Some examples include policies and respective federal-state conflicts on policies and approaches to social welfare programs, education, healthcare, immigration, and environmental protection.^{11, 12, 13}

The position here is not for or against globalization and new federalism. It is about Texas' policy and program response. Do they take into account current inequality in order to equitably expand and strengthen access to opportunities for all Texans? Can we create opportunities to significantly reduce what one researcher called 'capability deprivation', where poverty is not simply a low income level?¹⁴ It's about lost economic power and the substantive freedom to achieve alternative functioning combinations to prosperity.

Economically, Texas is lauded as the shining star in recovering from the great recession of 2007-2009, as demonstrated by the highest number of new job and GDP growth in the country. Low taxes, smart regulation and strong pro-business incentives, small government, diverse economy, and embracing globalization are the main reasons for this bolstering.¹⁵ Indeed, this is reflected in the numerous business incentive funds established by former Governor Perry, and a host of state 'business' friendly policies established by the legislature.

The Hispanic population is fueling Texas' competitiveness in attracting businesses dependent on cheap labor.

There are critics who argue that this economic assessment is more rhetoric than reality, or, at best, that only a small percentage of the working population and big business are its primary beneficiaries.¹⁶ They note that our state ranks seventh in income inequality,¹⁷ third with respect to worst taxes for average Americans, and also had a Gini Index of .48 for income inequality,¹⁸ and 39th in education.¹⁹ Also, the state ranks first in the number and percent of workers earning at minimum and below wages.²⁰

It's arguable that Texas has increased its policy importance and influence because of federalism and globalization, including greater flexibility to address inequalities. However, the state has largely remained idle in terms of seriously addressing inequality issues. It is not that policymakers are unaware of existing inequalities, the loss of thousands of middle-class jobs, and increasing demand for advanced education and training in a globalized economy.²¹

The minimal approach to human capital investments is also demonstrated in health care,²² human services,²³ and state budgeting approach.^{24, 25} Inadequate and inequitable investments in education are particularly salient for Hispanic.²⁶ Nonetheless, the state continues decade after decade, with the same basic conservative political and policy agenda combined with its often obstructive approach to federal initiatives. The result is the same, a minimalist approach to policy-making in human capital investments which perpetually keep Hispanic in an 'unequal and unfair' opportunity playing field.

Vestiges of their policy impacts still exist and other policy obstacles have ensued as globalization, the economic depression of 2007-2009, and corrosive new federalism increase the risk for inequitable outcomes impacting Hispanics.²⁷ Could it also be, as some research has suggested, that the state's population diversity/majority is defaulted to racialized policy-making as well - more population diversity and high immigrant in-flow yields more restrictions and less human capital investment?^{28,29} Indeed, it appears the state prefers a poorly educated and disenfranchised Hispanic population to fuel its competitiveness in attracting businesses dependent on cheap labor.

The socio-economic standing of Hispanic is far below that of Whites and Blacks in Texas, as well as below Hispanic in most other states. It's based on an analysis of 16 measures which tap six dimensions including educational attainment, employment, poverty, earnings, the prevalence of disabilities, and insurance (Table 1).

Table 1: National Ranking of Texas Hispanics, Whites, and Blacks on Selected Characteristics, 2010-2012.

Characteristic	Latino			White	Black
	Total	Native-Born	Foreign-Born		
Pct. High School Graduates	37	45	43	23	15
Pct. College Graduates	38	41	34	13	20
Pct. Not Dropouts	19	21	23	24	19
Pct. Employment Rate	12	11	12	15	14
Pct. 25-44 Working	25	15	42	26	14
Pct. Not in Poverty	25	21	35	16	15
Pct. Children Not in Poverty	31	28	41	16	18
Pct. 25-44 Not in Poverty	25	17	39	16	12
Median Wage Male Not HS Grad.	35	42	33	20	24
Median Wage Female Not HS Grad.	42	42	46	32	27
Median Wage Male HS Grad.	25.5	29	29	19.5	26.5
Median Wage Female HS Grad.	29	32.5	39	21	27.5
Median Wage Male College Grad.	26	29.5	23.5	10	17.5
Median Wage Female College Grad.	19.5	19	13	15.5	18
Avg. Number Disabilities 25-44	45	42	45	31	30
Pct. With Insurance	41	50	41	40	43
Average	29.7	30.3	33.7	21.1	21.3
Ratio to White	1.41	1.43	1.59		1.01

Source: 2010-2012 American Community Survey 3-Year Sample Public-Use File.

Overall, Hispanics in Texas fare worse than their Hispanic counterparts in nearly three-fifths of the U.S. states and the District of Columbia, ranking, on average, 30th across the 16 variables of interest. Hispanics (native and immigrant) in Texas are particularly disadvantaged relative to Hispanics in other states in the incidence of disabilities (ranked 45th), median wage of full-time year-round female workers who are not high school graduates (42nd), insurance coverage (41st), college graduates (38th), high school graduates (37th), median wage of full-time year-round male workers who are not high school graduates (35th), and child poverty (31st).

Native-born Hispanics fare particularly bad relative to native-born Hispanics in other states in insurance coverage (ranked 50th), high school graduation (45th), median wage of full-time year-round workers without a high school diploma (both males and females ranked 42nd), disabilities (42nd), and college graduation (41st). In comparing the relative standing of Hispanics to Whites

and Blacks in Texas, Hispanics on average rank 30th across the 16 variables, Whites and blacks rank 21st. In turn, Whites and Blacks in Texas fare *better* than their racial counterparts in three-fifths of the U.S. states and the District of Colombia.

Texas' population and economic growth are interconnected and both are outperforming nearly every other state. The population growth between 2000 and 2010 was the largest in the country at nearly 4.3 million. Six of the country's 20 largest cities are in Texas – Houston, San Antonio, Dallas, Austin, Fort Worth, and El Paso. The implications for Hispanic families and Texas's ongoing prosperity are significant, particular given:

- ❖ They're projected to be the majority population within a decade and the children already represent 51% of public school total enrollment.
- ❖ They're becoming the state's majority labor force, accounting for 76% of the state's labor force growth between 1994 and 2008.³⁰ In 2013, they represented 39% of the labor force, up from 28% in 2000.³¹
- ❖ Because Hispanics are driving the growth, the state has the nation's second highest dependency index (61.4), e.g., the number of dependents (0-14 and 65 and older) per 100 persons in the working-age population (15-64). The higher the ratio, the greater is the burden of support on working people.³²

These demographic and labor force indicators position Hispanics to influence policy-making more align with their particular concerns. This result has not happened. Over the last 3 decades, Texas Hispanic gains have stagnated at best, and the future is not promising for their families, particularly their children. Regardless of the ongoing Hispanic demographics, concerted efforts of exclusion are occurring through policy action and inaction, whether intentional or consequential.

Without political power Hispanic labor will be on 'the cheap', and another generation of their children will not achieve prosperity.

Texas Hispanics have and continue to be involved in major legislative and legal battles, particularly in education, legislative representation, voter suppression, healthcare, and immigration issues. Arguably, their civic engagement may be more local where they feel they carry greater currency for change in their daily lives. Also, the number of Hispanic elected officials is greatest locally, i.e., city councils, county commissioners, school boards, etc.

However, invariably Hispanic advocates also continue to turn to nationally guided federalism to pressure state and local governments to abide to 'rules of law' equally, and too equitably and responsibly implement federal initiatives; e.g., health and human service, housing, education and training, and so forth. The degree to which Hispanics have directed their energies toward federal versus state-local policies are often dictated by the barriers and intransigency of state and local governments.

Several important questions emerge from the current *bienestar* status of Texas Hispanics: Are Hispanics in an organized pro-active or reactive position in their policy involvement? Does their involvement address structural problems that underlie most issues; e.g., conservative policy-making limiting human capital investments, regressive tax laws, or revenue and budget

approaches that undercut equity and prosperity? Is there a statewide Hispanic policy strategy that builds ‘capacity’ to influence policy making, and involves on-going assessment of progress?

In summary, Hispanic’s in Texas are a proud working-class bilingual bicultural people; unfortunately, hard-working is not enough since many are far from achieving the wealth and prosperity that realize the American Dream. It’s ironic that most of nation’s largest Hispanic advocacy organizations began in Texas, yet the state Hispanic *bienestar* is near the worst in the country. Without the necessary ‘political power’ to achieve meaningful policy changes Hispanic labor will continue to be ‘On the Cheap’, and another generation of children will not achieve economic prosperity.

¹ Represents the 64% of children living in low income families; below 200% of poverty level(American Population Survey, 2014), and other low social and economic conditions described here.

² Generations of Exclusion: Mexican Americans, Assimilation, and Race, Russell Sage Foundation, February 2008, Edward E. Telles and Velma Ortiz.

³ Unless noted otherwise, data source is the American Community Survey, 3 Year Estimates, 2011-2013.

⁴ Texas’ Latino Pay Gaps: Taking a Closer Look, Federal Reserve Bank of Dallas, First Quarter 2010, Emily Kerr, Pia Orrenius and Madeline Zavodny.

⁵ Trends in Poverty and Inequality among Hispanics, Federal Reserve Bank of Dallas and IZA, June 2011, Pia Orrenius.

⁶ Inter-Cultural Development Research Association, 2014.

⁷ Survey of Texas Hispanic-Owned Businesses with Paid Employees, Bureau of Business Research, 2012.

⁸ Globalization, Labor and Migration: Protection Is Paramount, International Migration Programme, International Labor Office Geneva, November 2002, Patrick Taran and Eduardo Geronimi.

⁹ The Income Inequality Debate, Council on Foreign Relations, February, 3, 2014, Steven J. Markovich, Contributing Editor.

¹⁰ Has Globalization Destroyed the American Middle Class?, Presented at Columbia Seminar on Full Employment, Social Welfare and Equity, April 2012, June Zaccone.

¹¹ Why Federalism Matters, The Brooking Institute Policy Brief #146, October 2005, Pietro S. Nivola.

¹² State-Federal Relations: Revolt Against Coercive Federalism? The Council of State Governments, The Book of the States 2012, p39-51, John Kincaid.

¹³ Federalism and American Inequality, The Journal of Politics, Vol. 74, No. 2, April 2012, Pp. 414–426, Nathan J. Kelly University and Christopher Witko.

¹⁴ Globalization As If The Entire Globe Mattered: The Situation of Minority Groups, In Global Transformation and World Futures, Vol. 1, Encyclopedia of Life Support Systems, United Nations, Education, Scientific, and Cultural Organization, 2009, S.P. Udayakumar.

¹⁵ Texas Today 2014: A Magnet for Job Growth, San Antonio Economic Development Foundation, Area Development, Quarter 2, 2014, Steve Stackhouse-Kaelble.

¹⁶ Closer Look Proves the Texas Path to Job Growth Isn’t Best: View, Bloomberg View, 49 Jul 8, 2011, The Editors.

¹⁷ Pulling Apart: A State by State Analysis of Income Trends, Center for Budget and Policy Priorities and Economic Policy Institute, November 2012.

¹⁸ Ten States with the worst taxes for average Americans, MSN Money, Wall St/24/7, February 10, 2015. Thomas C. Frohlic, <http://www.msn.com/en-us/money/taxes/10-states-with-the-worst-taxes-for-average-americans/ss-AA9e3uy> [Note: The Gini coefficient is a measure of inequality of variance. It is often applied to measure inequality of incomes in a particular area. A score of "0" on the Gini coefficient represents complete equality, i.e., every person has the same income. A score of 1 would represent complete inequality, i.e., where one person has all the income and others have none.]

¹⁹ Texas Earns a C-Minus on State Report Card, Ranks 39th in Nation, Education Week, June 18, 2015, <http://www.edweek.org/ew/qc/2015/state-highlights/2015/01/08/texas-education-ranking.html>

²⁰ Characteristics of Minimum Wage Workers, 2013, U.S. Bureau of Labor Statistics, March 2014.

²¹ The Texas Economy: An Age of Global Economic Opportunity, Career Development Resources, Texas Workforce Commission, September 2002.

²² Code Red: The Critical Condition of Health in Texas, Health Care Task Force, 2006.

²³ Recent Changes in Texas Welfare and Work, Child Care and Child Welfare Systems, Urban Institute, Assessing New Federalism, State Update, No. 1, June 2001, Randy Capps, Nancy Pindus, Kathleen Snyder, and Jacob Leos-Urbel.

²⁴ The 2014-15 Texas State Budget: Assessing the Numbers, Texas Taxpayers and Research Association February 2014.

²⁵ Advocating for Public Investments that Improve Peoples Lives, Texas Forward, <http://www.txforward.org/texasbudget.html>.

²⁶ A Guide to the Texas School Finance Lawsuits, Texas Tribune, February 29, 2012, Morgan Smith.

²⁷ Hispanic Families at Risk: The New Economy, Work, and the Welfare State, Springer Science & Business Media, Ronald J. Angel, Jacqueline L. Angel, 2009.

²⁸ Race/Ethnic Diversity and State Public Policies: Social Policies as Context for Welfare Policies, in Race and the Politics in Welfare Reform, University of Chicago Press, 2003, Rodney E. Hero.

²⁹ Hispanic Population Growth and State Immigration Policy: An Analysis of Restriction (2008–12), Publius: The Journal of Federalism, Summer 2013, No. 43 (3): 347-367, Timothy Marquez and Scot Schraufnagel.

³⁰ Getting to the Bottom of Texas' Latino Pay Gaps, Federal Reserve Bank Of Dallas, Fourth Quarter 2009, Emily Kerr, Pia Orrenius and Madeline Zavodny.

³¹ American Population Survey, 2013.

³² Dependency Ratios in the United States: A State and Metropolitan Area Analysis, Data from the 2009 American Community Survey, U.S. Census/ Social, Economic, and Household Statistics Division, 2010, Thom File and Robert Kominski.



**Quetzalcoatl
Warrior and Wisdom**