

Latino Population Growth, Native Out-Migration, and Public School Financing

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The United States population has undergone dramatic demographic change over the past several decades, growing larger and more diverse. These largely Latino-driven changes are most pronounced among members of the school-age population. Latinos currently compose 16.3 percent of the overall US population, yet they make up nearly a quarter of the under-18 population (Ennis, Rios-Vargas, and Albert 2011). In light of this fact, public school systems represent perhaps the most important arena for societal adaptation to large-scale Latino immigration. To an increasing extent, America's future prosperity is contingent on the successful education of these children, who by 2050 are projected to form one-third of the U.S. labor force (Passel and Cohn 2008). However, at the same time that educational institutions are being thrust to the forefront, countervailing demographic forces may impede schools' ability to successfully incorporate children of immigrants into the American mainstream. Public school systems depend on the public's political and economic support to operate effectively. Yet as the United States' population grows progressively older, residents become increasingly disconnected from their local schools. Furthermore, older Americans are far more likely to be non-Hispanic white than younger Americans, creating generational racial and ethnic divides that potentially widen the social distance between older voters on one hand and young students and their parents on the other. This social distance is reflected in physical distance as well, as patterns of residential segregation lead Latino children to frequently live and attend schools in communities that are cut off from politically influential and socioeconomically advantaged populations, and are consequently characterized by multiple structural disadvantages. Thus, there exists a pressing need to understand how rapid demographic change stimulates racially- and class-selective patterns of out-migration in ways that potentially undercut equitable access to educational opportunities.

In this paper, we offer an assessment of how growth in Latino populations is associated with the subsequent out-migration of whites, other non-Latinos, and non-poor populations, and how any differential migration patterns are linked to changes in school district finances. To do so, we use panel data on all school districts in the US between 1980 and 2010 that include information on levels of and sources of financial support (e.g., local and nonlocal revenues) and census-derived information on the racial and socioeconomic composition of school-aged and residential populations located within school districts. We are specifically interested in the possibility that Latino in-migration reshapes racial (and class) compositions differentially across ages, creating generational rifts between younger Latino households and whiter (and wealthier) older households who may feel less invested in supporting the diverse student population.

Background: Since 1970, the Latino population of the U.S. has nearly quintupled – from 9.1 to 53.0 million in 2012. But arguably more important than the rapid growth of the Latino population has been their dispersion out of a handful of longstanding, mostly Southwestern gateway areas to communities across the nation. While two-thirds of Latinos lived in a border state in 1970, barely a majority did (51.8%) in 2012, and growth in areas with little to no history of immigration – particularly along the Southern Atlantic and throughout the Great Plains – has

been especially pronounced. This expansion of Latinos to 'new destinations' means not only that a wider mix of people are experiencing diversity in their daily lives, but that a diverse set of communities is reaping the benefits and dealing with the challenges of Latino migration. A substantial body of work has emerged to assess the impacts of Latino movement to new destinations (see Goździak and Martin 2005; Massey 2008; Singer 2004, 2009; Zúñiga and Hernández-León 2005). Among other areas for concern, this research has shown that Latinos in new destinations have heightened fertility rates that contribute to rapid growth in school-age populations (Lichter et al. 2012), Latino children in these areas have particularly high levels of high school dropout (Fisher 2010), and that growth in local immigrant populations in new destinations spurs the flight of native residents (Hall and Crowder 2013). What we lack, however, is a fuller understanding of the demographic and educational mechanisms that link these observations.

To the extent that immigration bolsters the tax base in a particular area, infusing the local economy with new individuals paying sales and property taxes, we might expect school districts to reap economic benefits from increased immigration. These increased revenues could in turn facilitate schools' efforts to adapt to changing student demographics by providing high-quality educational opportunities to children of immigrants (e.g., through the provision of English as a Second Language [ESL] or bilingual education programs). However, rapid demographic change and shifts in age distributions may prompt backlash from older populations if demographic growth is associated with increased resource demands from local public education systems. This may be particularly true in historically non-Latino areas that experience sudden growth in Latino populations if longtime residents do not feel socially or culturally connected to newcomers. There is some evidence to support this argument. Figlio and Fletcher (2011) find that suburbs undergoing population aging and racial change (from white to black) during the 1950s had reduced levels of support for public schooling. Using more recent evidence, Kandel and Parrado (2006) find that in two Southern towns, Latino influxes have been associated with tightened funding for public schools, and an increased reliance on outside organizations (e.g., churches, local families) to provide supplemental education (e.g., ESL services). However, despite the critical role that schools play in the incorporation process and more generally in human development, relatively little is known about how Latino migration affects out-migration patterns of non-Latinos and non-poor households, and how these migration processes impact public educational institutions.

Data and Methods: Data for this project come from a variety of sources on school district resources and racial and class compositions of their encompassing areas. First, to link school districts over time, we use data from Corcoran and Evans (2010) on all administrative district changes between 1970 and 2000, and an updated list of more recent changes from the U.S. Department of Education. These data enable us to identify by name and geographic location those districts whose geographic composition changed between census years, ensuring that we exhaustively map all time-varying public school district boundaries and adjust our demographic estimates accordingly. We obtain estimates of within-district demographic change by linking the geo-referenced school district identifiers to aggregated block-group and tract-level census data from the 1970 and 1980 decennial censuses based on the Census Bureau's cross-referenced Master Address Reference File (MARF), and to summary-level data from the 1990, 2000, and 2010 decennial censuses and the 2008-2012 American Community

Survey. Detailed district financing data are made available through the National Center for Education Statistics' Common Core of Data, including information on total revenues, revenue sources (i.e., federal, state, local), and total expenditures. We focus specifically on revenues generated from local sources, such as taxes and student fees.

Recognizing the dynamic nature of the relationship between Latino in-migration, school financing, and non-Latino out-migration, we will estimate a series of structural equation models, which can be expressed in a simplified format as:

$$M_{jkt} = \gamma_{10} + \gamma_{11}Old_{kt-10} + \gamma_{12}Youth_{kt-10} + \gamma_{13}Latino_{kt-10} + \gamma_{14}Latino_{kt-10} * Youth_{kt-10} + \gamma_{15}\mathbf{X}_{kt} + \alpha_k + \delta_t + \mu_{1kt}$$

$$F_{kt} = \gamma_{20} + \gamma_{21}Old_{kt-10} + \gamma_{22}Youth_{kt-10} + \gamma_{23}Latino_{kt-10} + \gamma_{24}Latino_{kt-10} * Youth_{kt-10} + \gamma_{25}\mathbf{X}_{kt} + \beta_{21}M_{jkt} + \alpha_k + \delta_t + \mu_{kt}$$

where M_{jkt} refers to out-migration of (non-Latino or non-poor) group j for district k in census year t , and F_{kt} to the log of total per student local revenue, which is expressed as a function of M_{jkt} . Both models include as measured controls: the share of adults above age 65 at the previous census year (*old*); the share of households with school-aged children (*youth*); the share of the total population of Latino ethnicity (*Latino*), which is allowed to vary by *youth*; and a vector \mathbf{X} of district characteristics including the total residential population, residential poverty rate, median income, and educational attainment, and number of students, number of schools, and nonlocal (state and federal) revenues. The models include a set of fixed effects for districts (α_k) and census year (δ_t). Our main substantive interest lies in the parameter estimates for Latino migration (γ_{i3}) and its interaction with age (γ_{i4}), and the estimated coefficient of out-migration on school funding (β_{21}).

Ongoing Research: To date, we are very near to completion of the full panel file (including demographic and funding/resource information for every school district), and will begin the analysis described above within the next several weeks. Preliminary data exploration indicates that school districts located in new immigrant gateways (i.e., within metro areas that experienced large-scale increases in new immigration during the 1990s and 2000s) have consistently lower local revenues than districts in other areas. However, school districts in new and established immigrant gateways experienced equivalent growth in local revenues over this recent period, and such growth exceeded that experienced by school districts in non-gateway areas. Overall, these early results suggest that, on average, school districts in new immigrant gateways face economic disadvantages but also tentatively suggest that higher levels of new immigration are not associated with a loss of local revenue to school over time.