



25-Year Economic Impact Report





Project QUEST was created
twenty-five years ago with the
mission to strengthen the
San Antonio economy with
highly qualified employees for
in-demand, living wage careers.

25-year
Economic
Impact
Report



The analysis is based on actual data provided by Project QUEST.
The core of this data includes information on each graduate’s annual wage before they entered QUEST, the wage they earned in their first job upon graduation from the program, their career track, and the date they graduated from the program.

CONDUCTED BY INDEPENDENT CONSULTANT, STEVEN R. NIVIN, PH.D., LLC.
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25-Year Economic Impact Report

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This study measures the economic impact of Project QUEST on the San Antonio metropolitan area economy over the organization’s 25-year history.

By providing a clear pathway to long-term employment, Project QUEST offers the opportunity for participants to improve the socioeconomic outcomes of their families.

Project QUEST was created twenty-five years ago with the mission to strengthen the economy with highly qualified employees for in-demand, living wage careers. Project QUEST provides education, training, and support to maximize opportunities for success to people across the San Antonio metropolitan area who would not have otherwise had such chances.

Thus, Project QUEST is a critical economic development resource that provides comprehensive support to program participants to achieve long-term employment, while also meeting current and emerging employer workforce needs through collaboration with other workforce development stakeholders. By providing a clear pathway to long-term employment, Project QUEST offers the opportunity for participants to improve the

Since its inception through December 31, 2017, Project QUEST has graduated 3,472 students, 1,381 of whom were not employed upon entering the program.

socioeconomic outcomes of their families. The purpose of this study is to measure the economic impacts of Project QUEST over its past twenty-five years. Since its inception, through December 31, 2017, Project QUEST has graduated 3,472 students, 1,381 of whom were not employed upon entering the program.

As shown in Table 1, the graduates, as a whole, have seen their incomes increase by almost \$824 million over this twenty-five year period. The spending derived from the increased incomes of the graduates supported the employment of an additional 8,418 full-time equivalent positions over this period.

This generated income to employees across a variety of industries within the local economy of more than \$321 million and an overall economic impact exceeding \$523 million.

The success of these graduates has allowed many of them to move off of various welfare programs and reduce the unemployment payments they would have received, cutting the cost to society by over \$326 million.

The success of Project QUEST has resulted in an economic impact of \$1.67 billion, yielding a return to the community of \$19.32 per dollar invested in the programs. These social gains have brought attention and emulation of the programs from around the United States and as far away as the United Kingdom.

TABLE 1: SUMMARY OF PROJECT QUEST IMPACTS

	IMPACTS	ROI/\$ OF FUNDING
Increase in Incomes of QUEST Graduates	\$823,937,723	\$9.51
Economic Impact of Spending	\$523,446,493	\$6.04
Welfare Savings	\$326,404,377	\$3.77
Total Impact Over 25 Years	\$1,673,788,593	\$19.32
TOTAL IMPACT OVER 25 YEARS		\$1.67 BILLION
		\$19.32 PER FUNDED DOLLAR

BACKGROUND

- A. Generational Poverty
- B. Economic Mobility
- C. Access to Resources



II BACKGROUND

QUEST is a program designed to fill the skills gap in San Antonio through training and education so residents can find **long-term** jobs and earn a living wage.

Project QUEST founders at the Silver Anniversary Luncheon held on November 8, 2017. Left to right: ED David Zammiello, Judge Nelson Wolff, Maria Tijerina, Co-Chair COPS/Metro, Mayor Ron Nirenberg, Charlie Cheever, Director Emeritus PQ (Broadway Bank); Tom Frost, Director Emeritus PQ (Frost Bank) and Sister Gabriella Lohan (COPS/Metro), Director Emeritus PQ.



QUEST was founded twenty-five years ago to provide comprehensive support and resources to program participants to achieve long-term employment.

Nicole lived out of her car for months without anyone knowing it. She was a single parent, raising four school-aged children at the time. Despite the struggles, she still managed to complete her RN studies at San Antonio College’s Nursing Program, with the help of Project QUEST.

For the more than 7,000 participants served over the past 25 years, skills development and education have been the key to moving participants and their families beyond generational poverty, consistent with what experts like Robert Doar, Morgridge Fellow in Poverty Studies, say is the key to overcoming poverty - education.

QUEST facilitates access to education so that participants gain employment at a living wage. “Education and training can be helpful and can be used in addition to employment. But employment must remain the first focus” (Doar, 2014).

GRADUATE DEMOGRAPHICS

75
% WOMEN

61
% HISPANIC

12
% AFRICAN AMERICAN

68
% RECEIVE PUBLIC ASSISTANCE

34
% SINGLE PARENTS

II.A. GENERATIONAL POVERTY

It’s difficult for individuals who must worry about paying the rent and feeding their children to focus on education.

In a study of people who achieved educational success after growing up in generational poverty, Beegle (2003), found that communication about education in the homes of third generation poverty groups was limited. The numbers bring the stark reality to life: “All respondents agreed that the daily problems were the focus of their lives and almost all (96%) reported that education was simply not discussed” (Beegle, 2003, p. 14).

Further, Beegle (2003) found that the expectation for education for this group was driven by their parents’ educational levels, precluding conversations on educational attainment from long-term plans.

It is imperative that education is promoted in the home to break the cycle of generational poverty. A recent testimonial by a QUEST participant suggests that conversations are indeed taking place at home after participants complete the program. After program completion, participants have more time available to work with their children on school affairs and participate in their daily activities.

“I now have time to attend my children’s PTA meetings,” said Rhiannon, a QUEST participant who was presented with the opportunity to attend workforce skills training that led her to a stable job, with better work hours, and eventually to the purchase of a brand new car, and even a home for her family. Many participants, like Rhiannon, long for the time to become involved in their children’s educational success.

After graduating from QUEST, Rhiannon was able to find a higher paying, more stable job-allowing for more quality time to spend with her children and a better way of life.



It is imperative that education is promoted in the home to break the cycle of generational poverty.



II.B. ECONOMIC MOBILITY

In testimony about economic mobility provided on October 27, 2015, before the Committee on Agriculture and Subcommittee on Nutrition, Ron Haskins, the Cabot Family Chair in Economic Studies at the Brookings Institution, spoke to the fact that children’s future income distribution is “greatly influenced by their parents’ income,” and acknowledges that “several studies have shown that this pattern has not changed much over the generations” (Haskins, 2015).

Haskins also spoke to the rise of female-headed families, which is a key demographic for QUEST. Other research has also shown a significant link between parents’ educational attainment and that of their children (Ermisch and Pronzato, 2010; Bjorklund and Salvanes 2010; De Serf, 2002; Chevalier et al. 2013; Gratz et al., 2006; Charles and Hurst, 2002; Sacerdote, 2004; Sheridan, 2001; Huang, 2012; Dubow et al., 2010; Scheeren et al., 2017).

QUEST participants are primarily female, with 34% comprising single-parent households.

Educational attainment is an important determinant of income, and the importance of attaining higher levels of education beyond high school has become increasingly important to moving up the economic ladder, as the labor market continues to transition to higher levels of educational requirements for many occupations. In the not-too-distant past, a high school diploma would open the door to many different types of jobs, but access to these jobs now requires at least a certification beyond high school, if not a college degree.

It is part of the American dream that if one works hard, they will be able to reach a higher socioeconomic status than previous generations, but research has shown that hard work is not often sufficient to move one up the economic ladder. “In fact, children are much more likely as adults to end up in the same place on the income and status ladder as their parents in the United States than in most other countries” (Corak, n.d., p. 1).

The evidence indicates that most children achieve a similar socioeconomic status as their parents. This means that providing opportunities for parents to advance their education has a positive impact on their children’s level of educational attainment. As a result, the benefits of higher education and income extend across generations to their children, playing an ever-increasing role in moving families out of poverty.

QUEST participants are primarily female, with 34% comprising single-parent households. Doar’s research (2014) concludes that youth who grow up in single-parent households are less likely to experience upward mobility and as a result, yield less positive economic outcomes.

In his testimony on October 27, 2015, Haskins, who is also co-director of the Center on Children and Families, further stated that his research is consistent with analysts who agree “that with training (especially training for jobs available in the local economy), these mothers could attain the skills that would lead to better jobs, higher earnings, and even lower poverty rates” (Haskins, 2015).

Haskins went on to explain that “work opens up two sources of income—earnings from the employment and benefits, especially tax credits, that can only be obtained if mothers work,” (Haskins, 2015), further reinforcing Doar’s 2014 study about the keys to reducing poverty, where the author finds that the most reliable way to escape poverty is to find full-time employment. Yet as the author finds, “upward mobility requires stepping on to the first rung of the economic ladder, and when employment rates are too low, too many struggling Americans are denied that opportunity” (Doar, 2014).

These mothers could attain the skills that would lead to better jobs, higher earnings, and even lower poverty rates.

When a participant can worry less about having to pay the rent, or being able to put food on the table for their children, the result is a more **focused student.**



II.C. ACCESS TO RESOURCES

In a study conducted by James Valadez on the variables that affect an individual’s access to college, his research finds that groups with less access to resources are less likely to apply for college although they aspire to succeed (Valadez, 1998). Programs like QUEST help bridge that gap by assisting in the form of tuition, books, supplies, career advising, utilities, rent and even childcare.



Maria Salazar, a Career Advisor, has been with QUEST for more than 23 years.

MENTORS

The literature suggests that there is another important element that is needed to be considered in the drive to push people like Nicole and Rhiannon to success - mentors. In the case of QUEST, mentors are provided in the form of Career Advisors, who help the students learn about study habits, navigate the process of applying for college, help them study for exams, and provide a variety of other types of support. Mentors provide support but also set high expectations. Maria Salazar, a Career Advisor who has been with QUEST for more than 23 years, explains, “I have to be hard on them, and sometimes, I’m the mother-hen because I want to help them and I won’t take no for an answer.” Career Advisors such as Salazar make up half of QUEST’s program staff and motivate QUEST participants to move beyond their comfort level and encourage their students to give 110%. “It’s not just the student who will give 110%, I have to give 110%, QUEST has to give 110%, and our community partners have to give 110% to help the student succeed.”

OTHER RESOURCES

Assistance with childcare, transportation, and utilities is a vital element of QUEST. When a participant can worry less about having to pay the rent, or being able to put food on the table for their children, the result is a more focused student, yielding higher results on their educational outputs, i.e., certifications and degrees that lead to living wage jobs and benefits that result from long-term employment. In a study by DeCamp and Bundy (2012) on the relationship between generational status, health insurance and public assistance in low-income Latino children, the researchers found that reduced access to employer-based insurance further contributes to insurance disparities, thus the greater need to place participants in jobs at the conclusion of their programs. In their research, DeCamp and Bundy found that children in higher income households were significantly less likely to lack health insurance.

MINORITY GROUPS

Stories such as Nicole’s and Rhiannon’s are examples of how QUEST participants are improving their lives and that of future generations. The majority of QUEST participants are Hispanic, a demographic with an education gap that has proven difficult to close. As McKeever and Klineberg point out, “In discussions of educational achievements among minorities... an ‘oppositional’ perspective has been reported among some minority youth, who are convinced that their status as minorities will prevent them from achieving success” (McKeever and Klineberg, 1999, p. 36). QUEST works to dispel that perspective, through a hands-on approach that has been replicated and recognized across the country.

III

METHODOLOGY & RESULTS

III.A. GRADUATES' SPENDING

Through the training and support the participants in Project QUEST receive, they can gain long-term employment in an occupation that pays a higher wage than the wage they were earning before entering the program. These higher incomes result in additional spending in the local economy.

Although it could be argued that companies who hired QUEST graduates could have filled the position with someone else, they may have also had to look outside of San Antonio, were it not for the labor force provided by Project QUEST. Additionally, the QUEST graduates attained skills and training that they otherwise may not have received, which means they may have been locked into a lower wage throughout their careers. Under these assumptions, the following methodology was used to calculate the economic impacts of the spending by the QUEST graduates over the twenty-five year term of the program.

The main dataset used for the analysis covered information for each graduate of the program for the period from 1993 through 2016. This data, provided by the QUEST staff included each graduate's wage before entering the program and the wage they received in his/her first job upon graduation from QUEST.

METHODOLOGIES

1.

The increase in the wage for each graduate was calculated as the difference between his/her pre-QUEST wage and his/her post-QUEST wage. However, if his/her pre-QUEST was zero, the wage was adjusted to be equivalent to the minimum wage at that time.
2.

The increase in the wage was assumed to begin in the year of his/her graduation from the program.
3.

It was assumed graduates would work each year until his/her retirement at the age of 65. The years to retirement were calculated based on the difference between the assumed retirement age of 65 and his/her age at application date. In the cases where his/her age at the beginning exceeded 65, it was assumed his/her retirement was 75.
4.

If the number of years to retirement for graduates exceeded the period from which the start date of their new careers after graduation from QUEST and 2016, it was assumed that the wage differential would be maintained through that period. If their retirement would occur before 2016, then the wage differential would cease at the year of their assumed retirement.
5.

For each graduate, the career track was provided. The career track was converted into an occupation based on the Standard Occupation Classification (SOC) codes for 2000 and 2016, and the growth in the mean annual wage for each occupation from 2000 to 2016 was calculated. The number of people in each occupation was then used to calculate the proportion of the number of people in that occupation to the total number of QUEST graduates. The proportion was used to calculate a weighted average annual growth rate. This gave an annual growth rate of 3.89%. It was assumed that the wage differential for each graduate would grow at this rate in each year.
6.

The total for each year across all graduates was calculated and converted to 2016 dollar values using the same growth rate for the wage.
7.

The total wages were adjusted by 15% to account for the percentage of graduates that would leave the San Antonio metropolitan area.¹ Wages were also adjusted by the annual unemployment rate for the San Antonio metropolitan area in each year.²
8.

To estimate the spending patterns that would occur from this increase in income, data on household expenditures by category of spending in the San Antonio metropolitan area was pulled from ESRI. The proportion spent in each category was multiplied by the total spending of the QUEST graduates to get an estimate of the amount spent in each category (e.g., food away from home, apparel, and healthcare).
9.

The spending activity was then matched with an appropriate industry (e.g., food away from home was assumed to occur in the full-service restaurant industry), and run through the IMPLAN economic impact model for the San Antonio metropolitan area. Based on the spending categories, it was assumed that 11% of the spending would not occur in the metropolitan area, and further adjustments for leakage of spending are accounted for in the IMPLAN model. Additionally, the increased incomes were converted to disposable income (i.e., adjusted for taxes) by multiplying the ratio of total disposable personal income to total personal income for Texas (only geography closest to San Antonio area for which data are available) for each year (source: US BEA). This proportion was multiplied by the income to get the adjustment to disposable income.

METHODOLOGY
& RESULTS

- A. Graduates' Spending
- B. Social Savings
- C. Intergenerational Effects
- D. Effect on Poverty Rate

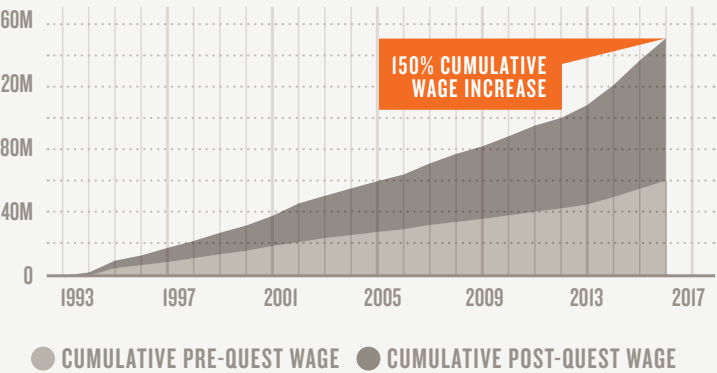
¹ Source: Mark Elliott and Ann Roder. April 2017. *Escalating Gains: Project QUEST's Sectoral Strategy Pays Off*, Economic Mobility Corporation.

² Source: Federal Reserve Bank of Dallas; U.S. Bureau of Labor Statistics

CUMULATIVE WAGES

The cumulative increase in wages by year is shown in Chart 1.
The total growth in wages across all years amounted to \$823,937,723.

CHART 1: CUMULATIVE IMPACT ON WAGES OF QUEST GRADS 1993-2016 (2016 \$)



GRADUATES INCREASE IN INCOME

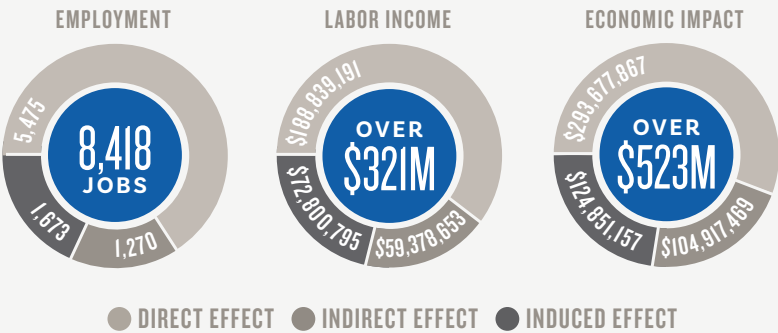
\$823,937,723

▲ \$9.51 PER FUNDED DOLLAR

ECONOMIC IMPACTS

Chart 2 shows the economic impacts, including multiplier effects, of the spending by the QUEST graduates.³ Employment is measured as full-time equivalent positions, and including multiplier effects, the spending supported the hiring for 8,418 full-time equivalent positions in the San Antonio economy over this period. The workers in these positions earned wages and benefits (i.e., labor income) of over \$321 million. The overall economic impact of this additional spending is measured as value added, or the contribution to the gross domestic product of the San Antonio economy⁴, and amounted to \$523 million.

CHART 2: ECONOMIC IMPACT OF INCREASED SPENDING BY QUEST GRADS



ECONOMIC IMPACT OF SPENDING

\$523,446,493

▲ \$6.04 PER FUNDED DOLLAR

³ The direct effect is the economic impact of the initial spending by the graduates. The indirect effect is part of the multiplier effect and accounts for the spending by the businesses resulting from the economic activity of the graduates. For example, if one buys a meal at a restaurant, the proprietor of the restaurant then has to go order more food from their food supplier. The induced effect is another component of the multiplier effect and accounts for the spending by the employees at the businesses where the graduates are spending their money. For example, if one spends some of their increased income at a restaurant, the staff at the restaurant gets paid a portion of the money spent on the meal, and they then spend their incomes on goods and services within the local economy. The total effect is the sum of the direct, indirect, and induced effects and provides a measure of the overall economic impacts.

⁴ Value added is “the difference between an industry’s or an establishment’s total output and the cost of its intermediate inputs...It is a measure of the contribution to GDP [gross domestic product]” (IMPLAN).

IMPACT TO INDUSTRIES

Table 1 provides a look at some of the various industries impacted by this economic activity. It is only the top industries ranked by the overall economic impact (i.e., value added).

IMPACT TO GOVERNMENTS ▼

The revenues, including taxes, fines, and fees, flowing to various government agencies and other taxing entities over the period of this study is provided in Table 2.

TABLE 2: REVENUES TO GOVERNMENTS AND OTHER TAXING ENTITIES (2016 \$)

ENTITY	ECONOMIC IMPACT (2016 \$)
County Governments	\$4,296,657
City Governments	\$5,514,959
School Districts and Other Taxing Agencies	\$10,616,978
State of Texas	\$24,437,453
Federal Government	\$78,766,870
Total	\$123,632,917

TABLE 1: ECONOMIC IMPACT BY INDUSTRY (TOP 20 ONLY)

DESCRIPTION	ECONOMIC IMPACT (2016 \$)
Real estate	\$108,029,496
Automotive repair and maintenance, except car washes	\$51,305,808
Offices of physicians	\$37,477,773
Local government electric utilities	\$32,193,000
Full-service restaurants	\$22,047,704
Owner-occupied dwellings	\$17,816,792
Private households	\$16,283,886
Museums, historical sites, zoos, and parks	\$12,144,515
Retail - Food and beverage stores	\$11,271,515
Grantmaking, giving, and social advocacy organizations	\$11,149,086
Wholesale trade	\$10,946,280
Employment services	\$9,213,749
Travel arrangement and reservation services	\$9,112,219
Monetary authorities and depository credit intermediation	\$8,650,591
Insurance carriers	\$8,244,714
Junior colleges, colleges, universities, and professional schools	\$7,571,893
Retail - Clothing and clothing accessories stores	\$6,976,489
Retail - Furniture and home furnishings stores	\$5,945,705
Maintenance and repair construction of nonresidential structures	\$5,467,518
Management of companies and enterprises	\$5,372,547

III.B. SOCIAL SAVINGS

Because many of the QUEST graduates were either unemployed or working in jobs where the wages were low, they were receiving support from many of the available social service programs.

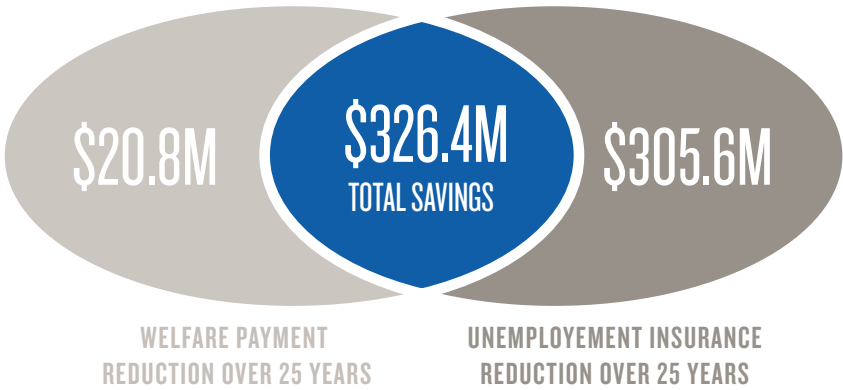
After they received their training in QUEST programs, most were able to find employment in jobs with higher wages than what they were earning before entering the program, which allowed them to move off of the welfare programs, such as Supplemental Nutrition Assistance Program (SNAP) or Temporary Assistance for Needy Families (TANF).

This results in savings to society from reduced welfare payments and unemployment insurance payments. The methodology used to calculate these savings and the results are documented in the following sections.

TABLE 3: REDUCTION IN WELFARE AND UNEMPLOYMENT INSURANCE PAYMENTS DUE TO QUEST

YEAR	REDUCTION IN WELFARE PAYMENTS	REDUCTION IN UNEMPLOYMENT INSURANCE	TOTAL
1993	\$951	\$25,793	\$26,744
1994	\$38,216	\$596,707	\$634,923
1995	\$178,078	\$2,116,487	\$2,294,565
1996	\$231,151	\$2,972,582	\$3,203,733
1997	\$303,998	\$4,250,973	\$4,554,971
1998	\$383,395	\$5,556,930	\$5,940,325
1999	\$467,500	\$6,922,747	\$7,390,247
2000	\$534,678	\$7,915,765	\$8,450,443
2001	\$626,832	\$9,696,819	\$10,323,651
2002	\$724,016	\$14,410,257	\$15,134,273
2003	\$803,875	\$15,037,287	\$15,841,162
2004	\$837,228	\$12,641,959	\$13,479,187
2005	\$908,258	\$12,093,466	\$13,001,724
2006	\$929,182	\$12,531,489	\$13,460,671
2007	\$1,001,416	\$13,081,593	\$14,083,009
2008	\$1,176,319	\$15,644,153	\$16,820,472
2009	\$1,250,287	\$22,619,427	\$23,869,714
2010	\$1,343,745	\$29,995,185	\$31,338,930
2011	\$1,372,209	\$27,515,209	\$28,887,418
2012	\$1,385,398	\$24,180,368	\$25,565,766
2013	\$1,439,021	\$20,140,750	\$21,579,771
2014	\$1,516,702	\$13,665,099	\$15,181,801
2015	\$1,622,444	\$15,422,475	\$17,044,919
2016	\$1,698,875	\$16,597,083	\$18,295,958
Total	\$20,773,774	\$305,630,603	\$326,404,377

TOTAL SOCIAL SAVINGS
\$326,404,377
▲ \$3.77 PER FUNDED DOLLAR



METHODOLOGIES

REDUCTION IN WELFARE PAYMENTS

1. Welfare payments per capita were calculated for each year using government expenditures on welfare and social services (across all levels of government) for the U.S.⁵ and the number of people below 125% of the poverty level.⁶ It was assumed that the participants in QUEST who would have received these payments would have received these amounts.
2. It was determined, using the pre-QUEST wage, if each person was below the poverty threshold each year as defined by the threshold for one person under the age of 65.⁷ It was then determined, using the post-QUEST wage, if the person's wage had reached a high enough level using the same poverty threshold.
3. If their wage moved to a level beyond the poverty threshold, it was assumed they would not receive welfare payments throughout the entire period of the study beginning with the year in which they graduated. If their wage fell below the poverty threshold or never exceeded the threshold, it was assumed they would receive welfare payments for the entire period, so the savings was zero.
4. These calculations were done for each person and then summed for each year to get total savings as reflected in Table 3. These numbers also assumed only 85% would stay in the region, so the savings were reduced by 15%

REDUCTION IN UNEMPLOYMENT INSURANCE

1. If the QUEST participant had a pre-QUEST wage of zero, it was assumed they were unemployed, and if their post-QUEST wage was greater than zero, it was assumed they were employed in each year.
2. It was assumed that if they were unemployed, they would have filed for unemployment insurance.
3. To determine the unemployment insurance payments per capita government payments for unemployment insurance for each year⁸ was divided by the number of people who filed claims for unemployment insurance in the U.S.⁹ It was assumed that if QUEST participants would not have been employed, they would have received payments in these amounts each year.
4. For those who were employed in new careers, it was assumed they would spend the same amount of time as described in the economic impact methodology, and therefore, they would not have been receiving unemployment insurance, resulting in the social savings. If they were not employed, it was assumed they would receive these payments, so there were no savings.
5. The calculations were done for each person across each year and then summed to give the total savings in each year as reflected in Table 3. The savings in payments for unemployment insurance payments were also reduced by 15% on the assumption that this proportion of graduates would leave the area.

⁵ U.S. Bureau of Economic Analysis, Government current expenditures: Income security: Welfare and social services [G16037IA027NBEA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/G16037IA027NBEA>.

⁶ Source: U.S. Bureau of the Census, Current Population Survey

⁷ <https://www.census.gov/data/tables/time-series/demo/income-poverty/historical-poverty-thresholds.html>

⁸ U.S. Bureau of Economic Analysis, Personal current transfer receipts: Government social benefits to persons: Unemployment insurance [W825RCIA027NBEA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/W825RCIA027NBEA>.

⁹ U.S. Employment and Training Administration, Continued Claims (Insured Unemployment) [CCNSA], retrieved from FRED, Federal Reserve Bank of St. Louis; <https://fred.stlouisfed.org/series/CCNSA>.

The increase in income received by graduates transfers across generations and plays a significant role in moving people out of poverty.

METHODOLOGIES*

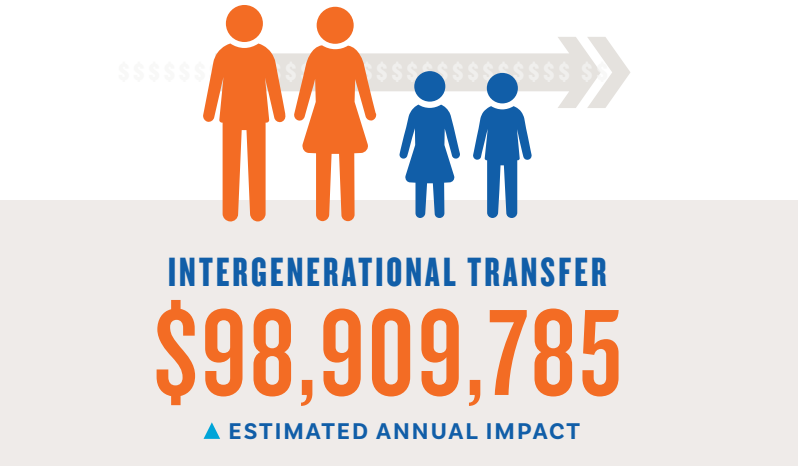
- 1. According to the 2010 Census, the city of San Antonio had 318,043 families residing within the city with 205,248 of these families including both a husband and wife, resulting in 65% of families having two parents present. The remaining 35% of families would be one-parent families.
- 2. These percentages were multiplied by the number of Project QUEST graduates (3,472) to get the number of one-parent and two-parent families among Project QUEST graduates.
- 3. Based on data from the 2010 Census, the average family size in San Antonio was 3.34. One-parent families were assumed to have 2.34 children on average, and two-parent families were assumed to have 1.34 children on average. These figures were multiplied by the number of one-parent and two-parent families related to a Project QUEST graduate to derive the number of children of Project QUEST graduates yielding a total of 6,893.
- 4. Similar to the assumption made with the number of Project QUEST graduates who stayed in the area, it was also assumed that 85% of the children remain in the area.
- 5. The number of children was adjusted using the labor force participation rate for 2016 under the assumption that not all of them, once they reach working age, will be engaged in the workforce. The labor force participation rate was 62.8% in 2016. This gives a total number of 3,680 children to whom the intergenerational transfer would apply.
- 6. The wage differential was calculated as previously described, with the one difference being that where the pre-QUEST wage was set at the minimum wage, a wage equivalent to the poverty line was substituted.
- 7. This wage difference represents the annual value of the intergenerational effect and is equal to \$26,881 per child in 2016 dollars. When applied to the 3,680 children, that would result in annual incremental earnings for this group of \$98,909,785.

*It should be noted that the total intergenerational effect is not accumulated over the entire period of the study due to the numerous arbitrary assumptions that would have had to have been made to make such cumulative calculations, such as when each child would enter the labor force. In essence, the intergenerational transfer figure gives a sense of the total value of the transfer in a year when all of the children are in the labor force and employed based on the aforementioned assumptions.

III.C. INTERGENERATIONAL EFFECTS

As documented in the literature review, there has been a considerable amount of research showing that the income that children will earn is affected by the income of their parents. The socioeconomic status that the children attain is most likely going to be similar to that of their parents.

One way to break this cycle is to provide education and training to the parents, which allows them to move up the socioeconomic ladder and provide an environment that encourages more advanced education for their children. The increase in incomes the graduates of QUEST receive through the training and education will transfer to future generations within their family. In this section, the methodology and results of the intergenerational transfer calculations are discussed.

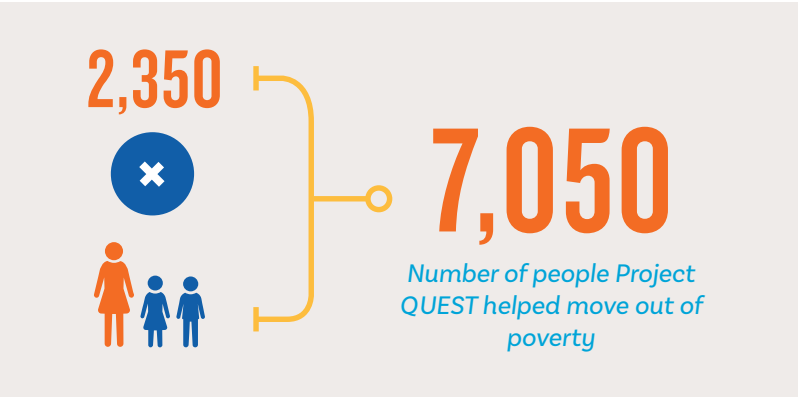


III.D. EFFECT ON POVERTY RATE

Given that Project QUEST helps people move out of poverty, it raises the question of the impacts the program has on the poverty rate in San Antonio.

The poverty rate in the city of San Antonio in 2015 was 19.8%. With a total population of 1,413,881 in 2015, this means 279,948 people were living in poverty in 2015.¹⁰ Based on the poverty level at the time the students entered QUEST, the number of students who had a pre-QUEST wage below the poverty line was calculated and using the post-QUEST wage, the number of graduates who were making incomes above the poverty line upon graduation from QUEST was calculated.

Over its history, QUEST helped 2,350 of its graduates move out of poverty. Based on the estimate that there are two children per family of a QUEST graduate, this means that QUEST helped move 7,050 people out of poverty. Assuming all of these people stayed in San Antonio, the poverty rate would have been 20.3% had QUEST not been available.



¹⁰ U.S. Census Bureau, 2011-2015 American Community Survey 5-year Estimates

IV CONCLUSION

Project QUEST was created to help people receive the training and education they need to be able to pursue a career that would advance their socioeconomic status and allow them to fully engage in the San Antonio economy.

Over its twenty-five year history, QUEST has achieved much success, as indicated by the substantial economic impact the program has had on the lives of the graduates and their families and the San Antonio economy. A well-trained labor force is the lifeblood of any economy, so by providing the opportunity to its graduates to enhance their skill sets, QUEST has helped provide a labor force that is prepared for a rapidly changing economy. As such, it has made profound contributions to the continued economic development of San Antonio.

A well-trained labor force is the lifeblood of any economy.

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OUR MISSION

To strengthen the economy with highly qualified employees for in-demand, living wage careers.

Project QUEST is a critical economic development resource that understands and meets current and emerging employer workforce needs in San Antonio, Texas and the surrounding areas. QUEST provides comprehensive support and resources to program participants to achieve long-term employment in collaboration with workforce development stakeholders. QUEST focuses on training and careers that offer family wages and advancement opportunities while providing intensive support services to help participants overcome financial and personal barriers to skills acquisition.

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