



Gateway to the Future



TEXAS A&M UNIVERSITY - TEXARKANA

TEXAS A&M UNIVERSITY-TEXARKANA GATEWAY TO THE FUTURE

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**TEXAS A&M UNIVERSITY-TEXARKANA
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TEXAS A&M UNIVERSITY-TEXARKANA GATEWAY TO THE FUTURE

Executive Summary

Texas stands at a crossroads. In one direction lies a future that follows the path of the current courses of action. Enrollments in the state's public and independent colleges and universities are not keeping pace with the booming Texas population. There is a shortfall in the number of degrees and certificates earned. And, fewer degrees and certificates earned leads to a less-educated workforce. The state's workers are not able to support a growing state economy, which is necessary for a higher quality of life for all Texans, and individuals have fewer personal choices.

In the other direction lies a future that follows a new path. Texas accepts the challenge to support its people by providing opportunities for educational advancement through high quality programs. Enrollment and graduation rates increase. Institutions excel nationally through programs of excellence and advancement in research. The state's economy is advanced by a strong workforce and innovation created by research and development efforts. Individuals are challenged, their minds are expanded and they develop a growing interest in the changing world around them.¹

The above words from *Closing the Gaps: The Texas Higher Education Plan* pronounce Texas at a crossroads, with one path leading to a future where opportunity and potential have little chance to bloom and a second path leading to a future in which opportunity and potential can flourish and grow. Texas A&M University-Texarkana (A&M-Texarkana) is a gateway on this second path. Their expansion downward will pave the way for students in the far northeast corner of the state – students who previously found that second path strewn with obstacles and barriers. However, as A&M-Texarkana paves the way, these students will find a smoother road ahead and a brighter future for themselves and for all of Texas.

In 2000, staff at the Public Policy Research Institute (PPRI) at Texas A&M University conducted a study to determine if there would be sufficient demand to warrant the expansion of Texas A&M University-Texarkana (A&M-Texarkana). The subsequent report (entitled *Texas A&M University–Texarkana: Shaping the Future*) included three components: (a) a data portrait of the area's population, education, income and employment; (b) a comparison between the northeast Texas region (in which Texarkana is the largest city) and the east Texas region (in which Tyler is the largest city) to gain insight into the role institutions of higher education might play in regional development; and (c) a series of focus groups that involved high school students, parents, business leaders, and current A&M-Texarkana students who wished to provide comments and insights regarding the potential downward expansion of A&M-Texarkana. All aspects of the above mentioned study indicated that there was an unmet need within the A&M-Texarkana service area for a comprehensive university, and in 2003 the Texas Legislature approved the downward expansion of A&M-Texarkana.

¹ *Closing the Gaps: The Texas Higher Education Plan (2000)*, p.5; web version at <http://www.thecb.state.tx.us/ClosingTheGaps/>

This current study, also undertaken by PPRI, is a follow-up to that original study. It includes the following sections: (1) an updated data portrait of the Texarkana area, (2) an examination of direct and indirect economic impacts that institutions of higher education can have on a community, (3) an examination of more personal benefits of higher education, and (4) conclusions about the potential of the downward expansion of A&M-Texarkana. The geographic area under examination for this updated study included nine Texas counties and brief reference to three additional counties – one each in Arkansas, Louisiana, and Oklahoma. These counties were:

Bowie County, Texas	Hopkins County, Texas	Titus County, Texas
Cass County, Texas	Lamar County, Texas	Miller County, Arkansas
Delta County, Texas	Morris County, Texas	Caddo Parish, Louisiana
Franklin County, Texas	Red River County, Texas	McCurtain County, Oklahoma

Data Portrait

The data portrait of this 12-county area revealed a 2000 population of almost 600,000 individuals – a size roughly equivalent to the city of Austin (657,000), El Paso (564,000), or Fort Worth (535,000). The following information was indicated by the data.

- The area had more than twice the percentage of African-American residents than the Texas norm.
- The Hispanic population was lower than the state average, but was projected to increase over the next ten years.
- In 2000, the area population was older than the state norm, but as the Hispanic population increases the population of the area is expected to get younger.
- The aging population in the area is expected to create a demand for workers to replace retirees and workers in health-related industries.
- There is more manufacturing occurring in the area than the state norm.
- In addition to the manufacturing industry, economic modeling shows that growth is likely to occur in ambulatory health care services, educational services, food services, and specialty trade contractors.
- Personal income and effective buying power are lower in the area than the state norm and poverty is higher. In fact, the poverty level for area minority populations is often at the same high levels as in the Rio Grande Valley – an area often considered to be the poorest in the state.
- In spite of the higher than average poverty levels, the achievement of K - 12 students is higher than the state norm. Unfortunately, this success does not translate into increased levels of higher education. Fewer than average residents have attended college or have advanced degrees.

Two undeniable factors that emerged from the data portrait in the 2000 PPRI study, and which still hold true are: (1) graduates of the area secondary schools are well prepared for higher education, but their participation is disproportionately low; and (2) lack of access to higher education opportunities may be negatively impacting the financial well-being of A&M-Texarkana area residents. The combination of high poverty and low mobility in the area limit the ability of area youth to relocate to another area of the state for additional education and/or employment. Therefore, access to a local four-year institution of higher education that can increase the potential of area residents and improve the economic viability of the region should have a greater long-term impact than might be experienced in other parts of the Texas.

Economic Impact

Universities have contributed to the expansion of knowledge, quality of life, and economic prosperity throughout the United States. The value added benefits of public universities encompass cultural, intellectual, and social impacts. Research conducted by the National Association of State Universities and Land-Grant Colleges (NASULGC) has shown that state universities in Texas, and their counterparts across the country, provide a positive impact on both regional and state economies.² Universities generate jobs and additional spending, attract and help create new high-tech businesses, and increase state tax revenues in addition to providing a well-educated workforce. The direct impacts of higher education are those in which the local economy is boosted by the university's productive activities.³ These impacts are generally due to university expenditures and the subsequent results of those expenditures.

Direct impacts of the A&M-Texarkana expansion can be monetarily estimated by looking at the NASULGC study – which found that on average, for each \$100 spent by NASULGC member universities, an additional \$64 was spent by employees, an additional \$60 was spent by students, and an additional \$14 was spent by visitors, adding a total of \$138 additional dollars into the local economy. Also, for every job created on a NASULGC campus approximately 1.6 jobs were created in the community.⁴ Thus, the downward expansion of A&M-Texarkana should be expected to have a rippling effect throughout the region.

Given the exemplars of Texas A&M University-Corpus Christi (TAMU-CC), University of Texas at Tyler (UT Tyler), and Texas A&M International University (TAMIU), the downward expansion of A&M-Texarkana shows much potential for a positive impact on the community of Texarkana and the A&M-Texarkana catchment area. If the University is able to fulfill its goal of enrolling 200 freshmen and 100 sophomores, and grow at a rate of 32% per year (an average of TAMU-CC, UT Tyler, and TAMIU), the University will have 911 freshmen and sophomores enrolled five years after the implementation of their downward expansion. In addition to greater than \$1 million generated by student tuition, this growth will require the hiring of an additional 61 faculty, increase the faculty count by over 60% and will result in over \$878,400 in salaries (based on average faculty salary) for a total of greater than \$1.9 million.

Because of the size of the unmet need in the A&M-Texarkana area, it is anticipated that initial recruitment efforts will be locally focused. However, even if all students pay in-state tuition at the current rate (\$1,146 per year), they will represent income to the University of \$1,044,006. The strategic geographical location of A&M-Texarkana suggests that it is reasonable to expect the institution might recruit individuals from across the state and out of the state over time, creating even higher enrollment revenues. If A&M-Texarkana follows out-of-state enrollment trends at TAMU-CC, UT Tyler and TAMIU, between 3-4% of students will be recruited from out of state within 5 years of expansion.

² Shaping the Future: The Economic Impact of Public Universities (2001). NASULGC.
Value Added: The Economic Impact of Public Universities (1997). NASULGC.
University Research: Touching the Lives of All Americans (1996). NASULGC.

³Bleaney, M., Binks, M., Greenway, D., Reed, G., & Whyne, D. (1992) What Does a University Add to its Local Economy? *Applied Economics*, 23, pp. 305-311.

⁴ Shaping the Future: The Economic Impact of Public Universities (2001). NASULGC.

Personal Benefits

Access to college is critical to the economy, to employers, and most importantly to individuals and families. Several studies have shown that education level is strongly correlated with employment and economic and social well-being. Some suggest that even health outcomes are better among those with higher levels of education. As one researcher notes, higher education "improves the quality of life by providing long-term economic gains, better health and increased civic participation."⁵ Census data from 2000 clearly indicated that income dramatically increased with each successive degree. This trend occurred across all racial categories. The amount earned by Anglos, African-Americans, Hispanics, and Asians with college degrees was more than double that earned by those without high school diplomas. While the median earnings differed in amount by race, the fact remained that all racial groups financially benefited from higher levels of education. This benefit translated to families. According to Carnevale and Fry, earnings increases would bring many minority families out of poverty.⁶ By increasing the number of minority college graduates to the levels that Anglos achieve, the poverty rates among African-American families would decline by nine percent. Among Hispanics it would decrease by 20%.

Not only does higher education influence annual earnings, but it also positively impacts work experience. As educational attainment increases, so does the likelihood of full-time or year-round employment. Additionally, data suggest that those with higher levels of education are less likely to smoke, or to drink heavily, and are more likely than others to exercise.⁷ College experience has also been found to be associated with lower rates of depression, higher rates of self-reported good health, and even lower Body Mass Index (BMI).⁸ The benefits of higher education also extend to the community level. Just as education has been found to influence health, it also is associated with good citizenship practices.

Conclusions

Currently large segments of the population (specifically, minorities and the economically disadvantaged) face many hurdles in entering the education pipeline. Even though financial assistance and student supportive services go a long way in securing and maintaining student involvement, more must be done to keep educational opportunities open for all students. While college attendance among minorities has been on the rise, and is projected to increase substantially by 2015, it still lags behind the rate for Anglo students.⁹ A&M-Texarkana is in an ideal position to make a positive impact on the lives of regional minorities and economically disadvantaged populations because the institution already serves a very diverse group of students. And, because of the high concentrations of low-income families and African-American

⁵ Price, D. (2002). *What We Know About Access and Success in Postsecondary Education: Informing Lumina Foundation's Strategic Direction*. Lumina Foundation for Education.

⁶ Carnevale, A.P. & Fry, R. A. (2000). *Crossing the great divide: Can we achieve equity when generation Y goes to college?* Princeton, NJ: Educational Testing Service.

⁷ Kenkel, D.S. (1991). Health behavior, health knowledge, and schooling. *The Journal of Political Economy*, 99(22), 287 – 305. <http://www.jstor.org>

⁸ Bynner, J., Dolton, P., Feinstein, L., Makepeace, G., Malmberg, L., & Woods, L. (2003). *Revisiting the benefits of higher education*. Institute of Education: Bedford Group for Lifecourse and Statistical Studies.

⁹ Carnevale, A.P. & Fry, R. A. (2000). *Crossing the great divide: Can we achieve equity when generation Y goes to college?* Princeton, NJ: Educational Testing Service.

residents within the A&M-Texarkana catchment area, it offers an avenue for advancement that is "close to home." In 2000, high school students attending 25 A&M-Texarkana area school districts were asked to respond to a survey about their plans to pursue additional education at a four-year college or university. An average of 56.6% of those who completed the survey answered in the positive. Forty percent of these students also hoped to attend that college or university in the Texarkana area.

This survey data confirmed information obtained from high school students during focus groups conducted as a component of the original 2000 PPRI study.¹⁰ In general, students believed that their employment opportunities would improve and that the local area would become more economically viable if A&M-Texarkana were a four-year institution of higher education. A similar focus group conducted with parents of high school students yielded comparable comments. In addition, parents were concerned about the financial aspects of a college education and felt that savings would naturally occur if students could stay at home to attend an institution of higher education.

Regardless of race, ethnicity, or economic status, the National Center for Public Policy and Higher Education (NCPPE) views the educational pipeline as the key avenue for increasing a state's "educational capital." In turn, this educational capital will have a direct impact on a state's economy and quality of life.¹¹ Unfortunately Texas rated very low among the 50 states on four key transition points NCPPE identified as essential to increasing the number of college degrees obtained by residents.¹² A&M-Texarkana is in a pivotal position to positively impact the educational capital within Texas. Currently the area is below the Texas average percentage of individuals who have college degrees. However, academic data from area schools shows that local students should have the capacity to succeed in higher education. As A&M-Texarkana grows, the percentage of individuals with college degrees in the region will most likely increase, bringing the area more in-line with the rest of the state and bringing Texas more in-line with the rest of the nation.

Just as the A&M-Texarkana catchment area is a part of Texas in which it has been historically difficult to build educational capital, it also has been historically difficult to grow the economy. In fact, growth in general within the A&M-Texarkana area has been slower than the norm. In the past, slow population growth within a region was looked upon as a reason for economic inertia. But a recently published discussion paper by the Brookings Institution Center on Urban and Metropolitan Policy examined the topic of economic growth without population growth.¹³ This study explored the difference between economic policies that had job growth as their primary objective versus economic policies that would boost per capita income. In the first instance (job growth), cities would focus on strategies to create new jobs. In the process they often created low paying jobs and typically increased their population, thus also increasing the need for additional city services and infrastructure. On the other hand, increases in per capita

¹⁰ *Texas A&M University-Texarkana: Shaping the Future*, PPRI, 2000.

¹¹ Policy Alert, The National Center for Public Policy and Higher Education, www.highereducation.org

¹² The four key transition points identified by NCPPE were: (1) the number of ninth grade students who attained a high school diploma within four years; (2) the number of high school graduates who were adequately prepared to move into higher education immediately after graduation; (3) the number of college freshmen who persisted to become college sophomores; and (4) the number of college students who completed their Associate's degree within three years of entering college and/or their Bachelor's degree within six years of entering college.

¹³ Gottlieb, Paul D. (2002). *Growth Without Growth: An Alternative Economic Development Goal for Metropolitan Areas*. The Brookings Institution Center on Urban and Metropolitan Policy.

income were not dependent on population growth and resulted in more spending power within the community and less demand on city services.

The Brookings Institute research then extrapolated the conditions within areas where per capita income growth occurred but population growth did not. The five conditions most highly associated with "growth without growth" were (1) the area included at least one larger metropolitan area, (2) a high proportion of workers in the area were in the service sector, (3) a high proportion of workers in the area were in the manufacturing sector, (4) a low proportion of the population were immigrants, and (5) a low proportion of the population held a Bachelor's degree or better. While some of these conditions might seem counter-intuitive, they actually provided a scenario in which individuals could relatively quickly increase their income by expanding their education and moving up the career ladder or securing a new career path. Interestingly, the A&M-Texarkana catchment area has exactly the conditions identified by the Brookings Institute as an area in which "growth-without-growth" is likely to occur. This makes it a prime location for future income growth (growth in per capita income) without necessarily incurring the problems associated with population growth.

Final Note

Regionally engaged universities such as A&M-Texarkana are places with dynamic connections between the enhancement of skills, processes of industrial and service innovation, and wider cultural development. A&M-Texarkana stands at a critical juncture for transforming the region's economy into one that is based more on learning than on hard labor. It will be instrumental in this process by providing leadership through the contribution of a resource base of people, skills, knowledge, and the indirect social and cultural foundation of effective democratic participation. The downward expansion of A&M-Texarkana and subsequent building of educational capital within the region will be the lynchpin needed to open the gateway to a brighter and more prosperous future.

TEXAS A&M UNIVERSITY-Texarkana GATEWAY TO THE FUTURE

Introduction

Texas stands at a crossroads. In one direction lies a future that follows the path of the current courses of action. Enrollments in the state's public and independent colleges and universities are not keeping pace with the booming Texas population. There is a shortfall in the number of degrees and certificates earned. And, fewer degrees and certificates earned leads to a less-educated workforce. The state's workers are not able to support a growing state economy, which is necessary for a higher quality of life for all Texans, and individuals have fewer personal choices.

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The current study, also undertaken by PPRI, is a follow-up to that original study. It includes the following sections:

1. Gateway to Texas – an updated data portrait of the Texarkana area, including information about population, economy, and education.
2. Gateway to prosperity – an examination of direct and indirect economic impacts that institutions of higher education can have on a community including a brief glimpse at the success of three other Texas public universities (Texas A&M University-Corpus Christi, University of Texas at Tyler, and Texas A&M International University) that expanded downward.
3. Gateway to success – an examination of more personal benefits of higher education (income, health, etc.).
4. Gateway to the future – conclusions about the potential of the downward expansion of A&M-Texarkana.

Gateway to Texas

A&M-*Texarkana*, located in the City of *Texarkana*, Texas is a figurative gateway for students in northeast Texas. But their catchment area is also a literal gateway into the state. The City of *Texarkana* sits at the edge of Texas, overflowing into Arkansas and only 30 miles from Louisiana and 50 miles from Oklahoma. Therefore, the A&M-*Texarkana* area is often the first glimpse motorists have as they drive into the state. In an effort to ensure that this first impression is a good one, residents in the area are enthusiastic about their region becoming a jewel of which the state can be proud. And as the only comprehensive institution of higher education in the area, A&M-*Texarkana* plans to play a pivotal role in helping the region realize this goal.

This section of the study provides the contextual background for the rest of the study. It highlights the A&M-*Texarkana* area from two perspectives: (1) the "view looking in" – a data portrait of the area that includes population, economy, and education, and (2) the "view looking out" – a brief sketch of the closest adjacent counties in Arkansas, Oklahoma, and Louisiana.

The View Looking In – The Texarkana Area

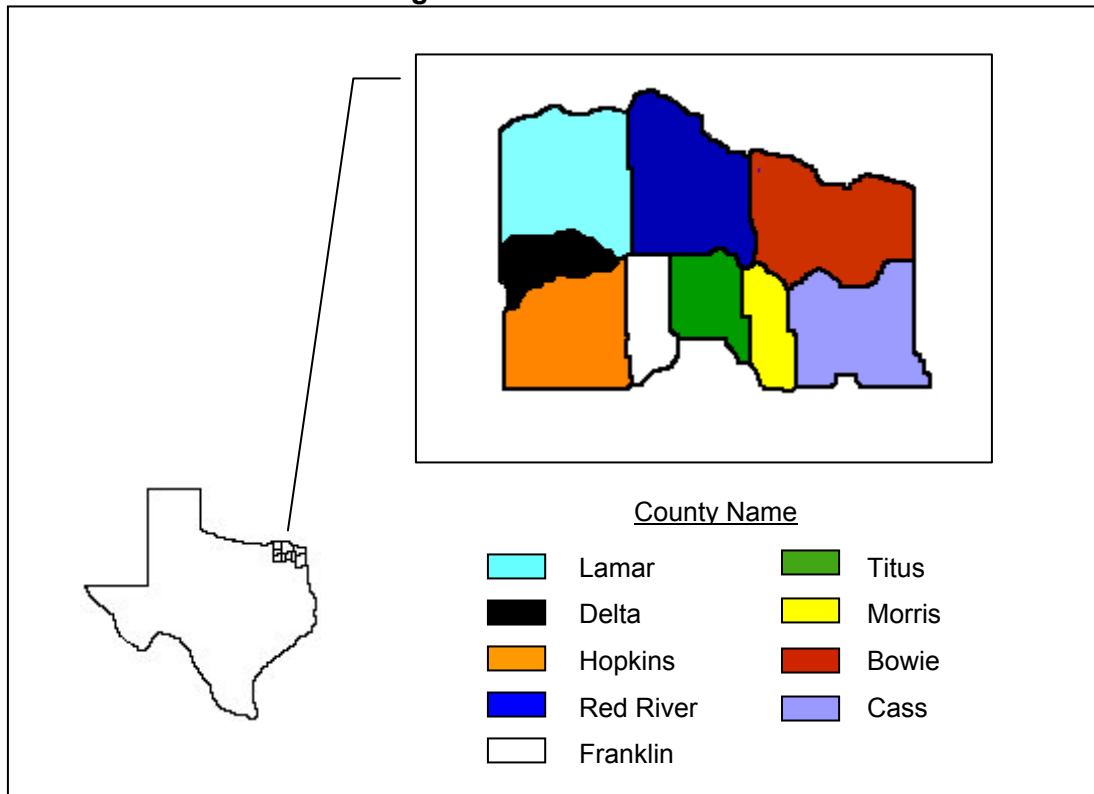
The A&M-*Texarkana* area goes by many names. The State of Texas calls the region "North East Texas." The state Comptroller's Office refers to it as "Upper East Texas." The regional Council of Governments (an amalgam of local governments including cities, counties, special districts such as water or conservation districts, and school districts) has dubbed it "Ark-Tex." And the Texas Education Agency has simply labeled it "Region 8." While the boundaries of the area vary somewhat in each of the above designations, the region consistently includes nine Texas counties as follows, and as depicted on Figure 1:

Bowie County, Texas
Cass County, Texas
Delta County, Texas

Franklin County, Texas
Hopkins County, Texas
Lamar County, Texas

Morris County, Texas
Red River County, Texas
Titus County, Texas

Figure 1. Texarkana Area Counties



In 2000, this nine county area had an estimated population of 270,468 residents and included 5,924 square miles, for a population density of approximately 46 residents per square mile. The average population density for Texas was approximately 80 residents per square mile.¹⁵

¹⁵ Texas State Data Center

Population Size

The A&M-Texarkana area is projected to have approximately 274,000 residents in 2005. Bowie County (home to A&M-Texarkana and the City of Texarkana) will be the most populated county, with over 90,000 residents, and Delta County will be the least populated county, with slightly more than 5,000 residents. Figure 2 includes data from the Texas State Data Center detailing area population projections and ethnic diversity for 2005.¹⁶

Area	Total Pop	African-American	Anglo	Hispanic	Other
Texas	22,489,182	12%	50%	35%	4%
Region	273,887	17%	73%	8%	1%
Bowie County	90,397	24%	70%	5%	1%
Cass County	30,232	20%	77%	2%	1%
Delta County	5,281	9%	87%	3%	1%
Franklin County	9,489	4%	85%	10%	1%
Hopkins County	32,623	8%	80%	11%	1%
Lamar County	48,973	14%	81%	4%	2%
Morris County	13,034	24%	71%	4%	1%
Red River County	14,269	18%	76%	5%	1%
Titus County	29,589	10%	56%	32%	1%

Ethnicity Diversity

The counties that comprise the A&M-Texarkana area have a different ethnic make-up than the state as a whole. The largest minority population in Texas is Hispanic (35%). While the African-American population is the next highest minority (12%), there are approximately two thirds fewer African-American residents in Texas than there are Hispanic residents. However, this ratio of three Hispanics for every one African-American does not hold true in the majority of A&M-Texarkana area counties. In fact, in several of these counties the ratio is reversed, with three or more times the percentage of African-Americans than Hispanics.

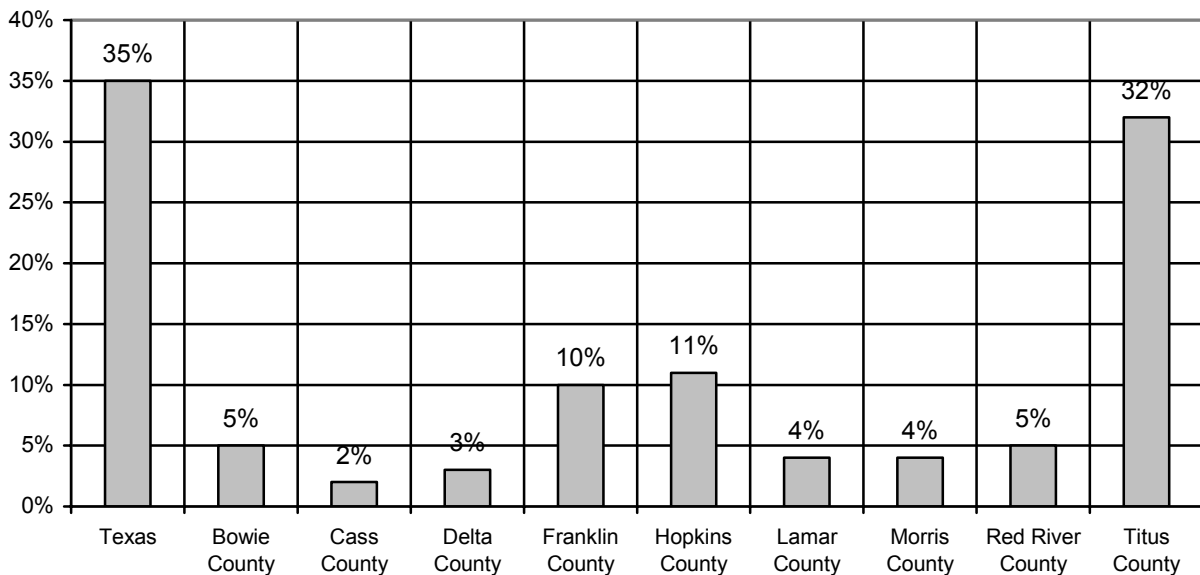
¹⁶ All 2005 projections are based on Texas State Data Center data and use a 0.5 projection scenario.

According to 2000 U.S. Census data, the ratio of Hispanics to African-Americans for Texas and each of the nine A&M-Texarkana area counties was as follows:

Texas	1 Hispanic to every 0.3 African-Americans
Bowie County	1 Hispanic to every 5 African-Americans
Cass County	1 Hispanic to every 10 African-Americans
Delta County	1 Hispanic to every 3 African-Americans
Franklin County	1 Hispanic to every 0.4 African-Americans
Hopkins County	1 Hispanic to every 0.7 African-Americans
Lamar County	1 Hispanic to every 3.5 African-Americans
Morris County	1 Hispanic to every 6 African-Americans
Red River County	1 Hispanic to every 3.6 African-Americans
Titus County	1 Hispanic to every 0.3 African-Americans

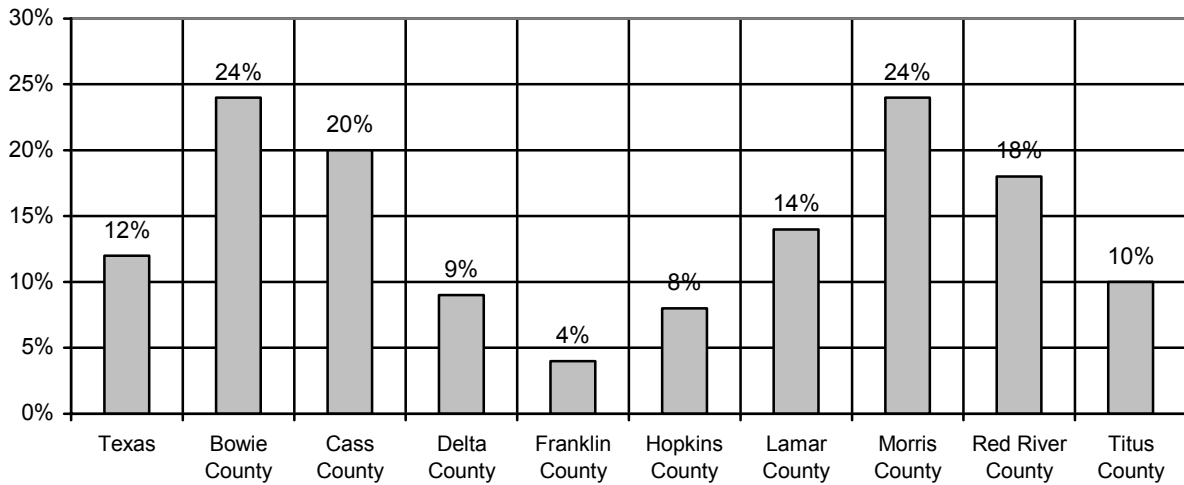
In 2000 all nine of the Texas counties within the A&M-Texarkana area had a higher Anglo population than the state as a whole. This was due to the low percentage of Hispanics within the region. Projections for 2005 show that Titus County will have the highest percentage of Hispanic residents (32%), even though this will still be slightly below the projected state average of 35%. The other counties in the region will fall far below this percentage. Six of the nine counties (Bowie, Cass, Delta, Lamar, Morris, and Red River) are projected to have a Hispanic population of 5% or less. The other two counties (Franklin and Hopkins) are expected to have between 10% - 11% Hispanics (see Figure 3).

Figure 3. Projected Hispanic Population - 2005



As indicated above, the African-American population within the region currently exceeds the state average and census projections show that the African-American population will continue to increase. By 2005, 24% of the population in both Bowie and Morris Counties are projected to be African-American. This will be twice as high as the 12% average for Texas. Cass County is expected to have an African-American population of approximately 20% in 2005; Red River County is projected to have 18%; and Lamar County is projected to have 14% (see Figure 4).¹⁷

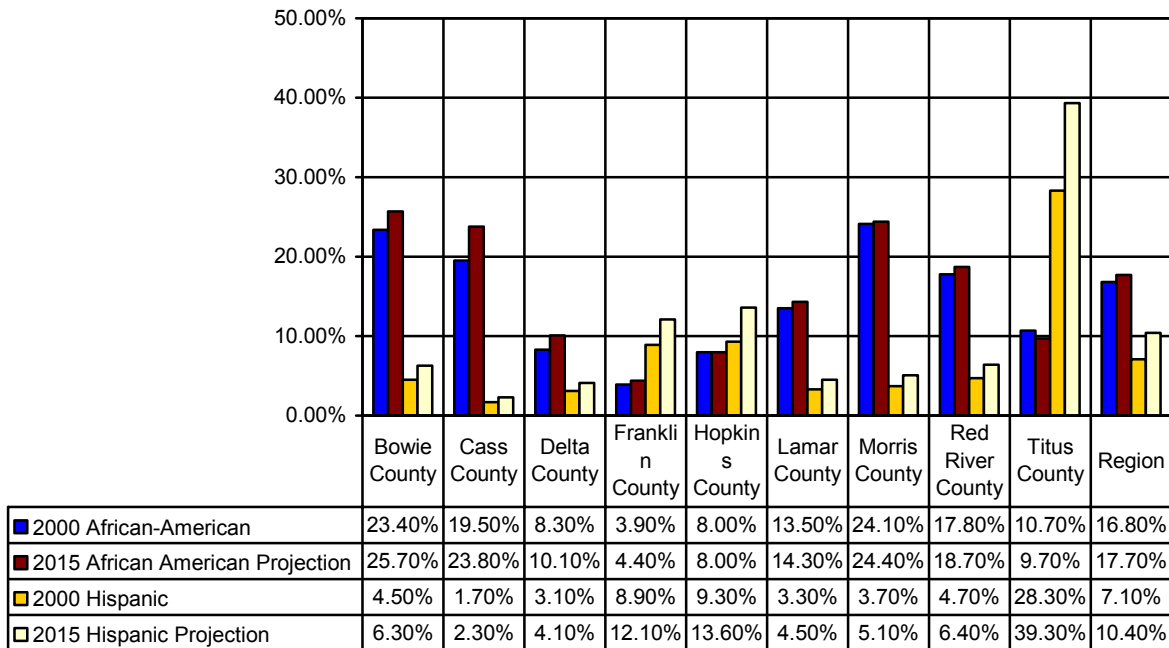
Figure 4. Projected African-American Population - 2005



¹⁷ Texas State Data Center projection.

But the 2005 projections alone do not tell a complete story. Between 2005 and 2015 the ethnic makeup of the area is expected to change considerably. By 2015 the area Anglo population is expected to decline an average of 1.9%. Red River County is expected to have the largest decrease of Anglo residents (-3.7%), followed by Bowie County (-3.0%) and Titus County (-2.9%). These decreases in the Anglo population will be due to increases in both the African-American and Hispanic populations. The average increase in the African-American populations will be 8%. However, the increase in several counties is projected to be much greater than that. The African-American population in Delta County is expected to increase by 14.6%; in Franklin County it is expected to increase by 12.8%; and in Bowie County it is expected to increase by 12%. But the most dramatic increases in minority populations will be in the Hispanic population. By 2015 the region is expected to experience a 52% increase in Hispanic residents. Titus County is expected to have the largest increase (62%), followed by a 57% increase in Hopkins County. These increases in the minority population are depicted in Figure 5.¹⁸

Figure 5. Projected Change in Minority Populations 2000 - 2015



¹⁸ Texas State Data Center.

Age

By national standards, Texas has a relatively young population. However, the age distribution for the nine counties within the A&M-Texarkana region is not typical of Texas. The area has a lower percentage of individuals aged 0 – 44, and a higher percentage of individuals aged 45 and older, than the rest of Texas. Figure 6 depicts the area population by age-range as indicated on the 2000 U.S. Census.

Area	Age 0 - 4	Age 5 – 14	Age 15 – 19	Age 20 – 44	Age 45 – 64	Age 65+
Texas	7.8%	15.8%	7.8%	38.5%	20.2%	9.9%
Region	6.6%	14.5%	7.4%	33.2%	22.9%	15.3%
Bowie County	6.4%	14.1%	7.1%	36.2%	22.4%	13.8%
Cass County	6.0%	14.0%	7.5%	29.5%	25.4%	17.6%
Delta County	5.6%	14.9%	7.8%	30.2%	23.8%	17.7%
Franklin County	5.7%	13.9%	7.5%	29.4%	25.0%	18.5%
Hopkins County	6.5%	14.8%	7.6%	32.9%	23.0%	15.2%
Lamar County	7.1%	14.7%	7.2%	32.5%	22.9%	15.6%
Morris County	5.9%	14.6%	7.5%	29.2%	24.5%	18.3%
Red River County	5.8%	13.6%	7.1%	29.5%	24.3%	19.7%
Titus County	8.6%	16.8%	8.0%	34.6%	19.5%	12.5

However, the age-demographics of the area are more complex than merely the census numbers. Several compounding factors come into play when examining age-related data in the A&M-Texarkana area. One factor is the projected growth of the Hispanic population. An increase in the percentage of Hispanic residents will change the proportion of population in the various age categories. Hispanic populations tend to be younger than the state averages; therefore, the population in the A&M-Texarkana area may shift to higher percentages in younger age ranges and lower percentages in higher age ranges as the percentage of Hispanic residents increases. This trend can already be seen in Titus County where 32% of the population is Hispanic.

Additionally, the older than average population in the A&M-Texarkana area brings with it two conditions that might influence enrollment at A&M-Texarkana: (1) a large number of area employees will be ready for retirement in the near future, thus increasing the need for educated individuals to replace these workers, and (2) an aging population will create a shift in the types of employers and employees that are in demand within the area (e.g. an added need for health care workers, etc.).

Migration

Population changes also occur as people move into, or out of, a region. Internal Revenue records from 2000 and 2001 have been used to document these patterns of movement. These records show that the A&M-Texarkana area is one of the most stable in the state (see Figure 7). The out-migration and in-migration are fairly comparable to each other and involve only about 8% of the population. The overall region experienced a loss of 0.1% of the population due to migration between 2000 and 2001. The largest loss of population during this period was -2.1% in Titus County and the largest gain was 2.4% in Franklin County.

Area	Out-Migration	In-Migration	Change
Region	7.9%	7.8%	-0.1%
Bowie County	7.8%	7.7%	-0.1%
Cass County	7.7%	7.2%	-0.5%
Delta County	10.2%	10.9%	0.7%
Franklin County	9.1%	11.5%	2.4%
Hopkins County	8.2%	8.0%	-0.2%
Lamar County	7.2%	6.9%	-0.3%
Morris County	8.1%	9.7%	1.6%
Red River County	7.5%	6.9%	-0.6%
Titus County	9.3%	7.2%	-2.1%

Economy

According to the 2000 Census, approximately 74% of A&M-Texarkana area employees worked for private firms; approximately 16% worked for public employers; approximately 9% were self-employed; and less than 1% were unpaid family workers. In November of 2003 the unemployment rate in the area (5.8%) was slightly lower than the state average (6.4%). Civilian labor force estimates for the A&M-Texarkana area for November 2003 showed an increase of 1.6% from November 2002, in contrast to the statewide increase of 2.1%.¹⁹

In the first quarter of 2001 three industry sectors in the A&M-Texarkana region had a higher percentage of employees than the statewide average. These were (1) durable manufacturing with 9.4% versus a statewide average of 7.1%; (2) non-durable manufacturing with 11.1% versus a statewide average of 4.5%; and (3) retail trade with 19.4% versus a statewide average of 18.4%.²⁰

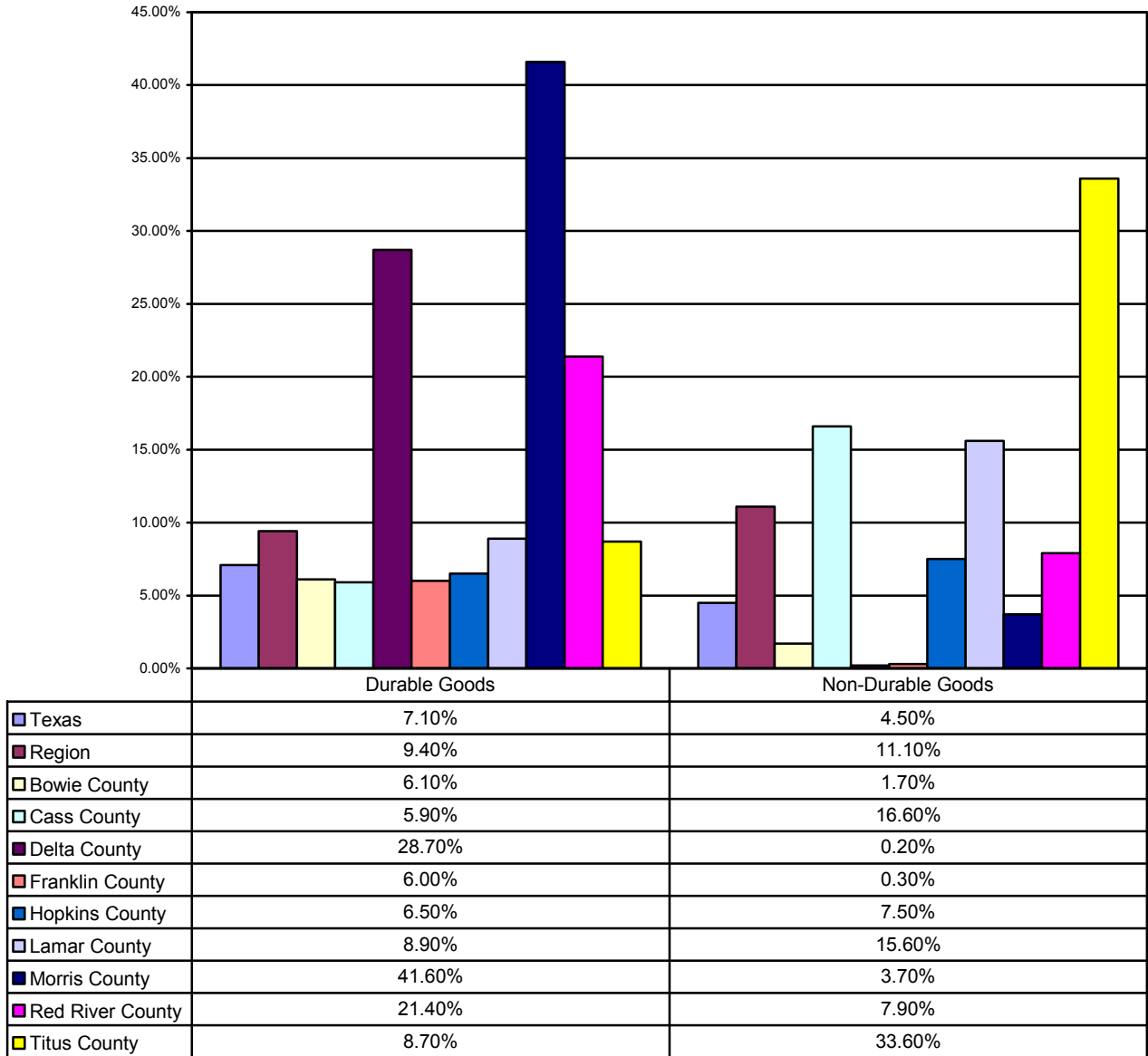
Manufacturing is considered a "primary industry" because it involves the conversion of natural resources into primary products. But more importantly, primary industries such as manufacturing generate new dollars rather than recirculating existing dollars. Therefore, the Texarkana area's higher than average employment in manufacturing industries is of special note (see Figure 8). Employment in the manufacturing of durable goods far exceeded the state

¹⁹ Texas Workforce Commission.

²⁰ Texas Workforce Commission – Career Development Resources.

average of 7.10% in Delta (28.7%), Morris (41.6%), and Red River (21.4%) counties.²¹ Employment in the manufacturing of non-durable goods far exceeded the state average of 4.50% in Cass (16.6%), Lamar (15.6%), and Titus (33.6%) counties.²² However, while manufacturing might be good for the economy in general, employees in the manufacturing industry tend to earn low wages (see Income and Poverty section of this report on pages 16 - 20).

Figure 8. Employment in Manufacturing in the A&M-Texarkana Area



²¹ Durable goods are those items that typically have a shelf-life of more than one year.

²² Non-durable goods are those items that typically have a shelf-life of one year or less.

The top manufacturers in the region in 2000 included:

1. Pilgrim's Pride Corporation
 - Non-durable: Poultry processing
 - 1000+ employees
 - \$100 - \$500 million annual sales
 - Titus County
2. Campbell Soup Company
 - Non-durable: Canned specialties
 - 1000+ employees
 - \$500 million - \$1 billion annual sales
 - Lamar County
3. Lone Star Steel
 - Durable: Iron and steel mills
 - 1000+ employees
 - \$100 - \$500 million annual sales
 - Morris County
4. Sara Lee Bakery Group
 - Non-durable: Bread and other baked goods
 - 500 – 900 employees
 - \$100 - \$500 million annual sales
 - Lamar County
5. Lone Star Division
 - Durable: Ammunition, except small arms
 - 100 – 499 employees
 - \$50 - \$100 million annual sales
 - Bowie County
6. Day & Zimmermann Inc.
 - Durable: Small arms ammunition
 - 100 – 499 employees
 - \$50 - \$100 million annual sales
 - Bowie County
7. Priefert Manufacturing Company
 - Durable: Farm equipment
 - 100 – 499 employees
 - \$10 - \$20 million annual sales
 - Titus County
8. Sure Start Inc.
 - Durable: Alternators & generators
 - 100 – 499 employees
 - \$50 - \$100 million annual sales
 - Delta County
9. Alumax Mill Products Inc.
 - Durable: Aluminum sheet plate and foil
 - 100 – 499 employees
 - \$100 - \$500 million annual sales
 - Bowie County
10. Federal Prison Industries Inc.
 - Durable: Wood office furniture
 - 100 – 499 employees
 - \$20 - \$50 million annual sales
 - Bowie County
11. Ledwell & Son Truck Body
 - Durable: Truck-trailer
 - 100 – 499 employees
 - \$50 - \$100 million annual sales
 - Bowie County
12. Flowserve Corporation
 - Durable: Valves & pipe fittings
 - 100 – 499 employees
 - \$50 - \$100 million annual sales
 - Hopkins County
13. Paris Industries
 - Durable: Misc. manufacturing
 - 100 – 499 employees
 - \$20 - \$50 million annual sales
 - Lamar County
14. Philips Industries of Texas
 - Durable: Metal windows & doors
 - 100 – 499 employees
 - \$20 - \$50 million annual sales
 - Red River County

Indeval Modeling

An "Indeval" modeling program developed by the Career Development Resources division of the Texas Workforce Commission identified industrial sectors that should have future significance in the A&M-Texarkana area economy. Using this model, the following ten industry categories showed the most growth between 2000 and 2003 and were projected to continue to grow at a faster pace than other industry categories within the area:

- | | |
|--|---|
| 1. Ambulatory Health Care Services | 6. Food Manufacturing |
| 2. Food Services and Drinking Places | 7. Fabricated Metal Products |
| 3. Educational Services | 8. Credit Intermediation and Related Activities |
| 4. Administrative and Support Services | 9. Primary Metal Manufacturing |
| 5. Specialty Trade Contractors | 10. Transportation Equipment Manufacturing |

A more detailed examination of the top five sub-industry sectors within each of the above listed general industry categories showed that over 5,000 new area jobs were projected to develop by 2010 just within those specific sub-sectors. Commercial banks (within the credit intermediation industry) and elementary and secondary schools (within the educational services industry) were expected to create the most jobs, with commercial banks expected to add 1,450 new employees and elementary and secondary schools expected to add 1,440 new employees. In addition, full service restaurants (within the food services industry) were expected to add 1,210 new jobs; home health services (within the ambulatory health care services industry) were expected to add 860 new jobs; and personnel supply services (within the administrative and support services industry) were expected to add 630 new jobs.

Shift Share Analysis

A second Career Development Resources modeling tool, called a "shift-share analysis," produced similar results to those mentioned above. A shift-share analysis is one way to examine the competitiveness of a region's industries and to analyze their economic base. The results of a shift-share analysis for the A&M-Texarkana area that compared employment between the first quarter of 2001 and the first quarter of 2003 are detailed in Figure 9.

Figure 9. Shift-Share Analysis for the A&M-Texarkana Region Based on Figures from First Quarter 2001 – First Quarter 2003		
Greatest Likelihood for Potential Job Openings	Potential Comparative Advantage	Less Likely to Offer Employment Opportunities
Educational Services	Administrative & Support Services	Textile Production Mills
Ambulatory Health Care Services	Food Manufacturing	Lessors, Nonfinancial Intangible Assets
Food Services & Drinking Places	Support Activities for Transportation	Electrical Equipment & Appliances
Health & Personal Care Stores	Chemical Manufacturing	Couriers & Messengers
Support Activities for Mining	ISPs, Search Portals, & Data Processing	Computer & Electronic Product Manufacturing
Specialty Trade Contractors	Merchant Wholesalers, Durable Goods	Oil & Gas Extraction
Waste Management & Remediation Services	Pipeline Transportation	Beverage & Tobacco Product Manufacturing
Real Estate	Publishing Industries	Postal Service
Financial Investment & Related Activities	Performing Arts & Spectator Sports	Heavy & Civil Engineering Construction
Personal & Laundry Services	Motion Picture & Sound Recording Industry	Rental & Leasing Services
	Transit & Ground Passenger Transit	Plastics & Rubber Products Manufacturing

Occupational Projections

The Texas Workforce Commission also projects that employment in five occupations will increase 100% within the A&M-Texarkana area by 2010. These occupations are:

- Chemical engineers
- Education Teachers, Postsecondary
- Mathematical Science Teachers, Postsecondary
- Physical scientists
- Soil and plant scientists

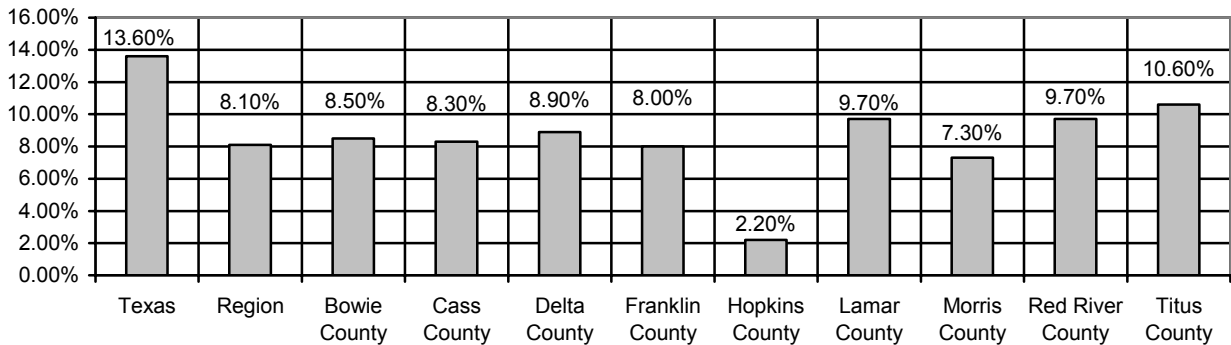
Because the downward expansion of A&M-Texarkana anticipates the development of a new engineering program, the projected need for chemical engineers is especially relevant. Currently within the A&M-Texarkana area there are 49 employers who have indicated to the Texas Workforce Commission that they employ chemical engineers. The number of firms, by county, is as follows:

- | | |
|--------------------|--------------|
| • Bowie County | 19 employers |
| • Cass County | 6 employers |
| • Delta County | 0 employers |
| • Franklin County | 1 employer |
| • Hopkins County | 7 employers |
| • Lamar County | 10 employers |
| • Morris County | 1 employer |
| • Red River County | 1 employer |
| • Titus County | 4 employers |

Income and Poverty

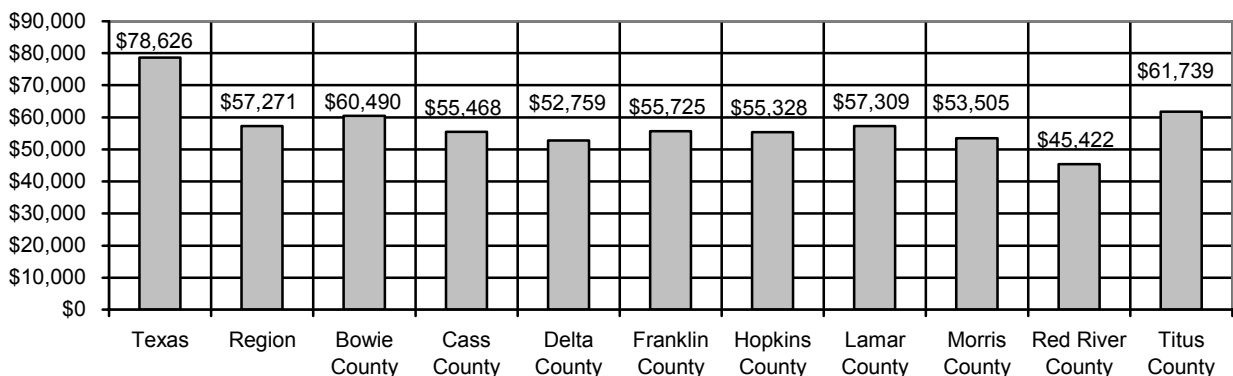
Total personal income is widely used as a measure of economic health. According to the Bureau of Economic Analysis (BEA), the total personal income in the A&M-Texarkana area increased 8.1% between 1998 and 2000. However, this was only 59.6% of the average increase in personal income statewide, which was 13.6%. Titus County showed the largest increase at 10.6% and Hopkins County showed the smallest increase at only 2.2%. Increases in personal income for all A&M-Texarkana area counties are detailed on Figure 10.²³

Figure 10. Percent Increase in Personal Income, 1998 - 2000



The most comprehensive measure of personal income is "total personal income per residence." This measure includes income for all wage earners living within a single household and also includes farm wages, dividends, interest, rent, and transfer payments. The average total personal income by place of residence for Texas in 2000 was \$78,626. The average total personal income by place of residence within the nine county A&M-Texarkana region in 2000 was \$57,271. The total personal income by place of residence for Texas, the region, and each county is detailed in Figure 11.²⁴

Figure 11. Total Personal Income by Residence



Unlike total personal income that is used to judge economic health, per capita income is typically used to compare the relative well-being of residents across areas. According to the

²³ Bureau of Economic Analysis.

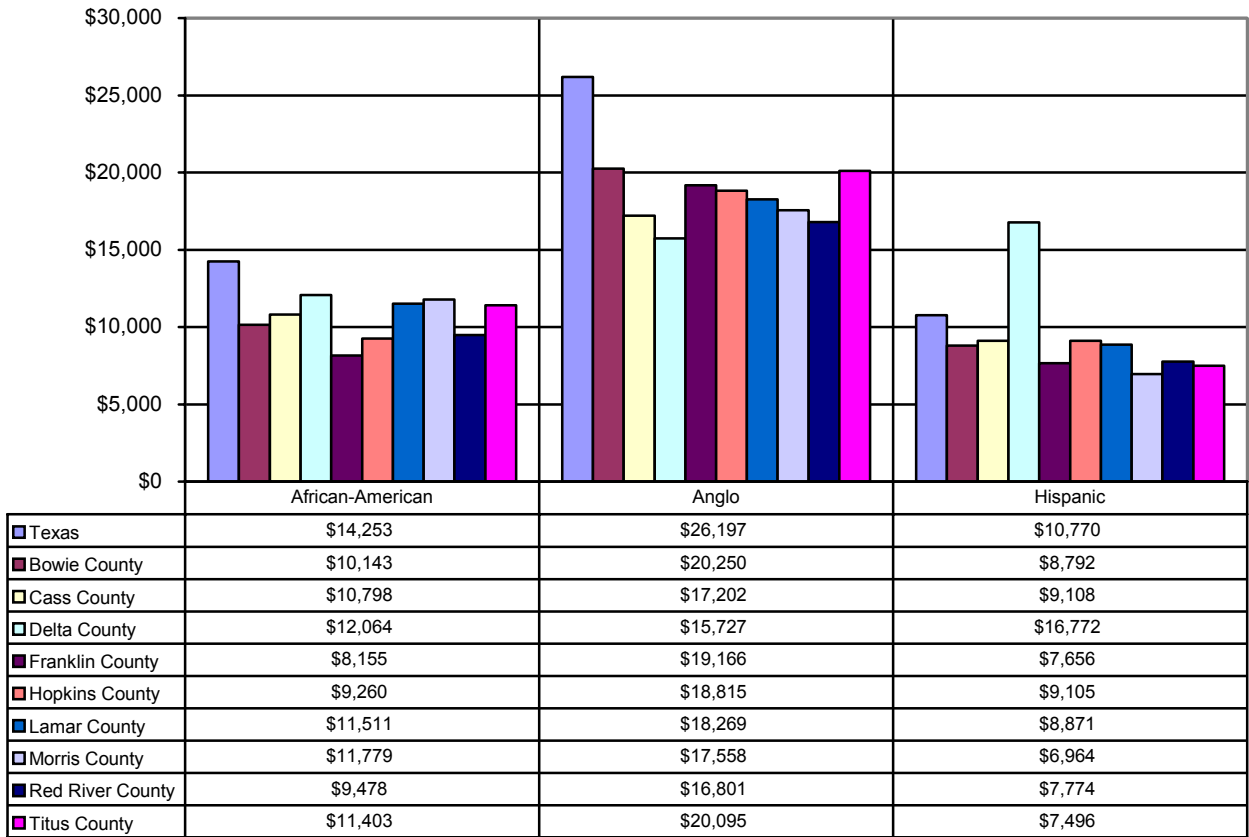
²⁴ Ibid.

2000 Census, the average per capita income for Anglos in Texas was \$26,197. However, per capita income for Anglos within the nine county A&M-Texarkana area was less than this amount in all nine counties. Bowie and Titus Counties had the highest per capita income for Anglos at \$20,250 and \$20,095 respectively. The lowest per capita income for Anglos occurred in Delta County (\$15,727).

Per capita income levels for minorities in 2000 were lower than per capita income for Anglos. The Texas average per capita income for African-Americans was \$14,253 and for Hispanics was \$10,770. With one exception, the per capita income for minority residents in the A&M-Texarkana area was lower than the norm. The highest per capita income in the area for both African-Americans and Hispanics occurred in Delta County. The African-American per capita income in Delta County was \$12,064 – more than \$2000 less than the Texas average for African-Americans. Per capita income for African-Americans in the other area counties ranged from over \$11,000 in Lamar, Morris, and Titus Counties to a low of \$8,155 in Franklin County. The per capita income for Hispanics in Delta County was \$16,772 – approximately \$6,000 more than the state average for Hispanics. Per capita income for Hispanics in the other area counties ranged from over \$9,000 in Hopkins County to a low of \$6,964 in Morris County. A comparison of per capita income by ethnicity and by A&M-Texarkana area counties is detailed on Figure 12.²⁵

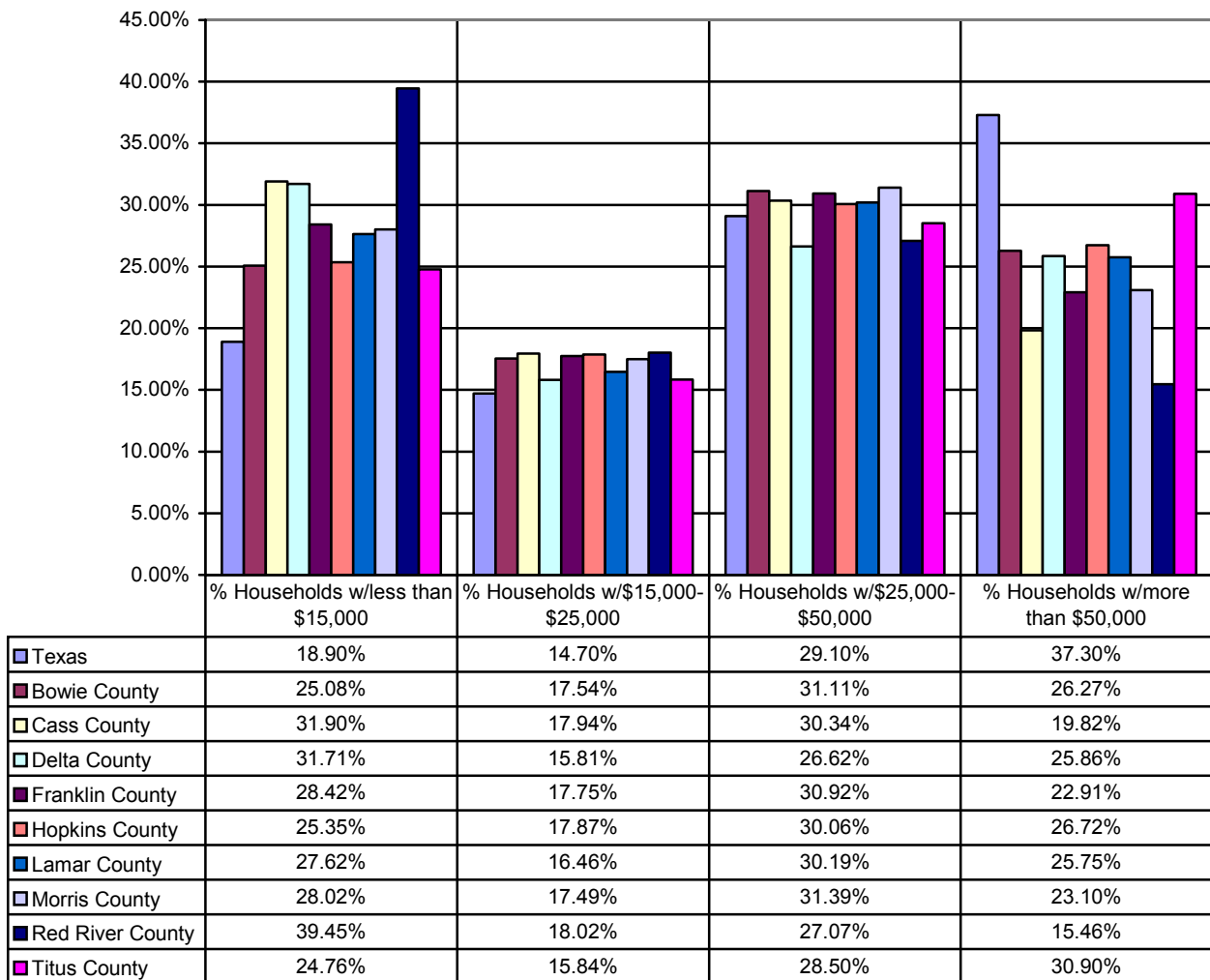
²⁵ 2000 U.S. Census.

Figure 12. Per Capita Income in 2000



Another measure that is often used to judge relative well-being is "effective buying power" (EBP). EBP income is a data variable developed by *Sales, Marketing, and Management Magazine* (SMM). This variable was then benchmarked against the 2000 Census to measure disposable after tax income available to purchase goods and services. SMM has divided this purchasing power into four ranges. The first range includes those households that have an EBP of less than \$15,000. The second range includes those households that have an EBP between \$15,000 and \$25,000. The third range includes those households that have an EBP between \$25,000 and \$50,000. And the fourth range includes all households that have an EBP above \$50,000. Statewide in Texas, 18.9% of the households fall into the first range (below \$15,000); 14.7% fall into the second range (\$15,000 - \$25,000); 29.1% fall into the third range (\$25,000 - \$50,000); and 37.3% fall into the fourth range (above \$50,000). Within the A&M-Texarkana region, higher percentages of households fall into the lower three categories than the Texas norm and fewer households fall into the fourth category than the Texas norm – resulting in less overall buying power. State and county-level EBP details for 2001 are included on Figure 13.

Figure 13. 2001 Effective Buying Power

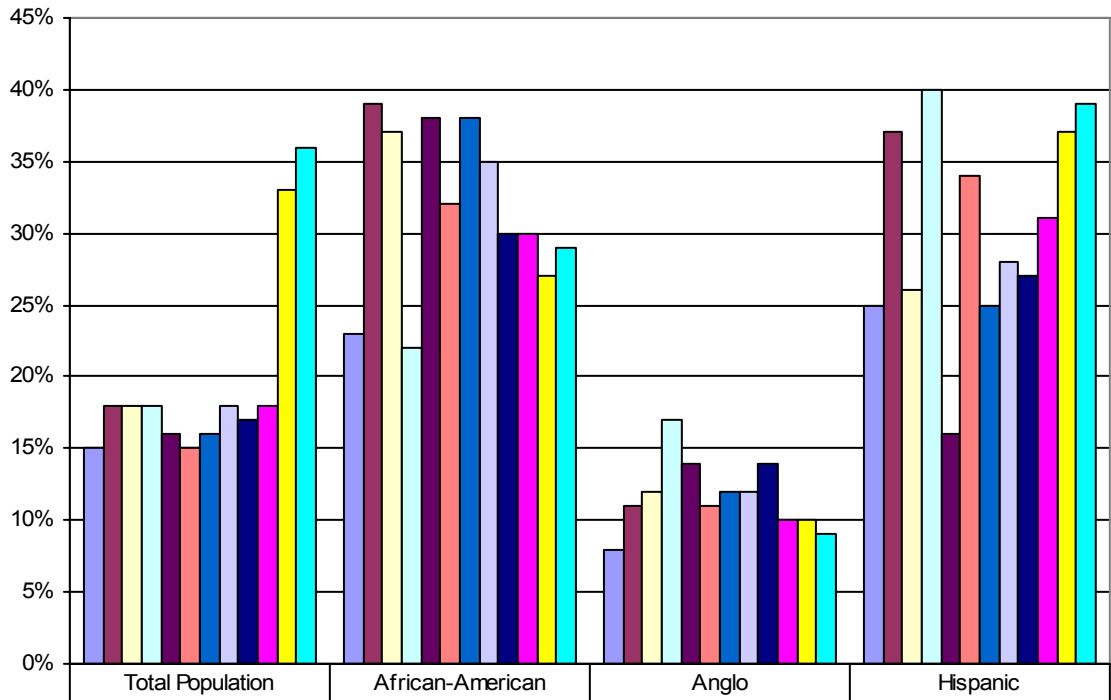


Given the low income levels and lack of buying power in the A&M-Texarkana area, it is not surprising that the poverty levels within the region are among the highest in the state (see Figure 14). According to the 2000 Census, 15% of individuals in Texas live in poverty. All of the counties within the A&M-Texarkana area have at least this level of poverty. However, the discrepancies between A&M-Texarkana area poverty and the state averages become even more pronounced when disaggregated by race/ethnicity. Twenty-three percent of African-American Texans live in poverty. However, in eight of the nine Texarkana area counties, even more African-Americans live in poverty. In Bowie County, 39% of African-Americans live in poverty; in Franklin and Lamar Counties, 38% live in poverty; in Cass County 37% live in poverty; in Morris County, 35% live in poverty; in Hopkins County, 32% live in poverty; and in Red River and Titus Counties, 30% live in poverty.

The same higher than average percentages of individuals living in poverty also holds true for the Hispanic population in the A&M-Texarkana region. Twenty-five percent of Hispanic Texans live in poverty. However, as many as 40% of the Hispanic population in the A&M-Texarkana area live in poverty in Delta County. About 37% of the Hispanic population lives in poverty in Bowie County; 34% in Hopkins County; 31% in Titus County; 28% in Morris County; 27% in Red River County; and 26% in Cass County.

The high level of poverty is further illustrated by a comparison with two counties (Cameron and Hidalgo) in the Rio Grande Valley – often thought of as the poorest area of the state. The aggregate poverty level of these counties appears to be much higher than the aggregate poverty level of the Texarkana area counties. However, this effect is due, in part, to the size of the population within these counties. Their larger population causes them to have more of an impact on state-level poverty statistics than the smaller-population A&M-Texarkana area counties. But when the data are disaggregated many of these differences disappear, showing that, in some instances the Texarkana area counties actually have higher percentages of individuals living in poverty. For example, 27% percent of African-Americans in Cameron County, and 29% of African-Americans in Hidalgo County live in poverty. However, with the exception of Delta County (as per the percentages cited above and on Figure 14), the percentage of African-Americans living in poverty in the nine-county A&M-Texarkana region is higher. A second example (again using the percentages cited above and on Figure 14) shows a similarity between the percentage of Hispanics who live in poverty in Cameron and Hidalgo Counties and the percentage of Hispanics who live in poverty in the nine Texarkana area counties.

Figure 14. Poverty Status as per 2000 Census



	Total Population	African-American	Anglo	Hispanic
■ Texas	15%	23%	8%	25%
■ Bowie County	18%	39%	11%	37%
□ Cass County	18%	37%	12%	26%
□ Delta County	18%	22%	17%	40%
■ Franklin County	16%	38%	14%	16%
■ Hopkins County	15%	32%	11%	34%
■ Lamar County	16%	38%	12%	25%
□ Morris County	18%	35%	12%	28%
■ Red River County	17%	30%	14%	27%
■ Titus County	18%	30%	10%	31%
■ Cameron County	33%	27%	10%	37%
■ Hidalgo County	36%	29%	9%	39%

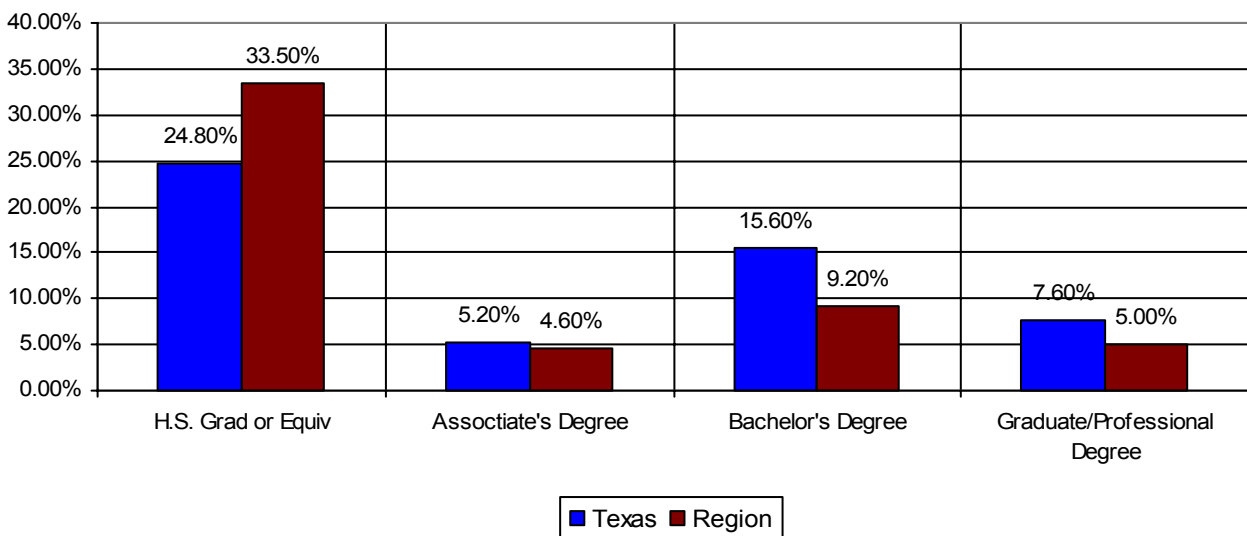
Education

Education can be measured as "attainment" – the level of education that individuals within an area have completed, and as "potential" – the level of education that individuals within an area should be capable of completing. Within the Texarkana area there is a large discrepancy between these two measures. As detailed below, the existing population is relatively uneducated. However, the success of the local public schools is greater than the state average, thus showing that this same population should be capable of successfully completing more advanced courses of study.

Attainment

Residents in the A&M-Texarkana area were more likely to have ended their formal education with a high school diploma than the Texas norm.²⁶ While only 22.4% of Texas residents over the age of 25 had ended their formal education with a high school diploma in 2000, 33.5% of Texarkana area residents had achieved that success. On the other hand, 5.2% of Texans had ended their formal education with an Associate's degree as compared to only 4.6% of Texarkana area residents; 15.6% of Texans had ended their formal education with a Bachelor's degree as compared to only 9.2% of Texarkana area residents; and 7.6% of Texans had ended their formal education with graduate or professional degrees as compared to only 5.0% of Texarkana area residents. This comparison is included on Figure 15. Educational attainment levels (as per the 2000 Census) for Texarkana area residents aged 25 or older are detailed on Figure 16.

Figure 15. Comparison of Highest Level of Educational Attainment for Individuals 25+



²⁶ 2000 U.S. Census.

Figure 16. 2000 Highest Level of Educational Attainment for Individuals Aged 25 or Older

Area	Less than 9th Grade	9th – 12th Grade (no diploma)	H.S. Grad or Equivalent	Some College (no degree)	Associate's Degree	Bachelor's Degree	Graduate & Professional Degree
Texas	11.5%	12.9%	24.8%	22.4%	5.2%	15.6%	7.6%
Region	9.0%	16.6%	33.5%	22.1%	4.6%	9.2%	5.0%
Bowie County	7.5%	15.2%	31.8%	24.2%	5.2%	10.1%	6.0%
Cass County	7.1%	17.9%	38.2%	20.8%	4.0%	8.3%	3.7%
Delta County	8.5%	16.0%	36.1%	21.5%	4.0%	8.5%	5.4%
Franklin County	7.5%	15.0%	35.6%	21.2%	4.5%	10.9%	5.3%
Hopkins County	10.1%	16.3%	35.7%	19.9%	3.0%	10.1%	5.0%
Lamar County	8.2%	15.5%	33.2%	22.9%	5.8%	9.4%	5.0%
Morris County	8.1%	18.2%	34.4%	23.5%	4.6%	7.6%	3.6%
Red River County	13.4%	20.9%	33.7%	19.3%	3.8%	5.3%	3.7%
Titus County	15.4%	19.1%	29.4%	19.1%	3.9%	8.5%	4.7%

Potential

The potential for area residents' success in higher education was highlighted by the achievements of area public school students. The A&M-Texarkana area makes up the majority of Texas Education Region 8 (the only difference being the addition of Camp and Marion Counties). An examination of Texas Education Agency data for Region 8 for the 2002 – 2003 school year showed that the attendance rate within the region was higher than the state average and the dropout rate was lower. But more importantly, students within Region 8 consistently performed better than the state average on most Texas Assessment of Knowledge and Skills tests (see Figure 17).²⁷

Figure 17. 2002 – 2003 TAKS Pass Rates
(Tests on which Region 8 students performed better than the state average are **bolded** and **highlighted**)

Grade and Test	State	Region	Grade and Test	State	Region	Grade and Test	State	Region
3 rd Reading	89.5%	91.1%	6 th Reading	86.2%	88.5%	9 th Reading	82.4%	85.6%
Math	90.8%	91.6%	Math	79.3%	79.7%	Math	65.1%	68.7%
All	84.9%	86.2%	All	74.8%	76.1%	All	61.7%	65.1%
4 th Reading	85.9%	87.9%	7 th Reading	88.0%	90.6%	10 th Eng.	72.8%	73.7%
Math	88.9%	89.7%	Math	73.4%	74.0%	Math	74.2%	73.7%
Writing	86.8%	86.6%	Writing	85.8%	89.4%	Science	69.6%	71.4%
All	75.8%	76.4%	All	67.7%	69.4%	S.Studies	86.8%	87.3%
						All	53.3%	52.9%
5 th Reading	80.0%	81.6%	8 th Reading	88.7%	90.2%	11 th Eng.	69.8%	68.9%
Math	86.3%	86.9%	Math	73.2%	74.5%	Math	68.5%	65.9%
Science	74.5%	75.8%	S.Studies	93.1%	95.1%	Science	67.9%	66.1%
All	65.9%	66.1%	All	69.9%	71.6%	S.Studies	90.2%	88.6%
						All	49.8%	47.5%

Interestingly, the higher than average pass rates completely disappeared with the 11th grade test, almost as though students excelled to the end and then discovered there was no incentive to excel any further.

²⁷ Texas Education Agency AEIS data.

A similar pattern was apparent with other indicators that students were not preparing for advanced education and college attendance. While the A&M-Texarkana area students scored well on both SAT and ACT tests in 2002 (indicating high potential for success in higher education), fewer Region 8 students took Advanced Placement courses and scores on Advanced Placement examinations were lower than the state average (indicating less preparation and/or concrete indication of intention to pursue higher education).

In 2002, the average score for students on SAT tests was 986; however, the average score for Region 8 students was 1017. The average score for students on ACT tests was 20.0, and Region 8 students scored slightly higher with an average score of 20.1. The state average for participation in advanced courses for the 2001-2002 school year was 19.4% of students, while the Region 8 average participation was 18.1% of students. In 2002, 15% of students in Texas took Advanced Placement exams, while in Region 8 only 8.7% of the students took these exams.²⁸

²⁸ Texas Education Agency AEIS data.

The View Looking Out – The Surrounding States

If Texarkana, Texas was at the top of a mountain with an unobstructed 360-degree view, the panorama would include more than just Texas. The city itself straddles the Texas/Arkansas border and is less than 30 miles from Louisiana and less than 50 miles from Oklahoma.



The following examples further illustrate the unique location of Texarkana. It is more than 100 miles from Tyler, more than 160 miles from Dallas, and more than 300 miles from Austin. But it is only 70 miles from Shreveport, Louisiana, 130 miles from Little Rock, Arkansas, and 230 miles from Oklahoma City, Oklahoma. Chicago, Illinois is closer to Texarkana (680 miles) than is El Paso, Texas (730 miles).²⁹

The position of the City of Texarkana, and the entire A&M-Texarkana area, has advantages, as well as disadvantages. One pronounced disadvantage, from a "Texas only" perspective, is that the state does not politically benefit from a full radius of individuals and businesses located within easy driving distance of the area. So, unlike other locations whose impact makes a full circle, the ripples caused by the A&M-Texarkana area are often constrained by political boundaries.

On the other hand, the A&M-Texarkana area has a strategic location as a gateway to Texas. Approximately 30% of out-of-state tourists coming to Texas travel to the Dallas/Fort Worth Metroplex.³⁰ Many of these individuals, in addition to other persons coming to Texas from the north and east, pass through the Texarkana area on Interstate Highway 30. Over \$99 million travel-related dollars were spent in the Texarkana metropolitan statistical area (MSA) in 2002. This resulted in direct local tax revenues of over \$1.2 million and direct state tax revenues of \$8.7 million. The travel related revenues increase dramatically when the whole region is included in the calculation. In 2002 over \$840 million dollars were spent in the Upper East region of Texas, resulting in \$11.9 million in direct local taxes and \$68.4 million in direct state taxes.³¹ And, these amounts are expected to swell when Interstate Highways 49 and 69 are completed and area traffic grows.

Because of its unique position, any examination of the A&M-Texarkana area would not be complete without at least a brief look at counties within Arkansas, Louisiana, and Oklahoma. For purposes of this report, only the closest county in each of these states was examined – Miller County, Arkansas; Caddo Parish, Louisiana; and McCurtain County, Oklahoma.

²⁹ Based on the on-line mileage calculator at <http://www.symsys.com/~ingram/mileage/index.php>

³⁰ Office of the Governor, Economic Development and Tourism.

³¹ Ibid.

Miller County, Arkansas

Texarkana literally has one foot in Texas and the other in Arkansas, with two county governments, two mayors and city governments, and two fire and police departments. The regional council of government (Ark-Tex COG) includes 569 square miles of Miller County, Arkansas. When it was created in 1820, Miller County included most of what are now Miller County and the Texas counties of Bowie, Red River, Lamar, Fannin, Cass, Morris, Titus, Franklin, Hopkins, Delta, and Hunt. In 1836, Texas became a Republic and Arkansas became a state. For a time, the territory was represented in both the Arkansas Legislature and the Texas Congress. In 1845, when Texas became a state, the boundary between Texas and Arkansas was settled and Texarkana, Arkansas became the county seat of Miller County.³² As can be seen on Figure 18, the 2000 demographics of Miller County, Arkansas were very similar to those of Bowie County, Texas. Both areas had higher than average African-American populations and lower than average Hispanic populations. Both areas also had relatively high unemployment and a relatively large percentage of the population that was below poverty level.

Figure 18. Comparison of Demographics (2000 Census)		
Miller County, Arkansas / Bowie County, Texas		
Characteristic	Miller County	Bowie County
County population, 2000		
Total	40,443	89,306
Percent African-American	23%	23.4%
Percent Anglo	74%	73.3%
Percent Hispanic	1.6%	4.5%
Percent change 1990 – 2000	5.1%	9.4%
Educational Attainment		
Less than 9 th grade	8.5%	7.5%
9 th – 12 th grade (no diploma)	17.2%	15.2%
High school grad (or equivalent)	35.8%	31.8%
Some college (no degree)	22%	24.2%
Associate's Degree	4%	5.2%
Bachelor's degree	8.4%	10.1%
Graduate or professional degree	4.1%	6%
Employment Status (population aged 16 years or older)		
Employed	58.6%	55.5%
Unemployed percent of civilian labor force	6.8%	6.9%
Income and Poverty		
Median household income	\$30,951	\$33,001
Per capita income	\$16,444	\$17,357
Percent individuals below poverty level	19.3%	17.7%

³² The Handbook of Texas Online.

Caddo Parish, Louisiana

Texarkana is approximately 30 miles from Caddo Parish, Louisiana, and only 70 miles from the largest city in that parish – Shreveport. In addition, the western suburbs of Shreveport are less than ten miles from the Texas border. Caddo Parish is home to several manufacturing plants, and Barksdale Air Force base is located right next door in Bossier Parish. According to the 2000 U.S. Census, Caddo Parish had almost three times as many residents as Bowie County. However, other demographic characteristics were relatively similar to both Bowie County and to Miller County, Arkansas (see Figure 19).

Figure 19. Comparison of Demographics (2000 Census) Caddo Parish Louisiana / Bowie County Texas		
Characteristic	Caddo Parish	Bowie County
<i>County population, 2000</i>		
Total	252,161	89,306
Percent African-American	44.6%	23.4%
Percent Anglo	52.9%	73.3%
Percent Hispanic	1.5%	4.5%
Percent change 1990 – 2000	1.6%	9.4%
<i>Educational Attainment</i>		
Less than 9 th grade	6%	7.5%
9 th – 12 th grade (no diploma)	15.3%	15.2%
High school grad (or equivalent)	32.2%	31.8%
Some college (no degree)	22.2%	24.2%
Associate's Degree	3.7%	5.2%
Bachelor's degree	13.5%	10.1%
Graduate or professional degree	7.0%	6%
<i>Employment Status (population aged 16 years or older)</i>		
Employed	54.3%	55.5%
Unemployed percent of civilian labor force	9.3%	6.9%
<i>Income and Poverty</i>		
Median household income	\$31,467	\$33,001
Per capita income	\$17,839	\$17,357
Percent individuals below poverty level	21.1%	17.7%

McCurtain County, Oklahoma

McCurtain County, Oklahoma is about 50 miles from the City of Texarkana. Native American tribes formerly owned the county; therefore, businesses operating within the county often qualify for federal benefits under the Taxpayer Relief Act of 1997. Wood/paper product manufacturing is the largest business within the county, and the county also is a tourist destination. U.S. Census (2002) data indicated that the county had about one third the population of Bowie County (see Figure 20). However, the most striking difference between McCurtain County and the other comparison counties was the make-up of the minority population. The most predominant minority in McCurtain County was Native Americans, while in the other counties the most predominant minority was African-Americans.

Figure 20. Comparison of Demographics (2000 Census) McCurtain County, Oklahoma / Bowie County, Texas		
Characteristic	McCurtain County	Bowie County
County population, 2000		
Total	34,402	89,306
Percent African-American	9.3%	23.4%
Percent Anglo	70.5%	73.3%
Percent Hispanic	3.1%	4.5%
Percent Native American	13.6%	0.6%
Percent change 1990 – 2000	2.9%	9.4%
Educational Attainment		
Less than 9 th grade	11.5%	7.5%
9 th – 12 th grade (no diploma)	19.3%	15.2%
High school grad (or equivalent)	36.2%	31.8%
Some college (no degree)	17.9%	24.2%
Associate's Degree	4.4%	5.2%
Bachelor's degree	7.1%	10.1%
Graduate or professional degree	3.7%	6%
Employment Status (population aged 16 years or older)		
Employed	51.2%	55.5%
Unemployed percent of civilian labor force	7.4%	6.9%
Income and Poverty		
Median household income	\$24,162	\$33,001
Per capita income	13,693	\$17,357
Percent individuals below poverty level	24.7	17.7%

The Whole Picture

The entire A&M-Texarkana catchment area (including Miller County, Arkansas; Caddo Parish, Louisiana; and McCurtain County, Oklahoma) had a 2000 population of almost 600,000 individuals – a size roughly equivalent to the city of Austin (657,000), El Paso (564,000), or Fort Worth (535,000). A summary of the data from this section of the report indicates the following:

- The area had more than twice the percentage of African-American residents than the Texas norm.
- The Hispanic population in the area is projected to increase over the next ten years, but will still be lower than the state norm.
- The area population currently is older than the state norm.
- As the Hispanic population grows, the population of the A&M-Texarkana area is projected to get younger.
- The aging of the A&M-Texarkana population will create an environment in which there will be a necessity for workers to replace retirees and current workers in the health care industry.
- There is more manufacturing occurring in the A&M-Texarkana area than the state norm.
- In addition to manufacturing industries, economic modeling shows that economic growth in the A&M-Texarkana area is most likely to occur in ambulatory health care services, educational services, food services, and specialty trade contractors.
- Personal income and effective buying power within the A&M-Texarkana area are lower than the state norm.
- Poverty is higher in the A&M-Texarkana area than the state norm and often reaches the same level as in the Rio Grande Valley.
- The achievement of school students is higher than the state norm – this is especially noteworthy because area demographics are consistent with conditions that typically cause schools to function at a lower level than the state norm.
- Regardless of outstanding school achievement, fewer than average area residents have a college education or advanced degrees.

Two undeniable factors about the downward expansion of A&M-Texarkana that emerged from the demographic data in the original PPRI study were still very compelling in this current study. These factors were:³³

- **Graduates of area secondary schools are well prepared for higher education but their participation is disproportionately low.** Area schools continue to combat dropout problems and equip students with the knowledge necessary to pass standardized tests at a rate above the state average. However, this educational success is not translating into participation in higher education. In fact, the educational success of students appears to be suffering where it counts most – in achievement at the end of their secondary school career and in their participation in advanced courses of study. The low participation rate of the area population in higher education might also account for the high level of poverty in the area and the low level of mobility. Additionally, the combination of high poverty and low mobility would limit the ability of area youth to relocate to another area of the state for additional education. In this instance, the most viable means of increasing participation in higher education is to ensure that it is available within a reasonable

³³ Excerpt from *Texas A&M University-Texarkana: Shaping the Future*, PPRI, 2000.

commuting distance, as will be the case when A&M-Texarkana completes its downward expansion.

- **Lack of access to higher education opportunities may be negatively impacting the financial well-being of A&M-Texarkana area residents.** Several factors contribute to a lack of access to employment opportunities and restrict the financial well-being of area residents. These factors are exacerbated by high levels of poverty and low levels of mobility. As mentioned above, the combination of these factors makes it difficult for area residents to relocate. Therefore, access to a local four-year institution of higher education that can increase the potential of these residents and improve the economic viability of the region will have a greater long-term impact than might be experienced in other parts of Texas. This impact could also create positive change in adjoining states, thus having the potential to increase revenues from tourism and retail sales in the area and throughout Texas.

Gateway to Prosperity

Universities have contributed to the expansion of knowledge, quality of life, and economic prosperity throughout the United States. The value added benefits of public universities encompass cultural, intellectual, and social impacts. However, the economic impact of public universities is especially significant as evidenced by comments by David A. Sampson, the Assistant Secretary for the Commerce Department's Economic Development Administration – stating that universities play a key role in the process of the U.S. economy's capacity to innovate, ensuring economic growth at the regional and local levels.³⁴

The following section of this report examines the direct and indirect economic impacts that institutions of higher education have on a community and also examines economic potential of the downward expansion of A&M-Texarkana, including a brief glimpse at the success of three other public Texas universities (Texas A&M University-Corpus Christi and University of Texas at Tyler, and Texas A&M International University) that expanded downward.

Economic Impacts of Higher Education

Research conducted by the National Association of State Universities and Land-Grant Colleges (NASULGC) has shown that state universities in Texas, and their counterparts across the country, provide a positive impact on both regional and state economies.³⁵ Universities generate jobs and additional spending, attract and help create new high-tech businesses, and increase state tax revenues in addition to providing a well-educated workforce. Although the process of expanding A&M-Texarkana will provide many benefits, time will be needed to nurture this investment. Research conducted within The Texas A&M University System has shown that new programs generally require at least three years to become stable and begin supporting themselves.³⁶

³⁴ Role of Public Universities in Economic Development Explored at Annual Meeting Sessions. (December/January 2004) NASULGC Newslite.

³⁵ Shaping the Future: The Economic Impact of Public Universities (2001). NASULGC.
Value Added: The Economic Impact of Public Universities (1997). NASULGC.
University Research: Touching the Lives of All Americans (1996). NASULGC.

³⁶ Gaither, G. (2002). A Campus Approach to Efficiency and Productivity. *Planning for Higher Education*, 30, 3, pp. 27-33.

Direct Impacts

The direct impacts of higher education are those in which the local economy is boosted by the university's productive activities.³⁷ These impacts are generally due to university expenditures and the results of those expenditures. For example, if a university expands it will hire additional faculty to cover incoming students. These faculty will then require additional administrative and support staff. The increase in staff may require construction of new buildings, which, in turn, must be furnished, maintained, and supplied. The university will spend monies on all of these areas, subsequently creating a demand for jobs and products in the community. As the university expands, the community will meet these immediate needs and will benefit from the additional cash flow of new university students, employees, and visitors.

Direct impacts of the A&M-Texarkana expansion can be monetarily estimated by looking at the NASULGC study – which found that on average, for each \$100 spent by NASULGC member universities, an additional \$64 was spent by employees, an additional \$60 was spent by students, and an additional \$14 was spent by visitors, adding a total of \$138 additional dollars into the local economy. Also, for every job created on an NASULGC campus, approximately 1.6 jobs were created in the community.³⁸ Thus, the downward expansion of A&M-Texarkana should be expected to have a rippling effect throughout the region.

Indirect Impacts

Indirect impacts of higher education are those associated with the increase of the capital stock in the community, and are generally considered in terms of shifts that occur in the local economy resulting from the creation and maintenance of a more highly educated workforce. Although indirect impacts are difficult to measure and often take years to have a positive effect on the community, they are not trivial.

Indirect impacts often occur as parallel processes, but can be conceptualized as beginning with university faculty. Initially, relationships develop between university faculty and local companies, government agencies and community organizations. This collaboration often results in the creation and transfer of knowledge and technology between the university and community. This knowledge increase subsequently creates opportunities for the creation of additional jobs and industry. As these relationships develop, they take advantage of the fact that a significant proportion of public university graduates remain in the region where they attend college. In addition to university-community partnerships, college graduates may become entrepreneurs and create companies in the vicinity of their university, given their familiarity with the area and knowledge that an educated workforce is available. With the creation of an educated, skilled workforce comes the human capital needed for economic growth and stability. This human capital is important. Research has shown that as individual education increases worker productivity increases and worker wages increase. Both of these subsequently have a positive impact on the economy.³⁹ While it is difficult to calculate impact due to increased productivity, it is relatively easy to calculate impact based on increased wages.

³⁷Bleaney, M., Binks, M., Greenway, D., Reed, G., & Whynes, D. (1992) What Does a University Add to its Local Economy? *Applied Economics*, 23, pp. 305-311.

³⁸ Shaping the Future: The Economic Impact of Public Universities (2001). NASULGC.

³⁹ Harris, D., Handel, M., Mishel, L. (2004). Education and the Economy Revisited: How Schools Matter. *Peabody Journal of Education*, 79, 1, pp. 36-63.

Based on 2001 median income figures, an individual with a Bachelor's degree earns 1.7 times as much as an individual with a high school diploma.

An additional indirect impact is the need for continuing ongoing education. It is estimated that over 40% of the adult population pursues an adult education activity each year, with nearly half of 35-54 year olds, and 20% of those age 55 and older taking classes in 1995. In addition, the rapid changes in the way the world does business is expected to drive continuing higher education. For example, the half-life for knowledge in the electrical engineering field is five years, and two and a half years for computer science. Thus, to continue being competitive as an employee, individuals are expected to drive a demand for continuing education in such technical fields. In addition, individuals with higher levels of education are more likely to seek continuing, ongoing education. Thus, a more highly educated community is expected to drive the demand for expanded university courses and services over time.⁴⁰

Economic Potential of Downward Expansion

In order to better assess the economic potential of the downward expansion of A&M-Texarkana, the growth and success of downward expansion at three other Texas universities was examined. Data extrapolated from these institutions were then used as a basis for assessing the impact A&M-Texarkana might have on the economic viability within its catchment area.

Texas A&M University-Corpus Christi

The island campus of Texas A&M University-Corpus Christi has been a setting for higher education for fifty years. In 1947, Ward Island became the home of the University of Corpus Christi (UCC), an institution affiliated with the Baptist General Convention of Texas. The UCC campus was developed on land previously used by the U.S. Navy as a radar training facility. In 1970, Hurricane Celia severely damaged the college campus. The following year, UCC and the Baptist General Convention took steps to end their affiliation. Concerned about higher education in Corpus Christi, a coalition of civic leaders sought local support as well as state legislation to convert the campus of UCC to a state-supported institution with an expanded curriculum. In 1971, the 62nd session of the Texas Legislature authorized the creation of a state-supported institution of higher education in Corpus Christi. The Board of Directors of the Texas A&I University System was authorized to establish an upper-level university and to prescribe courses for the new institution at the junior, senior, and graduate levels leading to both Bachelor's and Master's degrees. Funding was approved by the legislature to initiate planning for the university and the citizens of Corpus Christi approved a bond issue to purchase the campus of the University of Corpus Christi on Ward Island. Subsequently, the campus was given to the State of Texas as a site for the new state-supported university. Civic leaders in Corpus Christi also launched a successful public fund raising campaign to provide local financial support for the fledgling university. On September 4, 1973, several months after UCC completed its final classes, Texas A&I University at Corpus Christi opened its doors with an initial enrollment of 969 students.

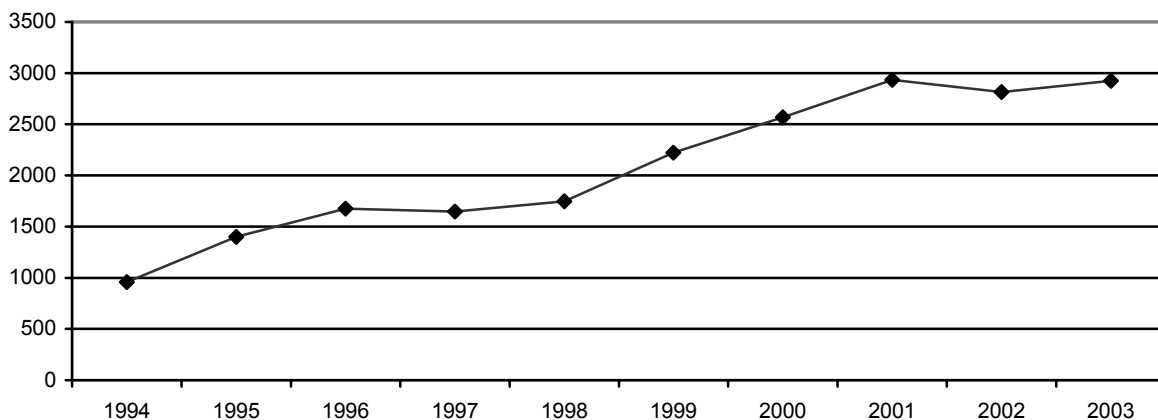
⁴⁰ Speer, T., (1996). A Nation of Students. *American Demographics*, 18, pp. 32-35.

In 1977, the legislature changed the name of the institution to Corpus Christi State University. The name of the university system (which also included Laredo State University and Texas A&I University), was changed the same year to the University System of South Texas (USST). In 1989, the Texas Legislature abolished the University System of South Texas and merged Corpus Christi State University and the other two USST universities into The Texas A&M University System. In the same year, the legislature approved the expansion of Corpus Christi State University to a four-year comprehensive university, with enrollment of freshmen and sophomores to begin in fall 1994. In 1992, the role of the institution was expanded further when the Texas Higher Education Coordinating Board authorized the University to offer its first Doctoral degree program. Another milestone occurred in 1993 when The Texas A&M University System Board of Regents renamed the institution Texas A&M University-Corpus Christi (TAMU-CC). The University continues to expand in terms of student enrollment and program offerings. In 1998, student enrollment grew to more than 6,300. Program offerings in the four academic colleges now include more than 55 undergraduate and graduate degree programs. Additional degree programs are planned and will be offered following state approval.

Downward Expansion

TAMU-CC began admitting freshmen and sophomore students in 1994, which was five years after the approved expansion.⁴¹ The number of freshmen and sophomore undergraduates was 957 students in 1994, and enrollment climbed to 2,925 students in Fall of 2003 – a 205% increase. Overall the institution increased enrollment of freshmen and sophomores an average of 14% each year (or 219 students), with the lowest growth being a reduction of 4% in enrollment between Fall 2000 and Fall 2001 (from 2,932 students to 2,813) and the highest growth being an increase of 46%, from Fall 1994 to Fall 1995 (from 957 students to 1,399) (see Figure 21).

Figure 21. Freshman and Sophomore Enrollment 1994 - 2003

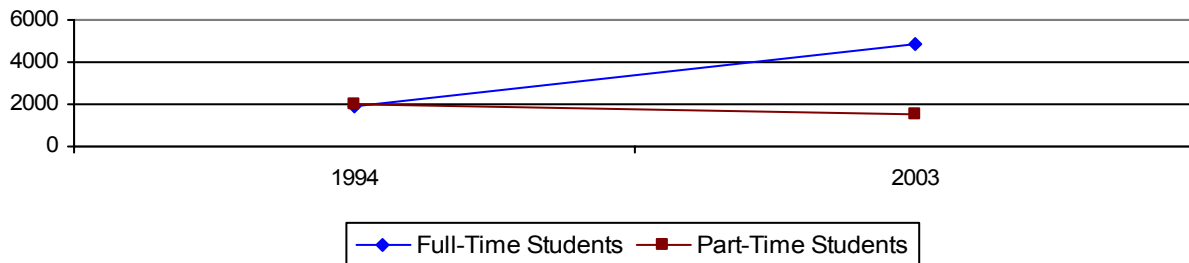


⁴¹ Texas A&M University-Corpus Christi Annual Enrollment Management Plan (1998).

Full vs. Part-time students

Overall, the demographic nature of TAMU-CC has also changed. Prior to its downward expansion, approximately 60% of enrollment consisted of part-time students (less than 12 hours). Between Fall 1994 and Fall 2003, the percent of part-time to full-time students dropped to approximately 25%. When considering this change, however, one must take into account the increase in full-time students. Generally the number of part-time students decreased in each fall semester between 1994 and 2003; however, some semesters did show increases in part-time enrollment. Thus, the most informative number appears to be the actual number of part-time enrollments. The number of part-time students dropped from 1,976 in Fall 1994 to 1,511 in Fall 2003 (24%), with an average decrease of 52 part-time students each year. Conversely, the number of full-time students increased in each fall semester between 1994 and 2003. The actual number of full-time enrollments went from 1,932 to 4,819 (a 149% increase), with an average increase of 321 full-time students each year. These figures show that the downward expansion somewhat reduced part-time enrollment, but also resulted in a strong increase in the number of full-time students (see Figure 22).⁴²

Figure 22. Full- versus Part-Time Students 1994 - 2003



Students' Origin

The type of students attracted to TAMU-CC has also changed since downward expansion. Prior to Fall 1994, approximately 85% of students were from the Corpus Christi metropolitan statistical area (MSA) and 15% from elsewhere in Texas. As TAMU-CC expanded, recruitment efforts and enrollment grew and the proportion of students from the Corpus Christi area dropped to approximately 57%, with about 39% coming from elsewhere in Texas and 4% from outside of Texas. Again, this change was a reflection of enrollment increases, as the actual number of students in each category increased. Recruitment efforts have been especially successful in areas outside of Corpus Christi; with the percent of individuals from outside of the Corpus Christi area increasing 253%, (2,232 student increase) and those outside Texas increasing 537% (247 student increase) as well as a 6% increase (200 student increase) in enrollment among those in the Corpus Christi MSA.

⁴² From TAMU-CC web site - <http://www.tamucc.edu/>

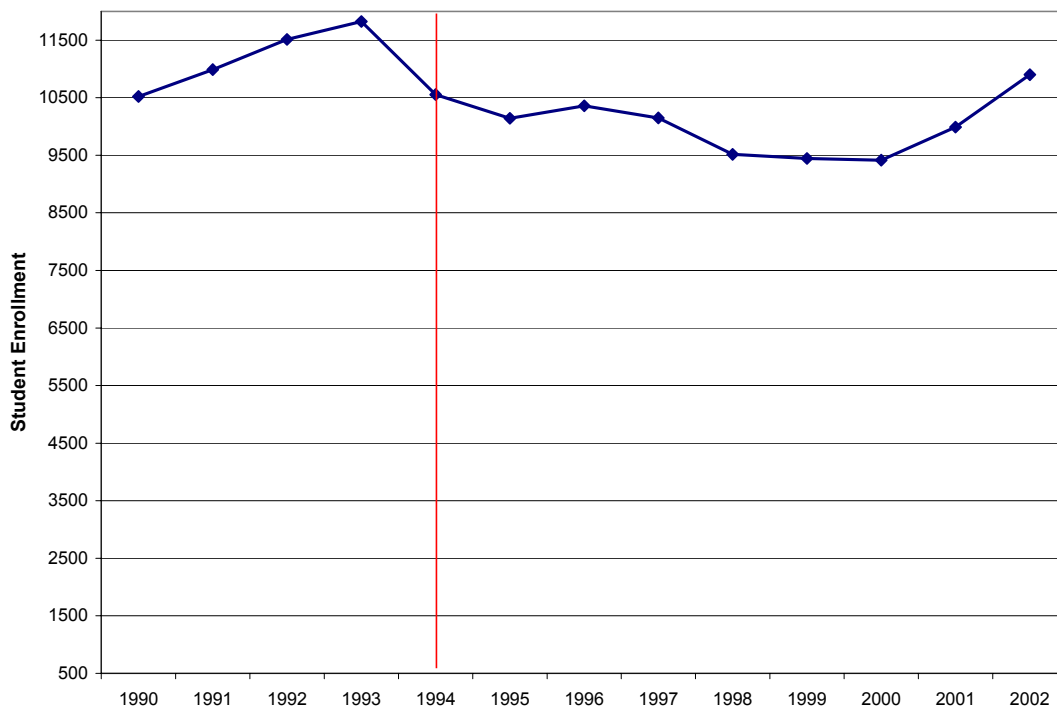
Impact of Expansion on Del Mar College

Del Mar College is a public community college that opened its doors in Corpus Christi in 1935. The expansion of TAMU-CC downward to include freshmen and sophomore students created a situation in which some of these students could have been drawn away from Del Mar College. Therefore, one very relevant question regarding the downward expansion was "what impact did it have on Del Mar?"

Currently Del Mar College serves approximately 25,000 credit and non-credit students annually. In the fall of 2003 their credit enrollment was 11,314. The college is also in the nation's top 2% of community colleges that grant Associate's degrees to Hispanic students. Del Mar offers Associate in Arts and Associate in Science degree programs that provide transfer credit for more than 50 different university major areas of study. In addition, it has a large workforce preparation program that includes Associate in Applied Science degrees, Enhanced Skills Certificates, and Certificates of Achievement in more than 80 occupational fields.

It appears that initially the expansion of TAMU-CC did have a negative impact and that enrollment at Del Mar did go down. However, the decline in enrollment leveled off after less than five years and current enrollment (ten years after TAMU-CC's downward expansion) is at one of the institution's highest levels (see Figure 23).

**Figure 23. Del Mar College
Enrollment Before and After Downward Expansion of TAMU-CC**



University of Texas at Tyler

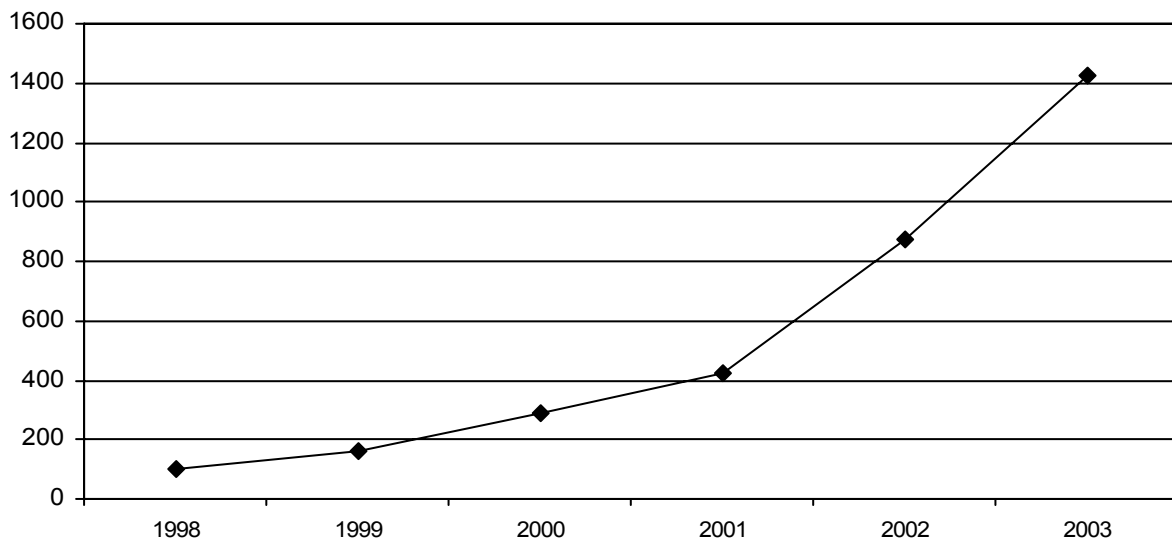
As a component of the University of Texas System, The University of Texas at Tyler (UT Tyler) builds on more than 100 years of higher education tradition and international recognition. The University has earned recognition for offering rigorous academic training as a four-year comprehensive university with pre-professional programs. UT Tyler offers more than 70-degree programs and has campuses in Tyler, Longview and Palestine.

UT Tyler became a four-year university in 1997 and admitted its first freshmen class in 1998. Created in 1971 as an upper-division institution serving junior, senior and graduate level students, the University has been a member of the UT System since 1979. A steady increase in enrollment has brought the University to more than 4,800 students. Plans are to double enrollment by 2010.⁴³

Downward Expansion

Unlike TAMU-CC, the downward expansion of UT Tyler was governed by legislative enrollment controls on the number of freshmen and sophomores who could be admitted. The freshmen undergraduates began at 100 students in fall 1998 (no sophomores enrolled), and enrollment climbed to 1,426 students in fall 2003, for a total increase of 1,326% since inception. Growth at UT Tyler was more consistent than at TAMU-CC, and the institution increased enrollment of freshmen and sophomores on average of 71% each year (or 265 students), with the lowest growth being an increase of 64% in enrollment between fall 1998 and fall 1999 when enrollment controls were in effect. As expected, the most dramatic increase occurred when the enrollment controls ended. Between the fall of 2001 and the fall of 2002 the number of lower level students increased from 421 to 871 – a 107% gain (see Figure 24).

Figure 24. Freshman and Sophomore Enrollment 1998 - 2003



⁴³ From UT Tyler web site - <http://www.uttyler.edu/>

Full vs. Part-time students

Unfortunately, UT Tyler does not post data on students' status as full vs. part-time. However, given the strong growth in enrollment, it is expected that students' full or part-time status has had a marginal economic impact at this institution.

Students' Origin

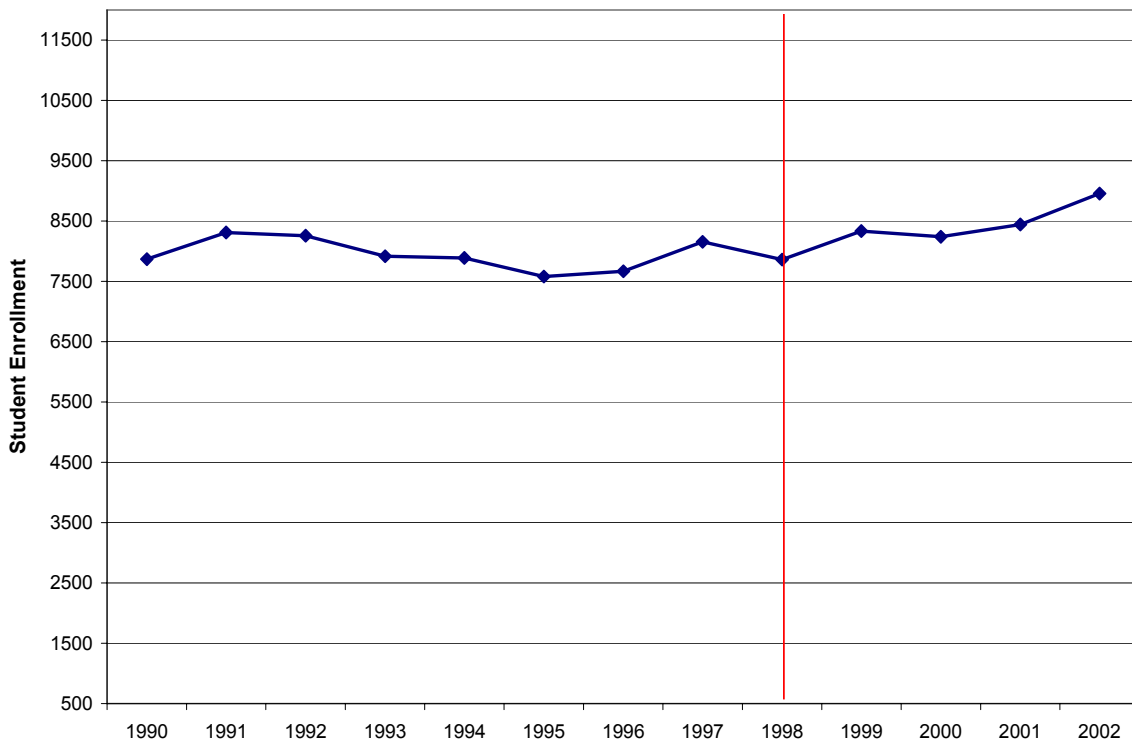
The percent of students who live within the Tyler metropolitan statistical area (MSA) and who enroll at UT Tyler has changed since their downward expansion. Prior to Fall 1994, approximately 37% of students were from the Tyler MSA, 60% from elsewhere in Texas, and 3% from out of the state. As UT Tyler expanded and enrollment grew, the proportion of students from the Tyler area dropped to approximately 34%, with about 61% coming from elsewhere in Texas and 5% from outside of Texas. Similar to TAMU-CC, this change was a reflection of enrollment increases, as the actual number of students in each category increased. The percent of individuals from the Tyler MSA increased 29% (361 student increase), enrollment of those outside of the Tyler area increased 47% (926 student increase) and those outside Texas increased 93% (108 student increase).

Impact of Expansion on Tyler Junior College

Tyler Junior College was established in 1926 to provide preparation for students who wanted to complete their studies at a four-year institution. The College provides open access and equal opportunity to all qualified individuals who wish to begin academic pursuits or workforce preparation. The College is also committed to meeting the needs of local business and industry and to providing opportunities for lifelong learning.

Unlike the unfettered downward expansion of TAMU-CC, the expansion of UT Tyler included legislatively mandated enrollment controls for the number of lower-level students who could be admitted. And unlike Del Mar College, enrollment figures at Tyler Junior College did not dip when UT Tyler began admitting these students. No data is available to determine if the enrollment controls were responsible for this pattern. However, the end result – enrollment levels at five or more years after the downward expansion of the local public university – were basically the same at Tyler Junior College as they were at Del Mar. In both instances, the community college enrollment was at, or exceeded, levels prior to the downward expansion (see Figure 25).

**Figure 25. Tyler Jr. College
Enrollment Before and After Downward Expansion of UT-Tyler**



Texas A&M International University

In August of 1970, students were accepted for the very first time at what was then called Texas A&I University at Laredo. This beginning, as a "center" under Texas A&I University, was the start of a legacy in education for South Texas. The focus was to fill a demand in teacher education and business disciplines. Texas A&I at Laredo was organized under the upper-level concept of higher education, offering only junior and senior level course work. This approach provided a local Bachelor's degree opportunity for area residents. This upper-level University was later expanded to include graduate degree programs.

In September 1977, the name was changed to Laredo State University, and the old center status was removed officially in 1987. As the University grew, it expanded its scope to include international operations and agreements with degree programs and a faculty to meet the requirements.

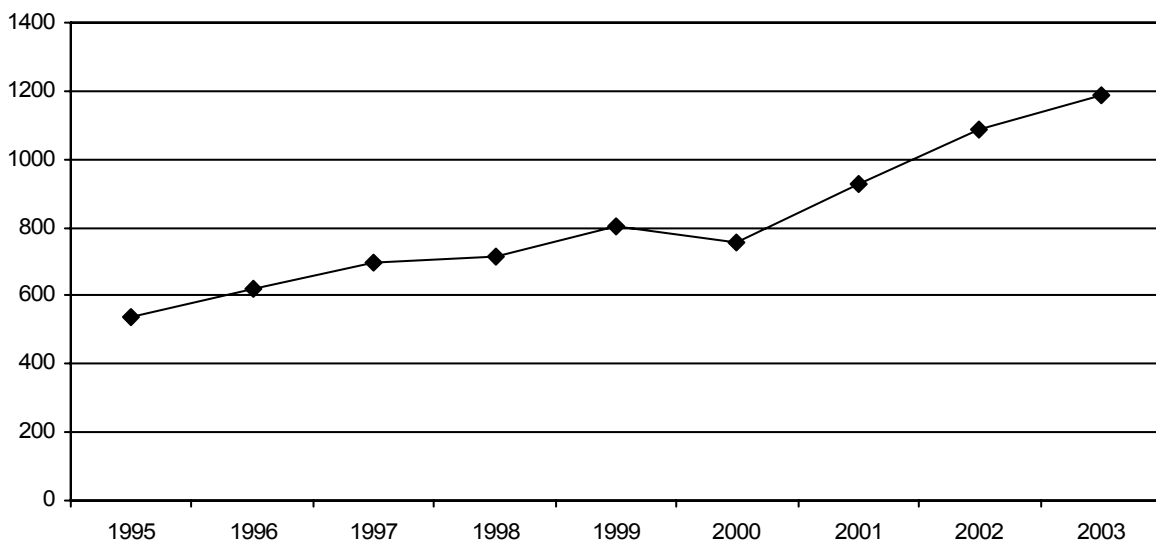
The University became a member of The Texas A&M University System on September 1, 1989. The name was changed to Texas A&M International University in 1993. The 74th Texas Legislature authorized an expansion to four-year status in the Fall of 1995, and authorized the University to develop joint degree programs with Mexican and Canadian institutions of higher education. Further authorization has permitted the development of doctoral level programs.

The year 1995 was the cornerstone of the legacy in education for South Texas and Texas A&M International University. The start of the Fall 1995 term marked the University's 25th anniversary, the inauguration of a newly-constructed campus in northeast Laredo, and the first offering of freshmen and sophomore courses.

Downward Expansion

The freshmen and sophomore undergraduates began with 540 students in 1995, and enrollment climbed to 1,188 students in Fall of 2003, for a 120% increase. Overall, the institution has increased enrollment of freshmen and sophomores on average of 11% each year (or 96 students), with the lowest growth being a reduction of 6% in enrollment between Fall 1999 and Fall 2000 (from 805 students to 755) and the highest growth being an increase of 23%, from Fall 2000 to Fall 2001 (from 755 students to 930) (see Figure 26).⁴⁴

Figure 26. Freshman and Sophomore Enrollment 1995 - 2003

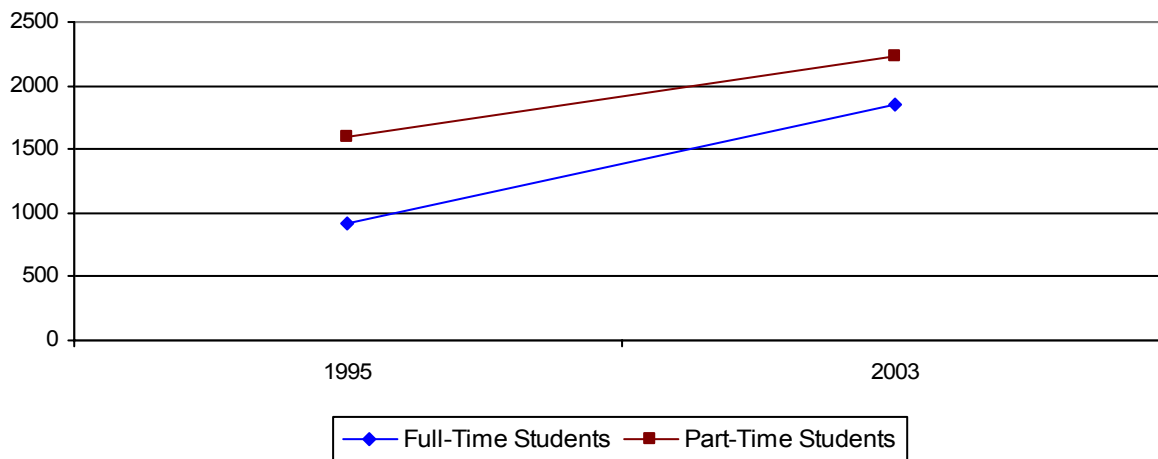


⁴⁴From Texas A&M International University web site - <http://www.tamiu.edu/>

Full vs. Part-time students

During the first year of its downward expansion, approximately 63% of enrollment consisted of part-time students (less than 12 hours). However, after 1998, part-time enrollment fluctuated between 44-60%. Although the percentage of part-time and full-time students fluctuated, it should be noted that, overall, the number of both type of students has increased. In Fall of 1995, there were almost 1,600 part-time students, with this number reaching 2,233 in Fall of 2003. Similarly, 922 students were enrolled full-time in 1995, and this number reached 1,845 in the Fall of 2003 (see Figure 27).⁴⁵

Figure 27. Full- versus Part-Time Students 1995-2003



Students' Origin

The type of students attracted to TAMIU has not changed since downward expansion. Immediately prior to the downward expansion, between 94-95% of the students were in-state, 4-5% foreign, and the remaining 0.5-1% were out of state. Although there has been greatly increased enrollment, these percentages have only fluctuated minimally between 1995 and 2003.⁴⁶

⁴⁵ From Texas A&M International University web site - <http://www.tamiu.edu/>

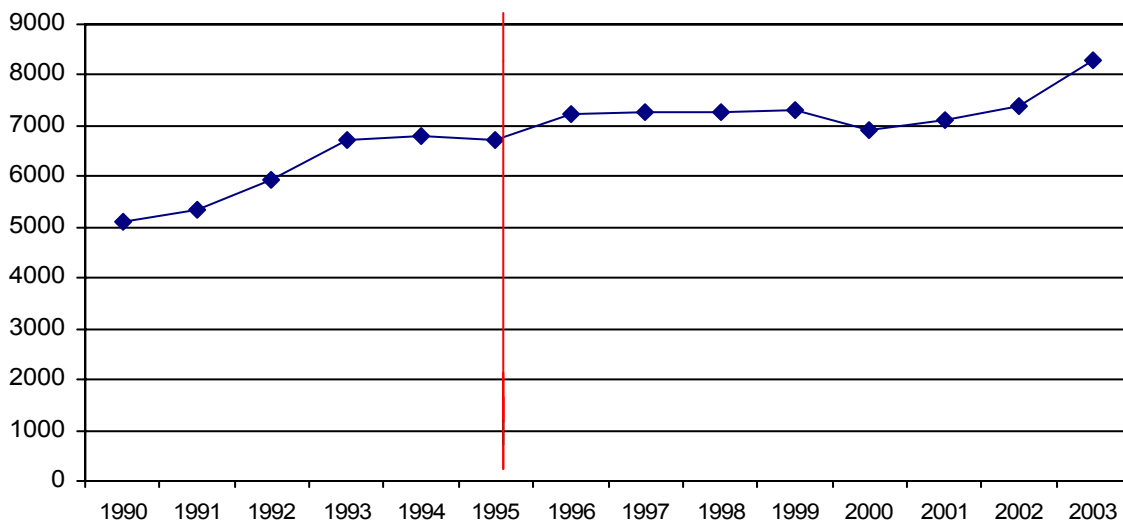
⁴⁶ Ibid.

Impact on Laredo Community College

Laredo Community College (LCC) is a comprehensive community college committed to providing educational services that meet the needs of the community, its citizens, and its service area. As a border community college, LCC responds to changes – both national and international – in the technological, industrial, and educational environment. The LCC philosophy is that education enhances the individual's opportunity for full participation in society. Therefore, LCC strives to ensure that all citizens have the opportunity to educate themselves to the full extent of their abilities and needs. Consequently, LCC is committed to an open-door policy that ensures opportunities for all types of students. LCC seeks to implement its educational philosophy by offering occupational programs, transfer curricula, adult and continuing education, developmental education, student development services, and community services.⁴⁷

Enrollment at Laredo Community College did not appear to be impacted by the downward expansion of TAMIU. Enrollments increased immediately after the expansion and have continued to increase (see Figure 28).

Figure 28. Laredo Community College Enrollment Before and After Downward Expansion of TAMIU



⁴⁷ From Laredo Community College web site - <http://www.laredo.cc.tx.us/>

Texas A&M University-Texarkana

Texas A&M University-Texarkana, formerly East Texas State University at Texarkana, was established by the Texas Legislature in 1971 as an upper-level, operationally separate unit of the East Texas State University Complex. The University was originally authorized to offer courses and programs at the junior, senior, and Master's levels. In 1993, House Bill 1666 gave the institution authority to award degrees in its own name. In September 1996, the University became a member of The Texas A&M University System and is governed by The Texas A&M University System Board of Regents. The mission of A&M-Texarkana is to provide residents of northeast Texas with the broadest possible access to quality educational opportunities, and services.

A cornerstone of A&M-Texarkana's philosophy is the belief that education should form a foundation for continuing intellectual development or lifelong learning while preparing individuals for gainful employment. Thus, A&M-Texarkana stresses the development of interpersonal interactions that will enhance work and personal relations, and the abilities to think critically and communicate effectively with others. Because the workplace of the future will require higher-level skills, A&M-Texarkana prepares students for a knowledge-based, technology-oriented economy and society. The University also emphasizes its community service role by encouraging the active participation of faculty and staff in providing services to area civic, governmental, and business organizations and by providing professional development to serve the entire community and region.

Flowing from its legislative mandate and Mission Statement, A&M-Texarkana has identified the following goals that it deems important and seeks to attain:

- Increase the student enrollment to 2800
- Become a comprehensive university
- Increase overall state funding and diversify the revenue stream in order to reduce the level of dependence on state funding
- Obtain national accreditation in Business, Education, Nursing, Counseling, and Engineering
- Increase scholarly activity and research productivity
- Enhance the University's role as a center for life-long learning and cultural enrichment

The University's 56 full-time faculty members emphasize teaching and advising. Eighty-nine percent of A&M-Texarkana's faculty holds a doctoral degree in their field of instruction. The student to teacher ratio is 15 to 1, with an enrollment of 1,550 students. The average student age is 32. Unlike TAMU-CC, UT Tyler, and TAMIU, A&M-Texarkana has a very restricted offering of degree programs and has made it a top priority to develop new programs and expand current offerings.⁴⁸

⁴⁸ From A&M-Texarkana web site - <http://www.tamut.edu/>

Downward Expansion

Given the exemplars of TAMU-CC, UT Tyler, and TAMIU, the downward expansion of A&M-Texarkana shows much potential for a positive impact on the community of Texarkana and the A&M-Texarkana catchment area. If the University is able to fulfill its goal of enrolling 200 freshmen and 100 sophomores, and grow at a rate of 32% per year (an average of TAMU-CC, UT Tyler, and TAMIU), the University will have 911 freshmen and sophomores enrolled five years after the implementation of their downward expansion. In addition to greater than \$1 million generated by student tuition, this growth will require the hiring of an additional 61 faculty, increase the faculty count by over 60% and result in over \$878,400 in salaries (based on average faculty salary) for a total of greater than \$1.9 million.

Because of the size of the unmet need in the A&M-Texarkana area, it is anticipated that initial recruitment efforts will be locally focused. However, even if all students pay in-state tuition at the current rate (\$1,146 per year), they will represent income to the University of \$1,044,006. The strategic geographical location of A&M-Texarkana suggests that it is reasonable to expect the institution might recruit individuals from across the state and out of the state over time, creating even higher enrollment revenues. If A&M-Texarkana follows out-of-state enrollment trends at TAMU-CC, UT Tyler, and TAMIU, between 3-4% of students will be recruited from out of state within 5 years of expansion.

Gateway to Success

Access to higher education is critical to the economy, to employers, and most importantly to individuals and families. Higher education offers more than just classroom instruction and advanced degrees. Several studies have shown that education level is strongly correlated with employment as well as economic and social well-being. Some suggest that even health outcomes are better among those with higher levels of education. As one researcher notes, higher education “improves the quality of life by providing long-term economic gains, better health and increased civic participation.”⁴⁹ Therefore, this component of the study provides an examination of the benefits of higher education for individuals and families.

Employment and Income Benefits

Employers are demanding new skills from the American workforce. In fact, the need for high skilled labor in the U.S. has increased dramatically in a relatively short period of time. In just five decades (1950s to 1990s) the proportion of American jobs classified as unskilled dropped sharply from 80% to around 15%, and it is expected to continue to drop in coming years. Bureau of Labor Statistics data suggests that by 2006, 70% of new jobs will require some postsecondary education.⁵⁰ Accordingly, the demand for a higher skilled workforce will translate into a demand for technical and advanced educational services. As one report notes:

By 2011, the vast majority of recent high school graduates will seek significant postsecondary education and training, contributing to a projected 20% jump in college enrollments over the next decade. Not included in these projections is the substantial and rising share of working adults who will return to higher education repeatedly throughout their careers.⁵¹

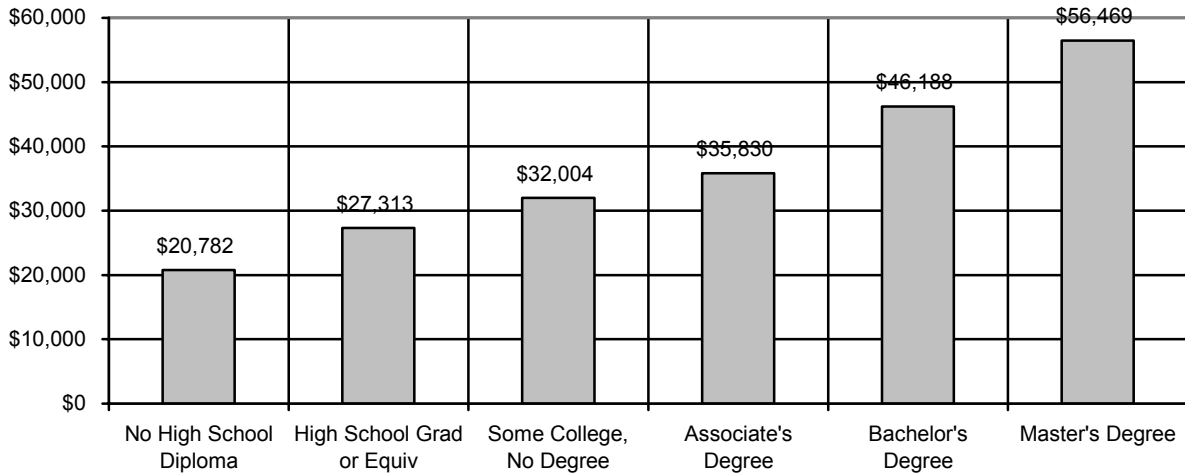
⁴⁹ Price, D. (2002). *What We Know About Access and Success in Postsecondary Education: Informing Lumina Foundation's Strategic Direction*. Lumina Foundation for Education.

⁵⁰ National Alliance of Business (2003). *The business leader's guide to measuring up 2002: The state-by-state report card for higher education*.

⁵¹ *Ibid.*, p. 8.

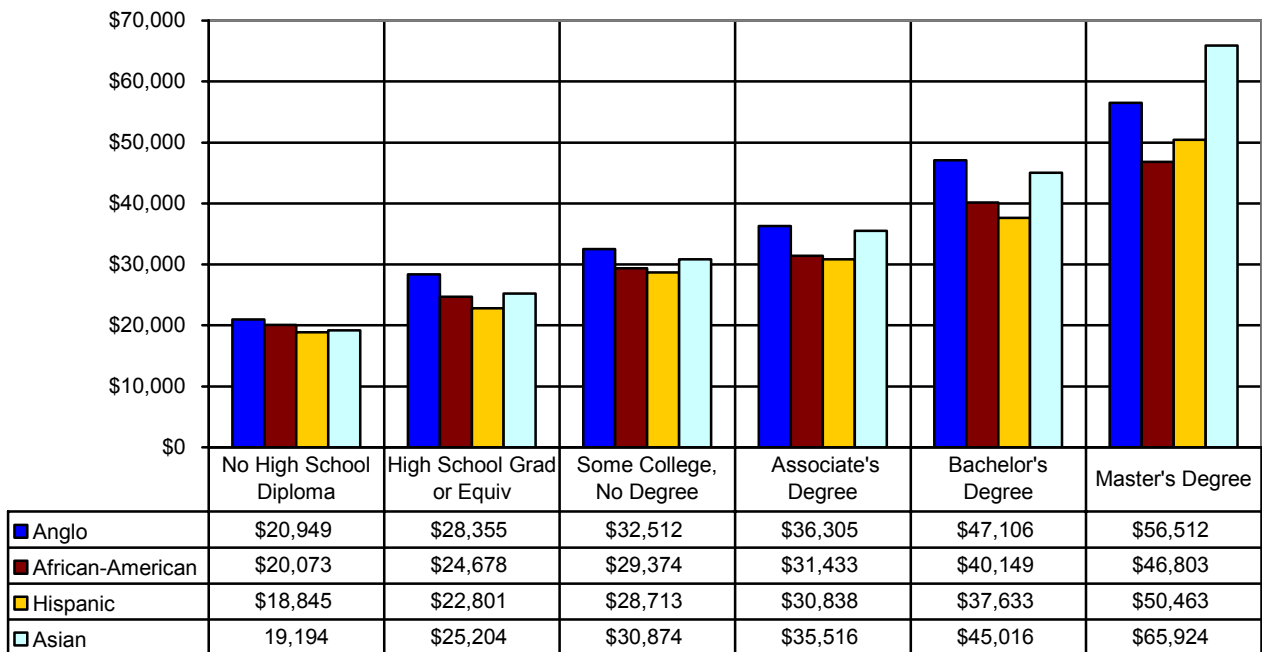
Census data from 2000 clearly indicated that income dramatically increases with each successive degree. As illustrated on Figure 29, in 2001 actual earnings ranged from a median of \$20,782 for those without high school diplomas to \$46,188 for those with Bachelor's degrees and higher for those with Master's degrees.

Figure 29. Median Earnings by Education Level



This trend occurred across all racial categories (see Figure 30). The amount earned by Anglos, African-Americans, Hispanics, and Asians with college degrees was more than double that earned by those without high school diplomas. While the median earnings differed in amount by race, the fact remained that all racial groups financially benefited from higher levels of education. This benefit translated to families. According to Carnevale and Fry, earnings increases would bring many minority families out of poverty.⁵² By increasing the number of minority college graduates to the levels that Anglos achieve, the poverty rates among African-American families would decline by nine percent. Among Hispanics it would decrease by 20%.

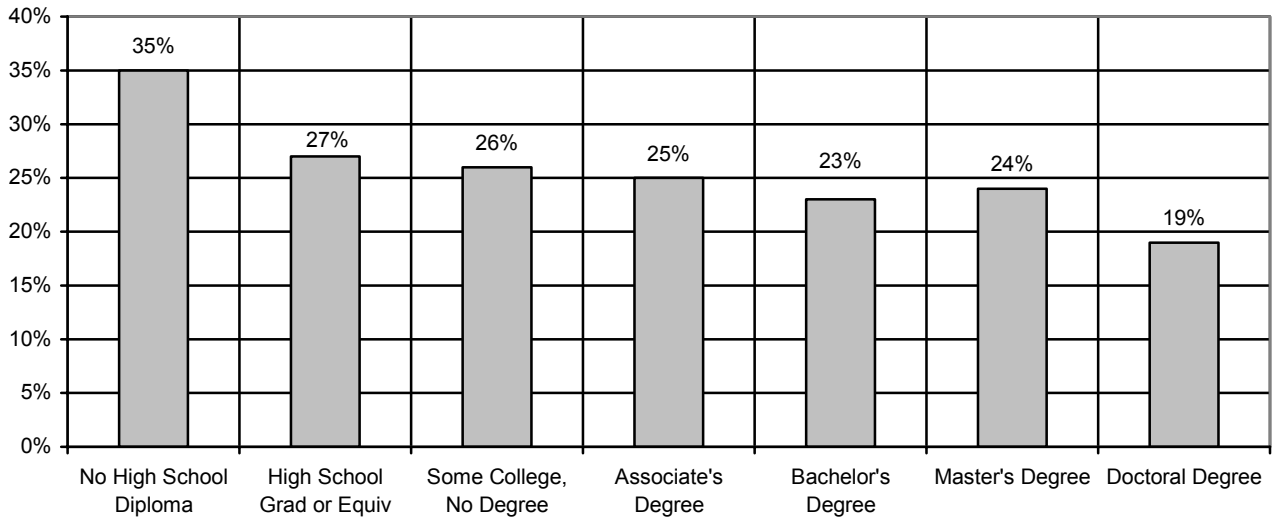
Figure 30. Median Earnings by Education Level and Ethnicity



⁵² Carnevale, A.P. & Fry, R. A. (2000). *Crossing the great divide: Can we achieve equity when generation Y goes to college?* Princeton, NJ: Educational Testing Service.

Not only does higher education influence annual earnings, but it also positively impacts work experience. As educational attainment increases, so does the likelihood of full-time or year-round employment (see Figure 31).⁵³ According to U.S. Census estimates, high school dropouts are much less likely to be employed full-time or to work consistently year-round than those with college degrees. Given that many job related benefits, such as health insurance, retirement, and paid sick and vacation leave are offered with full-time employment, a college degree can have a positive influence not only on earnings, but also on one's health and future well-being.

Figure 31. Percentage Reporting Part-Time or Seasonal Employment by Education Level



⁵³ U.S. Census Bureau, Current Population Survey, March 1998, 1999, 2000 in Day and Newburger, 2002.

Health, Civic, and Familial Benefits

Many studies have also linked higher levels of education with better health outcomes. Data suggest that those with higher levels of education are less likely to smoke, or to drink heavily and are more likely than others to exercise.⁵⁴ College experience has also been found to be associated with lower rates of depression, higher rates of self-reported good health, and even lower Body Mass Index (BMI).⁵⁵ In fact, "evidence for the [connection between health and education] has been found worldwide and amongst individuals of different ethnic groups, ages and incomes."⁵⁶

Just how higher education influences health is not clear. Some suggest that it is because those with higher levels of education are more informed about health consequences and outcomes. Others suggest that higher levels of income allow individuals better access to health care resources. However, studies suggest that even when variables such as income and knowledge of health information are statistically controlled, those with more formal education still have better health outcomes. So while the debate continues as to *why* higher education influences health, the findings are clear – people with college educations benefit intellectually and physically from their learning experience.

The benefits of higher education also extend to the community level. Just as education has been found to influence health, it also is associated with good citizenship practices. For example, Bynner and Associates looked at several cohorts of college graduates and found that compared to those without college experience, graduates were more likely to be engaged citizens.

They were most likely to hold tolerant attitudes to other races than their own, were less likely to be dismissive and cynical about politics and politicians and more likely to engage in the political system as reflected in voting. They were also less likely to be narrowly authoritarian in their attitudes, suggesting that their higher education experience equipped them to question authority rather than accept it blindly. They were also more likely than other groups to be members of charitable organizations. When they had children, they were the most likely parents to actively participate in the PTA.⁵⁷

⁵⁴ Kenkel, D.S. (1991). Health behavior, health knowledge, and schooling. *The Journal of Political Economy*, 99(22), 287-305. <http://www.jstor.org>

⁵⁵ Bynner, J., Dolton, P., Feinstein, L., Makepeace, G., Malmberg, L., & Woods, L. (2003). *Revisiting the benefits of higher education*. Institute of Education: Bedford Group for Lifecourse and Statistical Studies.

⁵⁶ Hammond, C. (2002). What is it about education that makes us healthy: Exploring the education - health connection. *International Journal of Lifelong Education*, 21(6), 551-571.

⁵⁷ Bynner, J., Dolton, P., Feinstein, L., Makepeace, G., Malmberg, L., & Woods, L. (2003). *Revisiting the benefits of higher education*. Institute of Education: Bedford Group for Lifecourse and Statistical Studies, p. 57.

A study conducted by Pascarella, Ethington, and Smart suggested that changes in civic attitudes and the propensity to become engaged in civic activities were due to experiences particular to a college environment.⁵⁸ In this study several factors that might influence the civic attitudes of young adults (such as experiences before college, the selectivity of campus admission policies, the racial composition of the student body, and individual student characteristics), were examined. In all instances they found that it was on campus experiences and activities that had the most impact on civic values. Student leadership activities, interactions with faculty and staff, and student grades all directly impacted civic values.

Viewed in total such findings suggest that the undergraduate college experience had a significant, unique impact on the humanizing of values that is independent of the individual characteristics the students bring to college, the selectivity, size and predominant race of the institution attended, and the subsequent educational attainment and post collegiate occupation.⁵⁹

These values translate into parenting practices as well. Parents with more education have been shown to be more actively engaged in their own children's education. Those with college degrees were shown to be more likely to have books around the home and read more often to their children than those with lower levels of education. Moreover, children of parents with college education have been shown to perform better on standardized academic exams and have higher rates of college attendance.

⁵⁸ Pascarella, E.T., Ethington, C.A., & Smart, J.C. (1988). *The Journal of Higher Education*, 59, (4), 412 – 437. <http://www.jstor.org>

⁵⁹ Ibid., p. 429.

Gateway to the Future

The 2000 study conducted by PPRI examined the extent of unmet need in the A&M-Texarkana catchment area in order to determine whether expansion to a four-year institution was advisable. The chief conclusions of that study are summarized below.

- The area had a slow-growing population that was older, less mobile, more ethnically diverse, more likely to be unemployed, and poorer than the balance of the state.
- Population growth in the area was markedly slower than in an adjacent region where residents had more access to institutions of higher education. Additionally, the types of jobs within the A&M-Texarkana catchment area were typically lower-skilled and lower-paid than jobs within the adjacent region.
- The public schools within the A&M-Texarkana region did a superior job in educating students. This achievement was even more remarkable in light of the high minority and high poverty rates within the region – conditions that usually were associated with schools that were less successful than average.
- Individuals within the region were less likely to pursue higher education than elsewhere in the state.
- Minority and low-income families were the most severely impacted by the lack of opportunity for higher education in the local area.
- A&M-Texarkana had a solid reputation within the local community and had done an exemplary job of serving minority students.
- The general consensus was that A&M-Texarkana had three key features to help ensure its success. These were (1) caring faculty and staff, (2) lots of personal attention, and (3) a location in a safe and desirable community.
- A&M-Texarkana is positioned to provide a transformational process to move the region to a knowledge-based economy.

The results of the current study confirm that these first conclusions are still relevant. The following (and final) section of this report shows three ways in which A&M-Texarkana can become a gateway to a better and brighter future.

Improving Opportunity

Currently large segments of the population (specifically, minorities and the economically disadvantaged) face many hurdles in entering the education pipeline. Even though financial assistance and student supportive services go a long way in securing and maintaining student involvement, more must be done to keep educational opportunities open for all students. While college attendance among minorities has been on the rise, and is projected to increase substantially by 2015, it still lags behind the rate for Anglo students.⁶⁰ As Carnevale and Fry note:

Closing the remaining gap in minority undergraduate enrollment should be a high national priority. The United States already confronts a looming shortage of workers with college credentials to fill jobs requiring advanced skills. By taking steps to improve minorities' college prospects now, we can ensure those highly trained workers are available when we need them. Moreover, a more highly educated workforce will command higher salaries. This will benefit the overall economy by producing stronger growth in gross domestic product (GDP) and additional tax revenues.⁶¹

A&M-Texarkana is in an ideal position to make a positive impact on the lives of minorities and economically disadvantaged populations. The institution already serves a very diverse group of students. And, because of the high concentrations of low-income families and African-American residents within the A&M-Texarkana catchment area, it offers an avenue for advancement that is "close to home." In 2001, high school students from 25 A&M-Texarkana area school districts were asked (via a survey) if they planned to pursue additional education at a four-year college or university. An average of 56.6% of those who responded to the survey answered in the positive. Forty percent of these students also hoped to attend that college or university in the Texarkana area.

This survey data confirmed information obtained from high school students during focus groups conducted as a component of the original 2000 PPRI study.⁶² In general, students believed that their employment opportunities would improve and that the local area would become more economically viable if A&M-Texarkana were a four-year institution of higher education. A similar focus group conducted with parents of high school students yielded comparable comments. In addition, parents were concerned about the financial aspects of a college education and felt that savings would naturally occur if students could stay home to attend an institution of higher education.

⁶⁰ Carnevale, A.P. & Fry, R. A. (2000). *Crossing the great divide: Can we achieve equity when generation Y goes to college?* Princeton, NJ: Educational Testing Service.

⁶¹ *Ibid.*, p.10.

⁶² *Texas A&M University-Texarkana: Shaping the Future*, PPRI, 2000.

Building Educational Capital

Regardless of race, ethnicity, or economic status, the National Center for Public Policy and Higher Education (NCPPE) views the educational pipeline as the key avenue for increasing a state's "educational capital." In turn, this educational capital will have a direct impact on a state's economy and quality of life.⁶³ Additional findings from this study show that the expansion of the college-educated population in the workforce will result in pivotal benefits to the state, such as:

- More tax revenue generated because individuals have a higher income
- Fewer demands on state-supported social services and public resources
- Less need for government support in the areas of health care, personal finance, and retirement assistance.

Unfortunately Texas rated very low among the 50 states on the four transition points NCPPE identified as key to increasing the number of college degrees obtained by residents. These four key transitions were:

- The number of ninth grade students who attained a high school diploma within four years
- The number of high school graduates who were adequately prepared to move into higher education immediately after graduation
- The number of college freshmen who persisted to become college sophomores
- The number of college students who completed their Associate's degree within three years of entering college and/or their Bachelor's degree within six years of entering college.

In order to ascertain how well states were accomplishing these four transition points, NCPPE determined, on average, how many of 100 ninth grade students would achieve all four transitions. As detailed on Figure 32, Texas performed very poorly. Of 100 ninth grade students, only 64 graduated from high school; only 35 enrolled in college immediately after graduation; only 22 progressed from their freshmen to their sophomore year; and only 13 graduated within the prescribed time frame – three years for an Associate's degree or six years for a Bachelor's Degree (150% of time). At each transition point Texas ranked in the lowest 15% of all states.

Figure 32. Texas' Ratings on Four NCPPE Key Transition Points (2002)							
Transition Point 1. Graduate from High School		Transition Point 2. Immediately Enter College		Transition Point 3. Are Still Enrolled Sophomore Year		Transition Point 4. Graduate within 150% Time	
<i>Number</i>	<i>Texas Rank</i>	<i>Number</i>	<i>Texas Rank</i>	<i>Number</i>	<i>Texas Rank</i>	<i>Number</i>	<i>Texas Rank</i>
64 out of 100 ninth graders	37 th out of 50 states	35 out of 100 ninth graders	36 th out of 50 states	22 out of 100 ninth graders	46 th out of 50 states	13 out of 100 ninth graders	44 th out of 50 states

⁶³ Policy Alert, The National Center for Public Policy and Higher Education, www.highereducation.org

The lack of educational capital in Texas cannot be eradicated until all areas of the state have access to quality and affordable educational opportunities and options. Data from the 2000 PPRI study showed that this was not the case in the A&M-Texarkana area.⁶⁴ The following six recurring themes about higher education in the A&M-Texarkana area are excerpts from that report.

1. **Access and participation in higher education** – Residents in the Texarkana area did not have easy access to the breadth and depth of educational opportunities that were available in other parts of the state. As a result, (a) fewer high school graduates went to college, (b) students who did go to college left town and often did not return, (c) the education level of individuals who stayed in the area was relatively low.
2. **Affordability of higher education** – The lack of access to higher education most severely impacted residents with limited incomes. Many of these individuals were also members of a racial or cultural minority. The expansion of A&M-Texarkana would not only increase the affordability of higher education by allowing these residents to live at home while attending college, but it might also improve their chances of receiving financial aid.
3. **Ensuring student success in higher education** – Texarkana is still a relatively small town and was considered by residents to be a safe place to live, work and get an education. Focus group participants believed that this safe atmosphere might help students be more successful in school. They also believed that the small size of A&M-Texarkana would allow students to attend smaller classes and that faculty and staff would have more time to devote to students. The expansion could also help to create a larger pool of teachers for area high schools. It was believed that better educated elementary and secondary teachers would provide a stronger background for students, thus helping them to be more successful in their pursuit of higher education.
4. **Community and economic growth** – As pointed out by Senator Ratliff at a Perry Commission meeting, one of the by-products of higher education was the growth of the community and economy. The A&M-Texarkana catchment area was one of the slowest growing parts of Texas and focus group participants attributed this, in part, to the lack of higher education. One factor causing this slow growth was that the brightest students had to leave the area to go to college. A second factor was that the area did not have many large employers, did not have many high-tech employers, and did not have the means to "grow" existing employers and employees because of the limited access to higher education. On the other hand, the area might be poised for tremendous economic growth in the near future. Interstate Highways 49 and highway 59 (Interstate Highway 69) were being expanded through the area, and northeast Texas was one of the few regions of the state that could still offer abundant water and clean air. The types and quality of employers (and resultant jobs) in the area's future would be very dependent on the availability and quality of higher education.

⁶⁴ Texas A&M University-Texarkana: *Shaping the Future*, PPRI, 2000.

Growing the Economy

Just as the A&M-Texarkana catchment area is a part of Texas in which it has been historically difficult to build educational capital, it also has been historically difficult to grow the economy. In fact, growth in general within the A&M-Texarkana area has been slower than the norm. In the past, slow population growth within a region was looked upon as a reason for economic inertia. But a recently published discussion paper by the Brookings Institution Center on Urban and Metropolitan Policy examined the topic of economic growth without population growth.⁶⁵ This study explored the difference between economic policies that had job growth as their primary objective versus economic policies that would boost per capita income. In the first instance (job growth) cities would focus on strategies to create new jobs. In the process they often created low paying jobs and typically increased their population, thus also increasing the need for additional city services and infrastructure. On the other hand, increases in per capita income were not dependent on population growth and resulted in more spending power within the community and less demand on city services.

Many cities within the United States have successfully adopted this strategy of growing income without growing in size. Dubbed "Wealth Builders," these cities had a median per capita income growth of 1.5% and population growth below 1.2%. Unfortunately none of these cities were located in Texas. On the other hand, several Texas cities fell into categories in which income growth was below the median but population growth was above the median. The primary Texas example of this type of metropolitan area (called "Population Magnets") was the McAllen-Edinburg-Mission corridor. Other Texas cities were included in a category called "High Growth – Traditional," in which the growth of per capita income was offset by the growth of the population. Examples of these metropolitan areas included Houston-Galveston-Brazoria, Dallas-Fort Worth, San Antonio, and Austin-San Marcos.

The Brookings Institute research then extrapolated the conditions within areas where per capita income growth occurred but population growth did not. The five conditions most highly associated with "growth without growth" were:

- The area included at least one larger metropolitan area
- A high proportion of workers in the area were in the service sector
- A high proportion of workers in the area were in the manufacturing sector
- A low proportion of the population were immigrants
- A low proportion of the population held a Bachelor's degree or better.

While some of these conditions might seem counter-intuitive, they actually provided a scenario in which individuals could relatively quickly increase their income by expanding their education and moving up the career ladder or securing a new career path. Interestingly, the A&M-Texarkana catchment area has exactly the conditions identified by the Brookings Institute as an area in which "growth-without-growth" is likely to occur. This makes it a prime location for future income growth (growth in per capita income) without necessarily incurring the problems associated with population growth.

⁶⁵ Gottlieb, Paul D. (2002). *Growth Without Growth: An Alternative Economic Development Goal for Metropolitan Areas*. The Brookings Institution Center on Urban and Metropolitan Policy.

Final Note

Regionally engaged universities such as A&M-Texarkana are places with dynamic connections between the enhancement of skills, processes of industrial and service innovation, and wider cultural development. The University stands at a critical juncture for transforming the region's economy into one that is based more on learning than on hard labor. A&M-Texarkana will be instrumental in this process by providing leadership through the contribution of a resource base of people, skills, knowledge, and the indirect social and cultural foundation of effective democratic participation. The downward expansion of A&M-Texarkana and subsequent building of educational capital within the region will be the lynchpin needed to open the gateway to a brighter and more prosperous future.