



# Hispanic Economic Outlook

## Fall 2013

The Report of the Hispanic Economic Outlook Committee

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The American Society of Hispanic Economists (ASHE)—a member of the Allied Social Science Association—is a professional association of economists and other social scientists who are concerned with the under-representation of Hispanic Americans in the economics profession and with the lack of research generated on Hispanic American economic and policy issues. Our primary goals include:

1. Promoting the vitality of Hispanics in the economics profession through education, service, and excellence;
2. Promoting rigorous research on economic and policy issues affecting US Hispanic communities and the nation as a whole; and
3. Engaging more Hispanic Americans to effectively participate in the economics profession.

For more information about ASHE, please contact [ASHE\\_mail@att.net](mailto:ASHE_mail@att.net) or visit our website at [www.asheweb.net](http://www.asheweb.net).

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## The Expected Impact of State Immigration Legislation on Labor Market Outcomes

Myriam Quispe-Agnoli\*

In response to the dramatic rise in the number of unauthorized immigrants to the U.S., every state has passed some form of immigration legislation. These laws appear to be predicated on a belief that unauthorized immigrants impose greater costs than benefits to state and local communities, including the labor market. The purpose of a recent research paper from the Federal Reserve Bank of Atlanta, authored by Julie Hotchkiss and myself, is to examine some evidence on what workers should expect if the immigration legislation is successful in eliminating undocumented workers from states' labor markets.<sup>1</sup>

### Motivation

According to the National Conference of State Legislatures (NCSL), state legislative interest in immigration issues dramatically rose in 2005, when 300 immigration bills were introduced into state legislatures, of which 39 survived to become law.<sup>2</sup> Activity nearly doubled in 2006, then exploded in 2007 with 1,562 bills introduced of which 240 became law. Legislative activity on immigration remained roughly at this level through 2011. The NCSL attributes this level of and growth in state level legislative activity to frustration about inaction at the Federal level addressing the significant growth in unauthorized immigration that has occurred in the U.S. over the past 20 years. Between 1990 and 2010, it is estimated that the unauthorized population in the U.S. grew at an average rate of nine percent per year.<sup>3</sup> The total U.S. population grew at under one percent per year over the same time period.<sup>4</sup>

Since 2005, nine states have passed high profile, omnibus immigration legislation. Arizona SB 1070 has been among the most visible and has provided a template for other states attempting to pass similar legislation. Many of the legislative Acts have been titled, "Taxpayer and Citizen Protection Act," emphasizing the political environment in which these laws have been considered by various state legislatures. The language used in the bills and their titles reflects the expectation that if all unauthorized immigrants were to disappear (or, "atrit," using Arizona's language), economic conditions (primarily labor market conditions) and lawlessness would improve. To justify this, legislators in Alabama have claimed that the post-recession drop in Alabama's

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\* The research paper summarized here was published in the *Journal of Policy Analysis and Management*, volume 32, issue 1, pages 34-59, winter 2013. The authors are Julie I. Hotchkiss and Myriam Quispe-Agnoli. Julie I. Hotchkiss is a Research Economist and Policy Advisor at the Federal Reserve Bank of Atlanta and Adjunct Professor at Georgia State University. Myriam Quispe-Agnoli is a research economist and adviser to the community and economic development (CED) research and policy team of the Federal Reserve Bank of Atlanta.

<sup>1</sup> See "The Expected Impact of State Immigration Legislation on Labor Market Outcomes", *Journal of Policy Analysis and Management*, volume 32, issue 1, pages 34-59, Winter 2013.

<sup>2</sup> Details of state laws introduced and passed from 2005 through 2011 can be found on the National Conference of State Legislatures Immigration Issues web site (<http://www.ncsl.org/issues-research.aspx?tabs=951,119,851#951>).

<sup>3</sup> See "Estimates of the Unauthorized Immigrant Population Residing in the United States: 1990 to 2000," [http://www.dhs.gov/xlibrary/assets/statistics/publications/III\\_Report\\_1211.pdf](http://www.dhs.gov/xlibrary/assets/statistics/publications/III_Report_1211.pdf)

<sup>4</sup> See "Population Distribution and Change" <http://www.census.gov/prod/cen2010/briefs/c2010br-01.pdf>

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unemployment rate is a direct result of Alabama's new immigration law.<sup>5</sup> Hotchkiss and myself claim that these and hundreds of state laws addressing concerns about unauthorized immigration have been passed without the benefit of much research on the impact of or expected benefit from arresting the flow of unauthorized immigrants -- a void they hope their research will begin to fill.

Our analyses provide some evidence as to what documented workers might experience in terms of employment and wages if these laws are successful in what they are designed to do -- remove unauthorized immigrants -- by asking the question: How much of the observed wage differential between documented and undocumented workers is accounted for by undocumented workers' willingness to accept lower wages, and how much is accounted for by differences in productivity? We also explore whether documented workers are displaced as their firms employ undocumented workers. The answers to these questions provide a sort of "fact-check" for the expectation of improved labor market conditions for documented workers that we claim state legislatures held when passing immigration reform bills.

### Identifying Undocumented Workers

The primary data used for this study are the Employer File and the Individual Wage File, compiled by the Georgia Department of Labor for the purposes of administering the state's Unemployment Insurance (UI) program. These data are highly confidential and strictly limited in their distribution. The data are available from the first quarter of 1990 through the fourth quarter of 2006. The Employer File provides an almost complete census of firms. The establishment-level information includes the number of employees, the total wage bill, and the NAICS classification of each establishment. The Individual Wage File, which links individual workers to their employer, is used to construct workforce characteristics at the firm level, such as workforce churning, the share of new hires that is undocumented; and other firms' characteristics such as firm's age, turnover rates, and worker tenure and labor market experience. The data also contain a 6-digit NAICS industry code and the county of location, allowing the merge of industry- and county-level indicators, such as county unemployment rate.<sup>6</sup>

We use Social Security numbers (SSN) to identify undocumented workers by distinguishing whether the SSN is valid or not. We conclude that some of those reasons are either errors or the result of incomplete record keeping by the firm. Consequently, the identification of undocumented workers is restricted to invalid SSN that are more likely to have been generated by the worker -- numbers that look valid, but are not. Workers with invalid SSNs for any other reason are considered neither undocumented nor documented and, thus, are excluded from the analysis; this will clearly undercount the actual number of undocumented workers. Figure 1 plots the prevalence of undocumented workers in the seven broadly defined sectors with the highest incidences. The concentration of workers in these sectors is confirmed nationally by Fortuny, Capps, and Passel (2007).<sup>7</sup> The pattern of growth is also consistent with Fortuny, Capps, and Passel who estimate that 72 percent of unauthorized immigrants in Georgia arrived in the last 10 years.

Fortuny, Capps, and Passel (2007) estimate that 4.5 percent of the workforce in Georgia was undocumented in 2004. In our sample 1.0 percent of workers are classified as undocumented in 2004, implying that the sample

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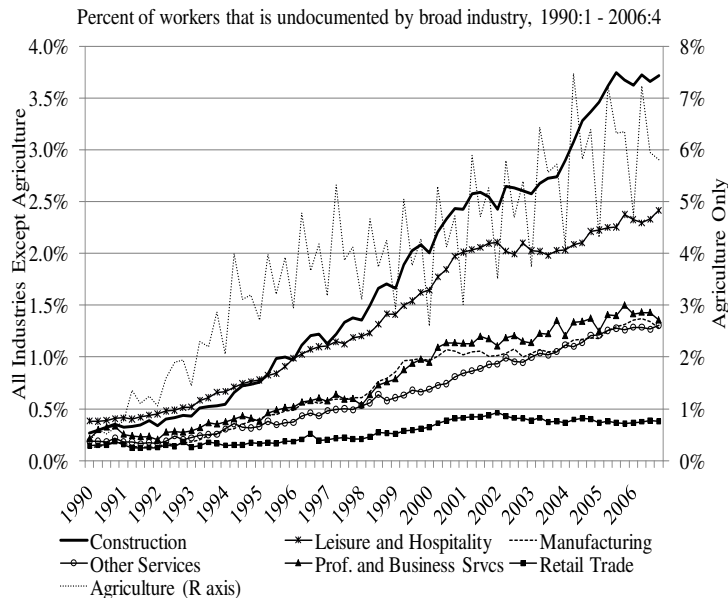
<sup>5</sup> See "Alabama Jobless Rate Falls Amid Immigration Reform," <http://dailycaller.com/2011/12/18/alabama-jobless-rate-falls-amid-immigration-reform/>

<sup>6</sup> Regrettably, the data set contains no information about workers' demographics or, more importantly, immigration status.

<sup>7</sup> Fortuny, Capps, and Passel (2007) estimate that nationally in 2004 the percent of workers in leisure and hospitality and construction that was undocumented was 10 percent each, nine percent of workers in agriculture, and six percent each in manufacturing, professional and business services, and other services. Also see Pena (2009).

used for the analysis in this article is capturing about 22 percent of all undocumented workers in the state of Georgia.

**Figure 1.**



This is a respectable representation, given that to be included in the sample all workers have been included on the firm's wage report in the first place, and we are being very conservative in the identification of workers as undocumented. Note that the identification process used in this paper does not make any assumptions about whether the employer knows a worker is documented or undocumented.

In addition, the goal of the conservative identification process was to end up with a sample in which we can have a high degree of confidence that the sample is representative of the undocumented workforce, not to actually count the number of undocumented workers in Georgia. Evidence supporting that confidence is detailed in the appendices of the article.<sup>8</sup>

A sub-set of workers identified as undocumented will have what is called an Individual Tax Identification Number (ITIN) reported as their SSN. In 1996 the Internal Revenue Service (IRS) introduced the ITIN to allow individuals who had income from the U.S. to file a tax return (the first ITIN was issued in 1997). It is simply a "tax processing number," and does not authorize an individual to work in the U.S. Employers are instructed by the IRS to "not accept an ITIN in place of a SSN for employee identification for work. An ITIN is only available to resident and nonresident aliens who are not eligible for U.S. employment and need identification for other tax purposes."<sup>9</sup> ITIN numbers have a specific numbering scheme that makes them readily identifiable.<sup>10</sup> Figure 2 plots all workers identified as undocumented and the subset using ITIN numbers. The sample of workers with ITIN numbers is much smaller, and this subset of undocumented workers is likely to be more established in the U.S. economy and to have developed more extensive networks. These workers, among the undocumented, are also the most likely to use the same "SSN" across employers; this is necessary in order to control for individual worker fixed effects.

<sup>8</sup> All appendices are available at the end of the article as it appears in JPAM online. Go to the publisher's Web site and use the search engine to locate the article at <http://www3.interscience.wiley.com/cgi-bin/jhome/34787>.

<sup>9</sup> "Hiring Employees," <http://www.irs.gov/businesses/small/article/0,,id=98164,00.html>. Also see, "Individual Taxpayer Identification Number (ITIN)," <http://www.irs.gov/individuals/article/0,,id=96287,00.html>.

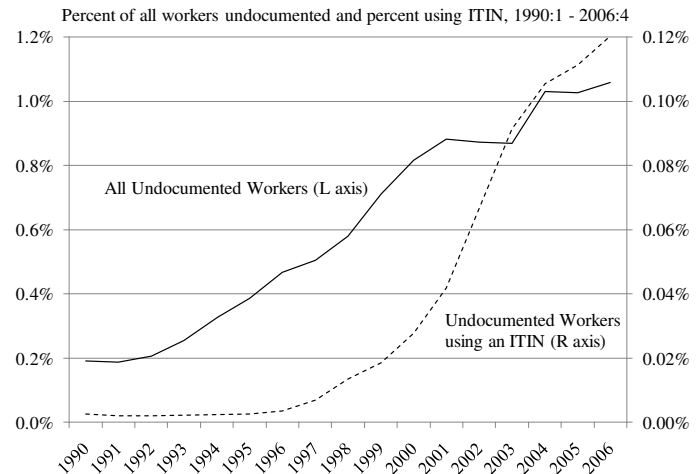
<sup>10</sup> All appendices are available at the end of the article as it appears in JPAM online. Go to the publisher's Web site and use the search engine to locate the article at <http://www3.interscience.wiley.com/cgi-bin/jhome/34787>.

**Results and Policy Implications**

Our results might be surprising to some. First, we find no evidence of direct displacement of documented workers when employers hire undocumented workers. Only earlier arriving undocumented workers experience higher rates of separation when their employers hire new undocumented workers.

Second, while we acknowledge some variation across worker and firm characteristics, the overall difference in wages paid to documented and undocumented workers is more reflective of the differences in their productivity, rather than differences in their sensitivity to wages.

**Figure 2.**



In other words, undocumented workers are paid less than documented workers not because they are willing to take a lower wage, but mostly because they are less productive.

We claim that these two results both suggest that there is less substitutability between documented workers and undocumented workers than legislators fear. And that the implication is that the removal of undocumented workers from the labor market will not likely increase employment levels of documented workers, nor raise wages as much as expected. We are also quick to acknowledge that this doesn't mean there will be no effect on wages if the supply of undocumented labor is removed.

In our paper, we highlight one state that stands out as an exception to the typical state-level approach to immigration reform. In 2011, Utah's legislature passed a number of laws under an omnibus umbrella that was guided by the principles of the "Utah Compact." Providing a frame for the employment piece of the legislation, the Compact states:

**"Utah is best served by a free market philosophy that maximizes individual freedom and opportunity. We acknowledge the economic role immigrants play as workers and taxpayers. Utah's immigration policies must reaffirm our global reputation as a welcoming and business friendly state."**  
 The Utah Compact (<http://www.theutahcompact.com/about-the-compact>).

If effective, the law would provide for legitimization of workers through a formal guest worker/Permit, state visa, and resident immigrant programs for workers who entered the U.S. (and Utah) illegally. Unlike the Federal temporary or seasonal non-immigrant work visas, H-2A and H-2B, the Utah Work Permit would be applied for by the worker, not the employer, which means the worker is not tied to a specific employer through his/her Permit. This feature would increase workers' employment opportunities.

Based on the findings on the lower productivity of undocumented workers in our research, Utah's legislation should increase the advantage documented workers have in terms of being able to compete for jobs based

entirely on productivity contributions. In other words, anything that reduces employers' ability to determine unilaterally the wages of *permitted* workers, *permitted* workers' wages will rise, making documented workers more competitive as an employment alternative.

The legal battle over state immigration legislation has only begun (see "State Omnibus Immigration Legislation and Legal Challenges," <http://www.ncsl.org/issues-research/immig/omnibus-immigration-legislation.aspx>). For Utah, the legal challenge has been the law enforcement aspect of the omnibus bill, rather than the temporary guest worker program. Although the state has to be granted a waiver to implement its program, many are anxious to see whether it can provide a model for immigration reform for the nation as a whole.

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## Return Migration Policies

Juan Carlos Bolaños and Susan Pozo\*

### Return Migration

While economic research has focused on the motives for immigration, less attention has been devoted to return migration – a complex yet important flow in our increasingly globalized world. Sometimes return migration takes place in a planned and expected manner, as in the intended return to be among family, friends and familiar surroundings after retiring from a lifetime of work abroad. Some migrants return home sooner, once they have saved a target sum intended to start a business, purchase a home or acquire a specific durable asset. Other migrants go abroad temporarily, to study. When completed, they return home with valuable human capital. These are the success stories.

On the other side is return migration that takes place on a less satisfying note. Some individuals are deported and returned home involuntarily because they are found to have violated immigration statutes. In many cases, the apprehension and deportation of those individuals is motivated by political pressure placed on authorities to alleviate rising unemployment levels among natives. But there are also voluntary departures that take place when migrants' plans do not go as expected. This is the type of migration that we would like to focus on.

Inevitably, immigrants' aspirations will not always be realized. What can migrants do in such situations? Options might be limited when the immigrant is far from family and lacks access to financial resources. In many cases, labor exporting nations have developed mechanisms to help migrants return home. In Latin America, one can find examples of programs orchestrated by national governments, such as Ecuador's *Bienvenido a Casa*, Mexico's *Programa Paisano*, Colombia's, *Plan de Retorno Positivo* or Uruguay's *Departamento 20*, all of which have the purpose of facilitating the return home of their nationals.

These programs vary in their complexity and outreach. Some simply facilitate the trip back home for *vulnerable* migrants, while others orchestrate the re-integration of emigrants into the home country through training, job search assistance and housing subsidies. The programs also differ in terms of who they target; some focusing on high-skilled returnees and others on less-skilled populations. While of interest, we turn to programs intended to *produce* return migrants rather than simply *assist* return migrants. To this end, we focus on a specific Spanish program.

### Spain's Retorno Voluntario Program

The advent of Spain's economic troubles over the recent past has brought changes to the context of Spanish immigration. While Spain easily absorbed a massive inflow of immigration during its economic boom -- immigrants represented 4.4 percent of the Spanish population in 2000 rising to 13.8 percent in 2010 -- the same cannot be said today. Spain's national unemployment rates from 2000 to about 2007 meandered around 8 or 9 percent but abruptly changed, steadily rising since then. If we disaggregate the population into Spanish and foreign-born, a large divergence in unemployment rates by nativity is observed—37% for the foreign born 24.2%

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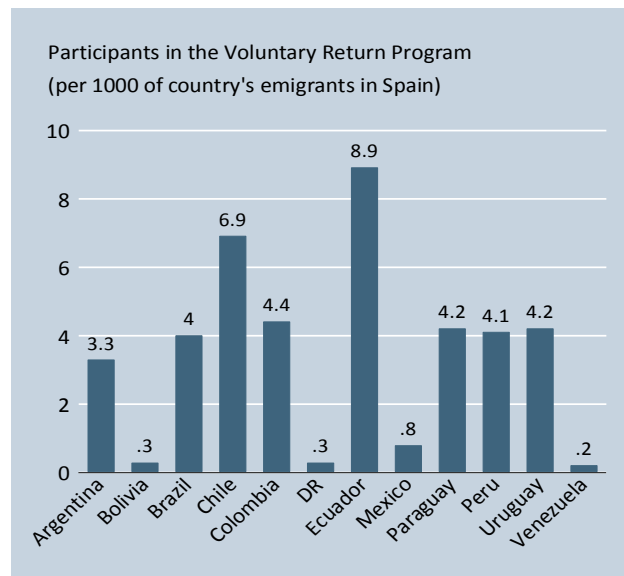
\* Juan Carlos Bolaños is a Ph.D. student in Western Michigan University's Applied Economics program and Susan Pozo is Professor of Economics at Western Michigan University

for the Spanish-born (INE). Thus, in the interest of reducing overall unemployment it could be advantageous to induce the foreign-born population to go home. In fact, this was exactly the approach taken by the Spanish government when it issued the *Retorno Voluntario* (Voluntary Return) Program in 2008. The non-coercive incentive provided by the government to induce return, involved paying registered unemployed workers their unemployment insurance benefits ahead of time in two lump sums. Eligible unemployed immigrants are paid forty percent of their accumulated stream of unemployment benefits immediately, with the proviso of leaving the country within 30 days. The balance is sent to them in their home countries 1 to 3 months after the first lump sum—hence Pay-to-Go. The advance is intended to help “finance” the move home, allowing the individual a fund to draw from for job search or perhaps the start of a small business. The catch is that the immigrant becomes ineligible for a residence or work permit in Spain for the next three years.

To be eligible, one must be a national of one of the countries that has signed a bilateral social security treaty with Spain. These are Andorra, Argentina, Australia, Bolivia, Brazil, Canada, Chile, Colombia, Dominican Republic, Ecuador, Russian Federation, Morocco, Mexico, Paraguay, Peru, the Philippines, Tunisia, Ukraine, United States, Uruguay and Venezuela. While the Spanish government has argued that the program has been successful, Ferrero-Turrión (2010) and Plewa (2012) argue that the take-up rates have been low, and those that have least to gain respond to the incentive, while those with most to gain do not.

Without access to administrative records, it is not possible to precisely measure participation rates nor their determinants. Nonetheless, we provide some information on program use, limiting our analysis and discussion to the 12 Latin American participating countries. The Spanish government publishes the number of immigrants from each country that have participated in the program each year since its inception in 2009. According to these reports, 1094 Argentinians have participated thus far.<sup>11</sup> We relate that figure to the total stock of immigrants from Argentina in Spain, which is estimated to be 331,174 using the World Bank’s Bilateral Migration Matrix, 2010. We express this rate of participation in terms of 1,000 immigrants. That is, for each 1,000 Argentinian migrants in Spain, 3.3 have used this program. We have computed these rates for all the eligible Latin American nations (Figure 1).

Figure 1



Insofar as participation is concerned, the countries seem to be in two camps. Two-thirds have relatively high participation rates, with Bolivia, the Dominican Republic, Mexico and Venezuela revealing low participation. What might be driving these differential rates of participation? Are participants more likely to be drawn from populations of immigrants with more high-skilled or less-skilled workers? Is participation dependent on the strength of the immigrant’s own home-country program?

To investigate whether education levels affect participation, we first obtained the education levels of Spanish immigrants by nativity from the 2007 *Encuesta Nacional de Inmigrantes* (ENI). This survey provides us with an

<sup>11</sup> [http://extranjeros.empleo.gob.es/es/IntegracionRetorno/Retorno\\_voluntario/datos/](http://extranjeros.empleo.gob.es/es/IntegracionRetorno/Retorno_voluntario/datos/)

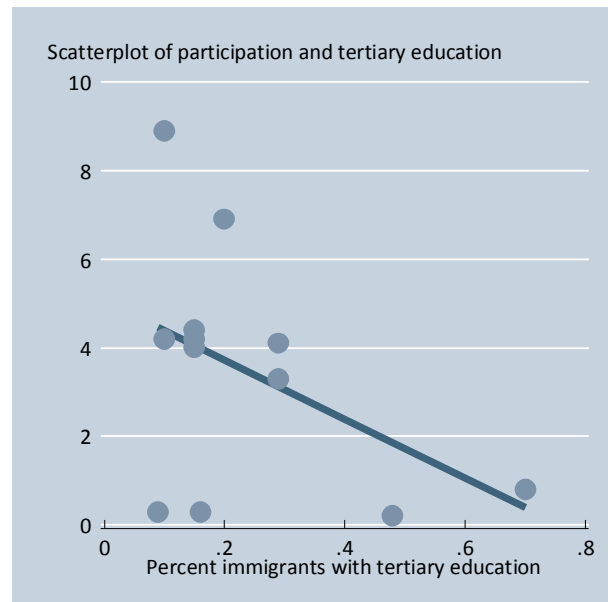


excellent snapshot of Spain’s immigrants just before the Spanish recession. We use it to obtain the percent of immigrants with tertiary education by birth country. For example, the ENI suggests that 10 percent of Ecuadorians in Spain have tertiary education. By contrast, 70 percent of Mexicans in Spain have university education. We construct a scatterplot of the tertiary education rate of immigrants in Spain by birth country against their participation rate in the *retorno voluntario* program.

This scatterplot is presented in Figure 2. It suggests that the *retorno voluntario* participation rate falls for immigrants from countries with emigrants embodying lots of education. Perhaps the more highly educated are holding out for jobs in Spain, or maybe they are not as likely to be unemployed and, hence, ineligible to take part in the program. In contrast, participation is more likely for the lower skilled.

Another possible determinant of the participation rate is the draw from the home country on account of its own return program. Our perusal of return programs in Latin America seems to correlate with the *retorno voluntario* participation rates. The Latin American countries with more developed and complete return programs (e.g. Ecuador, Colombia) are the same countries with higher rates of participation in the Spanish return program. So, perhaps, the success of the pay-to-go program requires a strong and well-developed program in the home country to help facilitate the transition.<sup>12</sup>

Figure 2



## Summary

In the modern period, when economic pressures build, policy makers tend to respond to those pressures by resorting to coercive methods. Coercion is usually ineffective in the long-run. In contrast, economists tend to prefer the use of incentives to motivate economic agents to behave in an “appropriate” manner. Whether or not the Spanish Voluntary Return program is a success, we should take advantage of the opportunity to learn from it and to discuss alternative policies that do not violate the rights and dignity of migrants. We need to develop our capacity to manage migration using voluntary methods instead of the coercive methods used too often nowadays.

## Resources

Colombia, Cancillería Ministerio de Relaciones Exteriores. 2013. *Plan de Retorno Positivo*. Retrieved from <http://www.cancilleria.gov.co/en/content/return-home-plan>

Ecuador, Federación Nacional de Asociaciones de Ecuatorianos en España. 2013. *Plan Bienvenido a casa*. Retrieved from [http://www.fenadee.es/plan\\_bienvenido\\_a\\_casa.html](http://www.fenadee.es/plan_bienvenido_a_casa.html)

<sup>12</sup> It is possible, however, that the causality goes in the other direction. Large levels of return migration could be causing the government programs in those countries to be more developed.

ENI, 2007 *Encuesta Nacional de Inmigrantes*, <http://www.ine.es/jaxi/menu.do?type=pcaxis&path=/t20/p319&file=inebase>

Ferrero-Turrión, Ruth. 2010. "Migration and Migrants in Spain: After the Bust," in Papademetriou et al, *Migration and Immigrants Two Years after the Financial Collapse: Where Do We Stand?* Washington, DC: Migration Policy Institute.

INE, Instituto Nacional de Estadísticas, [http://www.ine.es/en/inebmenu/mnu\\_cifraspob\\_en.htm](http://www.ine.es/en/inebmenu/mnu_cifraspob_en.htm)

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Plewa, Piotr. 2012. "The Effects of Voluntary Return Programmes on Migration Flows in the Context of the 1973/4 and 2008/09 Economic Crises." *Comparative Population Studies*, 37, 1-2.

Spain, Ministerio de Empleo y Seguridad Social. 2013. *Retorno Voluntario*. Retrieved from: [http://extranjeros.empleo.gob.es/es/IntegracionRetorno/Retorno\\_voluntario/](http://extranjeros.empleo.gob.es/es/IntegracionRetorno/Retorno_voluntario/)

Uruguay, Ministerio de Relaciones Exteriores. 2013. *Departamento 20*. Retrieved from: <http://www.mrree.gub.uy/frontend/page?1,dgacv,DGACVHome,O,es,O>

## Where Do Hispanics Study Economics? Economics Programs at Hispanic Serving Second-Tier College and Universities.

**Belinda Roman\***

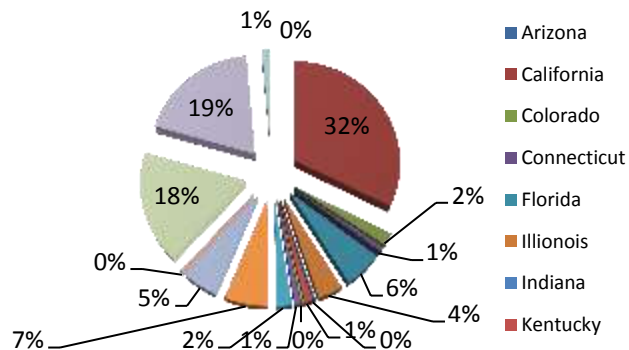
In the 2012 issue of the American Economics Association’s Committee on the Status of Minorities in the Economics Profession (CSMGEP) *The Minority Report*, Marie T. Mora, Professor of Economics at University of Texas – Pan American (UTPA) and now AEA Economics Mentoring Program Director, reported that “...[the] underrepresentation of Blacks and Hispanics among economics PhDs relates to their underrepresentation among economics undergraduate degrees, and not from a lack of interest in pursuing a PhD...” ( 10). Furthermore, Professor Mora noted the lack of perceived benefits the degree (i.e. higher income) might offer also influences this outcome.

Certainly, remuneration after a 4-6 year investment in education is a concern for all students and appears a reasonable consideration with respect to why minorities are a small percentage of majors and graduates in economics. Still, there must be some explanation offered for this perception. The second issue – a lack of representation in undergraduate programs — is perhaps more difficult to pinpoint. Professor Mora’s call for further research stimulated the current paper as did a personal interest in the standing of Hispanic Serving Institutions and second-tier schools in the overall process of recruiting, retaining and graduating undergraduate economics majors. Interestingly, the latter reveals a troubling gap in the opportunities for minority students to pursue economics.

The U.S. Department of Education identifies Hispanic Serving Institutions (HSIs) under Title V of the 1965 Higher Education Act as those colleges and universities where undergraduate enrollment consists of at least of 25 percent Hispanics with a clear need for assistance in attending college or university. Furthermore, those institutions seeking this designation cannot be for-profit and all beneficiaries of the designation must confer at least a two-year degree and be accredited.

The most recent information on HSIs, as reported by *Excelencia in Education* (Figure 1), counts 356 colleges and universities as HSIs during the 2011-2012 academic year. This represented 11 percent of the total number of colleges and universities in the U.S.; 52 percent of the 356 were two- year colleges. In terms of degrees, approximately 16 percent awarded masters and 17 percent granted doctoral degrees. Unsurprisingly, the two states with the largest number of HSIs were California and Texas, respectively, accounting for 50 percent of all HSIs. Still the actual number of HSIs in each state is surprisingly low. There are a number of institutions designated as “emerging” HSIs, meaning their Hispanic enrollments are between 20 and 24 percent.

**Figure 1  
 Hispanic Serving Institutions 2011-2012 by State**



Source: *Excelencia in Education* analysis of U.S. Department of State through Integrated Postsecondary Education Data System (IPEDS) retrieved from <http://www.edexcelencia.org/research/hispanic-serving-institutions-hsis-2011-12>.

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Overall, the 356 HSIs account for over 54 percent of Hispanics in higher education (Excelencia in Education, *Fast Facts 2011-2013*). These data clearly show that in order to recruit Hispanics into the profession, more attention and effort should be focused on HSIs.

The general idea is very clear: Look for and recruit economics majors where Hispanic students are studying. However, the task is not as simple as stated. The HSI must also offer an economics programs, and in order to address the remuneration issue, we need to know if the status of the program is important. To this end, this research digs a little deeper into the HSI data. In Texas, only three universities are recognized as tier-one – University of Texas at Austin, Texas A&M and Rice University – but none is HSI designated, nor is anyone of them considered “emerging”. This is disconcerting given that all three offer robust economics undergraduate degrees. In California, the number of tier-one institutions is much higher than in Texas. A short list includes Stanford, University of California at Berkeley and Los Angeles as well as University of Southern California. Here again however, none of these is a recognized HSI. Consequently, the state with the most HSIs, has no tier-one HSI, which means that educating a significant number of future Hispanic economists could also fall on second-tier and other institutions.

While this research is ongoing, it is worthwhile reporting some additional early results in terms of second-tier programs and where Hispanics choose to study economics. In the interest of space, comments will be limited to Texas. Of those schools listed as tier-two institutions in Texas and recognized by the U.S. Department of Education as HSI, only University of Texas - Pan American, University of Texas at San Antonio, University of Texas at El Paso and St Mary’s University (San Antonio) actually offer stand-alone undergraduate economics majors (bachelors degrees). If we look at the degree programs at each of the three state schools, all economics programs are located within a school of business.<sup>13</sup> In the case of St. Mary’s University, the economics department is located in the School of Humanities and Social Sciences.

These distinctions may be important to students, because they serve as signals about program content and emphasis. Is this confusing to potential students? Are we suggesting that economics is the handmaiden of business or is it part of the more fuzzy social sciences. In either case, from the perspective of majors, perhaps the positioning of the discipline is an issue. These are treacherous waters, of course, as faculty and their orientations, along with college and university administration funding considerations play into these decisions. The question here is: Does the placement of the discipline impact student decisions?

There is another factor to consider here: More than 50 percent of HSIs are two-year colleges. Within this grouping, when trade schools and specialist colleges such as culinary institutes and fashion schools are culled from the list, the actual number of HSIs that introduce students to economics is smaller still. Take for example Texas public two-year colleges, whose curriculum is governed by state standards. In these “fields of study” plans (no degree plans), economics is more often an elective in a common field of study such as general business, history, or political science, because the thinking is that four-year colleges will encourage the major. Herein we find another flaw: If majors are not identified early in the educational process, the quantitative and critical thinking skills required for upper-division economics courses will not be taught or reinforced. This means that many HSI two-year college students arrive at any tier-colleges or universities with inadequate training.

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<sup>13</sup> Information for degree plans were found on the campus web sites. Note that even though economics is housed in the College of Business Administration at UTPA, students have two degree-plan options when majoring in Economics: a Bachelors of Business Administration (BBA) or a Bachelors or Arts (BA) degree.

This research is in its early stages but already there are some clear patterns emerging. Hispanic Serving Institutions with economics programs or courses tend to be second-tier institutions and community colleges. Are we to encourage HSI universities to aspire to a higher tier or strengthen their present programs? The latter would seem a hard sell given that declining support from federal and state governments is forcing colleges and universities in general to seek outside funding for programs. This in turn pushes them to reach for a higher ranking in order to attract more funding. How will community colleges fit into the profession's future plans? Already we see STEM programs reaching into earlier and earlier grades to foster growth in science, technology, engineering and mathematics programs but not necessarily in economics, which is part of the NSF's definition of STEM. Is it not possible to follow this model or join with STEM programs to build economics undergraduate programs? Economics degrees are currently earned through business or social science programs, each with its consequences for future recruitment to the field. There is nothing that says this should be changed, only that the profession be aware of the potential consequences of this bifurcation in our identity.

### **Resources**

U.S. Department of Education, Lists of Postsecondary Institutions Enrolling Populations with Significant Percentages of Minority Students, retrieved from <http://www2.ed.gov/about/offices/list/ocr/edlite-minorityinst-list-pg4.html>

Excelencia in Education, *Summary of the 2011-2012 Lists* retrieved from <http://www.edexcelencia.org/>

Texas Higher Education Coordinating Board – *Lower-Division Academic Course Guide Manual (ACGM)* retrieved from <http://www.theccb.state.tx.us/index.cfm?objectid=DE96F52A-D583-AE1B-C7265EA2CD5E90B3>

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## Letter from the President

David Molina\*

There have been some big changes in ASHE this past year and two of our past presidents have risen to important positions in our profession. At the ASSA annual meeting in San Diego ASHE honored Luisa R. Blanco from Pepperdine University and RAND for her valuable contributions to ASHE including her co-editorship of HEO. At this meeting we also vote to make significant changes to our Charter. The changes reduced the commitment of ASHE officers from 6 year to 3 years. The ASHE board now consists of President, President Elect, and Immediate Past President. In addition we agreed that the annual dues will be based on the calendar year and will be due in January. We also elected our first President-Elect, Catalina Amuedo-Dorantes of San Diego State University. Another major accomplishment this year was the revamping of our web site. Thanks to the diligent work of Belinda Roman, our website has been updated and is an excellent outlet to place news of about our members, advertise job postings, internships, post-docs, scholarships. Members that have blogs can have links to them in our site. I also want to take this opportunity to thank Benjamin Widner, New Mexico State University, for creating and maintaining the site. I invite all of you to visit our new website and to use it and to provide guidance as we update it. Visit it at <http://www.asheweb.net/index.html>

Two of our past presidents were selected for important positions this past summer. Mark Hugo Lopez became director of Pew Research Center Hispanic Trends Project. Marie Mora was appointed in August as director of the American Economic Association's Economics Mentoring Program. Below, you will find the information regarding the panels and seminars held by ASHE at different National Conferences,

David J. Molina  
AHSE President

This year we had several sessions at the ASSA, WEAI, and SEA conferences:

### **Panels at the ASSA Meetings (Jan 4 – 5, 2013)**

#### **Migration and Crime Trajectories**

Presided by Alberto Davila (University of Texas-Pan American)

- **Immigrants and Crime Trajectories**  
Felix Rioja (Georgia State University), Erdal Tekin (Georgia State University)
- **Marginalization, Crime, and Migration in Mexico and the U.S.**  
Jose n. Martinez (University of North Texas), Willy Walter Cortez Yactayo (University of Guadalajara)  
**Drug Related Violence and Employment in Mexico**  
Manuel Reyes-Loya (New Mexico State University), Eduardo Saucedo (University of Texas-Pan American),  
Roberto Coronado (Federal Reserve Bank of Dallas, El Paso Branch)

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\* David J. Molina is an Associate Professor of Economics at the University of North Texas and the current president of ASHE

- **The Impact of Insecurity and Crime on Democracy and Trust in Institutions in Colombia**  
Luisa Blanco (Pepperdine University), Isabel Ruiz (University of Oxford)

Discussants: Justin McCrary (University of California-Berkeley), Pia Orrenius (Federal Reserve Bank of Dallas), David J. Molina (University of North Texas), Javier Reyes (University of Arkansas)

### **Pathways to Adulthood: Education, Healthcare, and Wealth Accumulation (Joint Session with the NEA)**

Presided by Mark López (Pew Hispanic Center)

- **Empirical Evidence of the Effects of Incarceration on Wealth Accumulation**  
Ngina Chiteji (Skidmore College)
- **The Effects of Job Corps Training on Wages**  
German Blanco (State University of New York-Binghamton), Carlos Flores (University of Miami), Alfonso Flores-Lagunes (State University of New York-Binghamton),
- **The Effect of U.S. Amnesty on Immigrant Youth Postsecondary Educational Access**  
Kalena Cortes (Texas A&M University)
- **Health Care Usage and Health Status of Immigrant Children: The Effects of Nativity versus Citizenship**, Monica Garcia-Perez (St. Cloud State University)

Discussants: Rucker Johnson (University of California-Berkeley), Ronald Oaxaca (University of Arizona)

### **Panels at the Western Economic International Association (July 2013)**

#### **Mexican and Hispanic Production, Labor and Education**

Presided by Belinda Román (Palo Alto College)

- **Margins of Adjustment and Productivity in Mexican Maquiladoras.**  
André Varella Mollick (University of Texas-Pan American) and René Cabral (Tecnológico de Monterrey, Campus Monterrey)
- **Foreign-born Mexican Workers and Unions: A Longitudinal Analysis**  
Arthur Saenz (Southwestern Community College) and Enrico A. Marcelli (San Diego State University)
- **Reframing Academic Engagement: A Case for Status Priming**  
Salvador Contreras, Charles Danso, and Sara Ray (The University of Texas-Pan American)

Discussants: Belinda Román (Palo Alto College), Salvador Contreras (The University of Texas-Pan American), Jose N. Martinez (University of North Texas)

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### **Poverty and Crime in Mexican and Hispanic Populations**

Presided by Marie T. Mora (The University of Texas-Pan American)

- **Are Poor Mexicans More Likely to be Crime Victims?**  
Jose Martinez (University of North Texas) and Willy Walter Cortez Yactayo (Universidad de Guadalajara)
- **Where is the American Dream? Community Level Immigration Enforcement and Interstate Migration**  
Catalina Amuedo-Dorantes (San Diego State University) and Fernando A. Lozano (Pomona College)
- **Poverty Among Hispanics in the U.S.: Exploring the Heterogeneity of the Poor**  
Mary J Lopez (Occidental College)

Discussants: Salvador Contreras, (The University of Texas-Pan American), Monica Deza, (University of Texas at Dallas), Belinda Román (St Mary's University)

### **Panels at the Southern Economic Association (to occur in November 2013)**

#### **Session 1:**

Presided by Catalina Amuedo-Dorantes, San Diego State University

- **The Complexity of Immigrant Generations for U.S. Hispanics and Asians**  
Stephen Trejo (University of Texas at Austin), Brian Duncan, (University of Colorado Denver)
- **Education, Migration, and the Economic Outcomes of Island-Born and Mainland-Born Puerto Ricans**  
Marie T. Mora, (The University of Texas-Pan American), Alberto Davila, (The University of Texas-Pan American), Havidán Rodriguez, (The University of Texas–Pan American)
- **Health and Transfer Payments of Hispanic Versus Other Groups**  
David J. Molina, (University of North Texas)
- **Autism, Parental Age, Education, and Birth Spacing: Can Economics Explain Some of the Rise?**  
Jose Fernandez (University of Louisville), Noelia Paezs (Hawaii Pacific University)

Discussants: David J. Molina, University of North Texas, Myriam Quispe-Agnoli, Federal Reserve Bank of Atlanta, Jose Fernandez, University of Louisville, Sandra Orozco-Aleman, Mississippi State University

#### **Session 2:**

Presided by Diego Vacaflares, Texas State University

- **Immigration Enforcement and Remittances**  
Catalina Amuedo-Dorantes (San Diego State University), Thitima Puttitanum (San Diego State University)
- **The Influence of External Conditions on the Determination of Remittances**  
Diego Vacaflares (Texas State University), David Beckworth (Western Kentucky University)

Discussants: Diego Vacaflares (Texas State University), Catalina Amuedo-Dorantes, (San Diego State University)

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***About the Hispanic Economic Outlook Committee of the American Society of Hispanic Economists –***

Formed in early 2009, this Committee was designed to monitor and report on a host of Hispanic economic issues on a quarterly basis. Contributions from other ASHE members are also contained in these reports. The views expressed in these reports are those of the authors, and do not necessarily represent the views of their respective employers or of ASHE. All errors in fact or interpretation belong to the authors.

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