

Transitioning to College and Work

Part 3: Labor Market Analyses in Houston and Texas

by Brian Holzman, Ph.D, Mehreen Gul, Ph.D., Esmeralda Sánchez Salazar, M.S.,
and Camila Cigarroa Kennedy

July 2020

This report examined:

- Supply and demand for labor in Houston and Texas, including an examination of the Texas Higher Education Coordinating Board's (THECB) 60×30TX strategic plan;
- In-demand occupations and skills in the Houston area; and
- Early career wages and unemployment receipt among high school graduates from the Houston Independent School District (HISD).

Houston and the state of Texas are projected to fall short of reaching the 60×30TX goal, an effort aimed at ensuring 60 percent of Texans ages 25-34 complete a postsecondary credential by 2030. Results indicated Houston will be 20 percentage points and Texas 10 percentage points behind the goal. (This document focuses on the Houston results; results for Texas are available in the full report.) Regardless, data showed a positive relationship between education and earnings. The higher wages associated with a postsecondary credential might be related to the short supply of high-skilled workers in the Houston area and Texas.

The full report is available at kinder.rice.edu/houston-education-research-consortium.

Key Findings



Nearly 40% of the Houston area workforce will have a postsecondary degree or certificate by the end of 2030, about 6 percentage points lower than in 2016, but about 20 percentage points short of the state's 60% goal.

The demand for workers with a bachelor's degree increased faster than supply in the Houston area, while the demand for workers with an associate's degree

- Demand for workers with a bachelor's degree increased 54%, while supply for workers with a bachelor's degree increased 13%, between 2013 and 2016. Demand for these workers will continue increasing at a faster rate than supply through 2030.
- Demand for workers with an associate's degree decreased 4%, while supply for workers with an associate's degree increased 13%, between 2013 and 2016. Demand for these workers will increase slightly, but supply will decrease through 2030.

Workers with a postsecondary credential earned more than workers with a high school diploma in the Houston area. This advantage is expected to grow for workers with bachelor's degrees, but not for workers with associate's degrees.

- Workers with a bachelor's degree earned 1.2 times more than workers with a high school diploma in 2016. This advantage is expected to increase 2 times more by 2030.
- Workers with an associate's degree earned 0.7 times more than workers with a high school diploma in 2016. This advantage is expected to stay flat through 2030.

Recommendations from the full report

- 1: Policymakers ought to identify strategies to help students obtain postsecondary credentials. Otherwise, economic growth may slow or employers may need to attract more educated workers from other parts of the country.
- 2: Equipping students with interpersonal skills, in addition to academic knowledge, may help students be prepared for the needs of Houston's growing economy.
- 3: Continuing to provide strong academic supports, in addition to information and personal assistance in the college application process, may help students become successful in the path to and through college.
- 4: Leaders in PK-12 and higher education are encouraged to partner with employers and policymakers on initiatives that can prepare students for both college and the workforce, as well as meet the demands of the Houston area and Texas economies.



Houston Education Research Consortium
a program of the Kinder Institute for Urban Research
MS-258 Rice University | Houston, Texas 77005
713-348-2532 | herc@rice.edu
kinder.rice.edu/houston-education-research-consortium