

RESEARCH ENHANCEMENT GRANT REPORT (2004)

**Disparity in the Distribution of Economic Growth
During the High-tech Boom of the 1990's**

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Abstract

The context of this research is finding explanations for the unequal distribution of economic prosperity in the decade of 1990. This particular decade is of interest because the Austin area experienced an economic boom due to the successes of the hi-tech industries that encompassed various facets of information technology. Although the median family income in Austin increased by a substantial 62%, the poverty declined only by 14% during this period of economic prosperity. The dependent variable is poverty status – whether or not an individual earned below the poverty line. The explanatory variables are race and ethnicity, gender, English proficiency, citizenship, and education level. Analyses were performed using census information from the Public Use Microdata Sample, 2000.

The results indicated that African Americans and Latinos had higher levels of poverty compared to whites. English proficiency and poverty levels were related for Latinos. About 62% of Latinos who were not conversant with the English language earned below the poverty level. Lower educational levels appeared to impact the chances of being poor for African Americans the strongest. Almost half of the African Americans with less than high school education earned below the poverty level compared to 28% and 23% for Latinos and whites respectively with similar educational background. This study indicates that language and educational attainment are factors that might have kept certain minority groups from achieving economic success despite a general climate of economic prosperity as observed in the Austin area during the 1990s.

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