

2024-2025

ENVIRONMENTAL SCAN



ALAMO COLLEGES DISTRICT
Palo Alto College

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Executive Summary

The Office of Institutional Research, Planning, and Effectiveness at Palo Alto College (PAC) conducts an Environmental Scan each year to gauge the social and economic conditions of the surrounding area and those of current and future students. The local population and economy have direct impacts on PAC through enrollment and student futures. As such, this report contains: an overview of PAC enrollment and graduation; local, regional, and national population and educational attainment trends and projections; workforce and economic predictions and realities facing graduating students; and legislative updates. This document is developed with the intent to aid annual planning processes and guide decision making for college leaders.

Key Findings

College Update

- Palo Alto College reached record high enrollment in Fall 2024 with 12,395 students enrolled.
- Less than one-fifth of Palo Alto College graduates leave with student debt.
- Students who graduate from Palo Alto College with student debt leave with approximately two-thousand dollars less debt than other institutions.

Population Growth and Change

- The population of the United States has continued to grow but is outpaced by gains in Texas.
- Despite a recent decline in San Antonio's population between 2020 and 2023, the region is expected to see increased growth.
- The surrounding region is not expected to experience an aging population, unlike the country generally.

Education

- Degree attainment in post-secondary education at all levels is increasing.
- Some college education is declining, as individuals earn associate's, bachelor's, and post-baccalaureate degrees.
- 40% of all Bexar County high school graduates are pursuing higher education following graduation
- Hispanic and economically disadvantaged students are less likely to meet all TSI standards and are less likely to enroll in higher education than other groups.

Income

- Like the state and nation, income in San Antonio is positively correlated with educational attainment.
- Those without post-secondary education are most likely to live below the poverty level.
- San Antonio median earnings continue to lag behind the state and nation.
- Income gaps in gender persist in San Antonio, declining for those with some college or an associate's degree and those with post-baccalaureate degrees.

Economic Competitiveness and Workforce

- Employment across most industries has increased since 2023.
- Unemployment in the San Antonio region has remained relatively stable since 2023.
- Manufacturing was the fastest growing occupational sector between January 2024 and January 2025.
- All occupational sectors experienced growth in 2024.

Legislative Update

- There is increased attention at the state level on degrees that result in higher earnings. Those that result in high debt may be disallowed from receiving state funds.
- Students may be required to complete economics courses prior to earning a degree.

College Overview

1.1 College Update

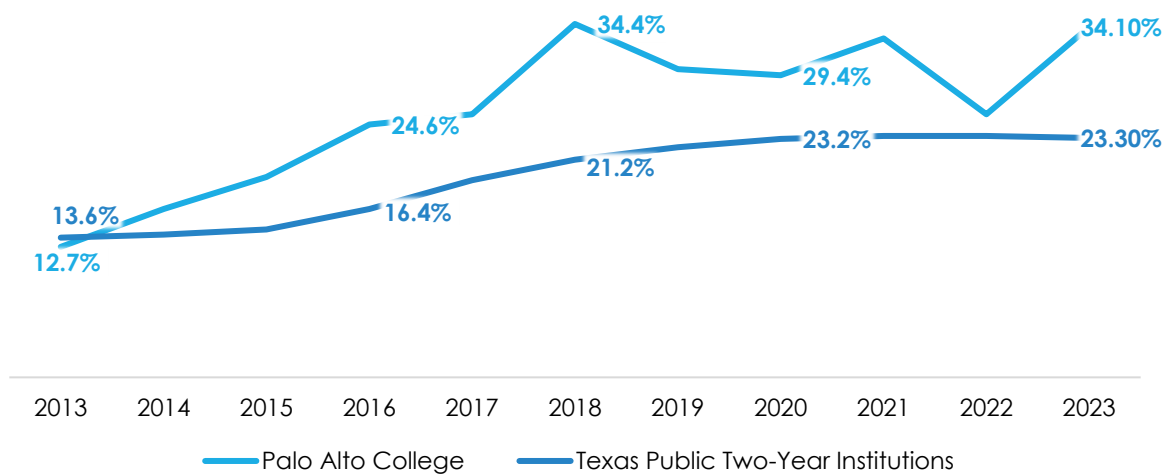
Palo Alto College has served the south side of San Antonio since 1985. Since then, enrollment has climbed and the institution has expanded to serve 12,395 students in Fall 2024, a 13.6% growth from Fall 2023. This matches national increases in enrollments at institutions with vocational programs like PAC but surpassed enrollment increases nationally for all 2-year institutions by 7.8% (National Student Clearinghouse 2025).

Fall 2024 also saw PAC's highest enrollment (#), passing Fall 2020's enrollment of 11,193 by over one-thousand students. Fall First Time in College (FTIC) students have been increasing at Palo Alto since Fall 2021, consistently setting a new record each year. Fall 2024 saw 2,590 FTIC students enrolled at PAC, 36.9% (956) of whom enrolled full-time. Although one of the smaller Alamo Colleges in terms of enrollment, PAC holds a very important and growing role in San Antonio's higher education system.

Serving the south of San Antonio and the surrounding region, Palo Alto serves a high number of students who receive Pell Grants, an indication of household income. The majority of PAC students, 51.4%, receive federal Pell grants to support their education. This in part likely contributes to Palo Alto College graduates leaving PAC with approximately \$2,700 less in debt than the average public 2-year institution in Texas. In fact, only 17.6% of Palo Alto College students graduate with any debt at all, compared to 24.6% of comparable institutions around the state (Texas Higher Education Coordinating Board Fall 2023). Although seemingly minimal to some, \$2,000 less or no debt at all is a huge difference for graduating students just starting out on a new career path. This allows students to more quickly establish themselves in the region, finding homes and supporting themselves and their families.

As seen in *Figure 1*, PAC students also graduate within 150% of normal time, or within 3 years, at a higher rate than their peers.

Figure 1. Graduation within 150% Normal Time Palo Alto College Compared to Texas Public, 2-Year Institutions, 2013-2023



Source: National Center for Education Statistics 2025, THECB Accountability System 2025

On average, between 2013 and 2023, 25.9% of PAC full-time FTICs graduated within 150% time (3-years) compared to just 19.5% of their peers across the state. The PAC 2019 full-time FTIC cohort graduation rate dropped to 25.6%, which more closely reflected the state average (NCES IPEDS 2024). This was likely a result of the COVID-19 pandemic, as the PAC graduation rate has recovered to and exceeded previous levels in 2023, the Fall 2020 FTIC cohort.

Based on the Fall 2022 cohort, PAC students one-year persistence rate for full-time, first time in college students is 57%, which is slightly lower than the state average for 2-year public institutions according to the Texas Higher Education Coordinating Board (THECB 2025). Despite this apparent decline, Palo Alto College consistently retains FTIC students Fall to Fall around the sixty-percent mark. Internal data shows PAC's FTIC persistence rate from Fall 2023 to Fall 2024 having rebounded to 60.8%.

One contributor to student success at Palo Alto College is AlamoPROMISE, which covers tuition and fees for students from participating high schools to attend one of the Alamo Colleges District colleges. AlamoPROMISE provides "last-dollar" funding through partnerships with local governments and community groups, bridging the gap between student financial needs and their education.

Texas House Bill 8

On June 9, 2023, Texas Governor Greg Abbott signed the bipartisan House Bill 8 relating to public higher education, including the public junior college state finance program, introduced by the 88th Texas Legislature.

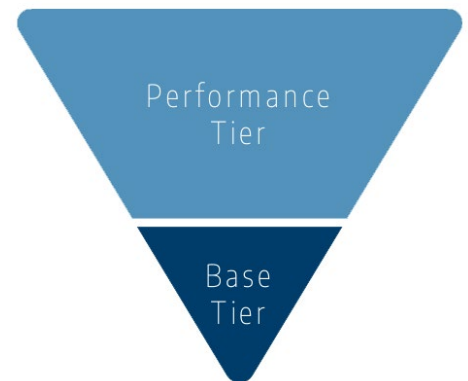
2.1 Student Funding for Outcomes

The funding model used by HB8 is composed of two major components that are based off dynamic outcomes: Base Tier and Performance Tier.

The expectation is that a larger share of the state funding allocated to community colleges will be comprised of the Performance Tier. The model intends to be a strategic funding source for aligning those student-focused outcomes to Texas's emerging workforce needs.

Appendix A contains an in-depth breakdown of the HB8 funding formula.

HB 8 Funding Model



2.1.1 Base Tier

The Base Tier of the funding formula entails the estimated costs of operations and the estimated local share of tax revenue. This tier of funding only applies if the estimated costs of operation outweigh the estimated local share.

The Base Tier has two main components: Instruction & Operations and Local Share.

Instruction & Operations

The Instruction & Operations component is an estimate of a college's operating needs based on characteristics of its student body and courses taught (basic allotment and contact hour production, respectively).

The basic allotment portion is calculated as the number of weighted full-time student equivalents multiplied by the basic allotment rate (established by the Texas Higher Education Coordinating Board (THECB)). Full-time student equivalents are weighed for the following characteristics: economically disadvantaged, academically disadvantaged, or adult learner.

Contact hour production is weighted by discipline as determined by the Report on Fundable Operating Expenses and funded at a statewide percentage.

The two portions are then summed to constitute the Instruction & Operations component of the Base Tier.

Local Share

The Local Share component of the Base Tier is an estimate of a college's local resource availability for meeting its Instruction & Operations cost. It is a function of the sum of the college's tax revenue and enrollment in the form of tuition and fees.

A college's tax revenue is estimated by the amount that would be raised with a \$.05 Maintenance and Operations tax rate determined by the THECB and it is not dependent on what the colleges raise each year or local tax rate charges.

The tuition and fees estimate is the amount that would be raised with average in-district tuition and fees per full-time student equivalent for non-dual credit students and the FAST rate for dual credit students.

2.1.2 Performance Tier

The Performance Tier of the funding formula is composed of weighed student outcomes including: credentials of value (for-credit and non-credit); credentials of value in high-wage, high-demand fields; students who transfer with at least 15 SCH to 4-year universities; and students who complete a sequence of at least 15 SCH in dual credit courses. Weights of these outcomes include economically disadvantaged students, academically disadvantaged students, and adult learners (25 years of age or older). For these items, colleges would receive funding based on their FY22 outcomes or their three-year average for FY20-22.

Credentials of Value

A "Credential of Value" is defined by the THECB as a "credential which meet a certain cost-benefit threshold: a typical student with that credential must earn enough within 10 years to pay for the cost of their education and surpass the earnings of a typical high school graduate."

The credentials included in the FY25 calculation are:

- Bachelor's Degrees
- Associate Degrees
- Certificates (Advanced Technical Certificates, Level 1 and Level 2 Certificates, and Continuing Education Certificates)

- Occupational Skills Awards (OSA)
- Institutional Credentials Leading to Licensure and or Certification (ICLC)
- Opportunity High School Diploma (starting with diplomas awarded in FY 2025)
- Transcribed third-party credentials recognized by the American Council on Education's National Guide

2.2 Affordability for Students

A suggestion from the Texas Commission on Community College Finance (TXCCCF) was to increase affordability for students. One avenue for funding low-income college students was to increase funding for Texas Educational Opportunity Grants (TEOG) at 2-year institutions and TEXAS Grants at 4-year universities to establish a goal of serving at least 70% of qualified low-income college students, through increased state appropriations for TEOG in the coming biennium.

Another avenue for affordability for students is the Financial Aid for Swift Transfer (FAST) initiative. This program is funded by the Foundation School Program for participating colleges to cover tuition and fees for all economically disadvantaged students who enroll in dual credit courses. This initiative is administered by the THECB with support from the Texas Education Agency (TEA). This initiative also incorporates a maximum tuition rate for dual credit courses set annually by the THECB.

2.3 Investments in College Capacity

HB8 authorized the THECB to establish an Institutional Collaboration Center to support the implementation of the new finance system. The bill also required the THECB to give preference to applicants that partner with employers. To do so, the state budget included \$16.5 million in each year and seven FTEs to improve institutional innovations and collaborations, including grants to institutions to add capacity to meet regional workforce needs.

2.4 Impact to the Alamo Colleges District in Fiscal Year 2025

In Fiscal Year 2024, the Alamo Colleges District received a total of \$88,641,433 from the State's formula funding; this funding was based on the previous funding formula based on enrollment and contact hour production.

The Alamo Colleges District received a guaranteed \$83,162,059 in State funding in Fiscal Year 2025, a 5.6% decrease in State funding. The summary of funding based on tiers and change from last fiscal year is displayed in *Appendix A*.

2.5 Standing Advisory Committee

The standing advisory committee studies and provides counsel and recommendations regarding the formulas, administration, and other components of the Public Junior College Finance Program established by HB 8 and carry out other charges issues by the board of the THECB or the commissioner. Members serve three-year terms unless otherwise provided by the commissioner and are appointed by the THECB on the recommendation of the commissioner.

Table 1. Standing Advisory Committee Members

Name/Title	Institution	Accountability Group	Term Ends June 1
Dr. William Serrata President	El Paso Community College District	Very Large Colleges	2026
Ms. Teri Zamora Vice Chancellor of Fiscal Affairs	San Jacinto College District	Very Large Colleges	2025
Dr. Jenna Cullinane Hege Vice Chancellor for Institutional Research & Analytics	Austin Community College	Very Large Colleges	2026
Dr. Brent Wallace Chancellor	North Central Texas College	Large Colleges	2025
Dr. Leonard Rivera Associate Vice President, Continuing Education & Off-Campus Programs	Del Mar College	Large Colleges	2025
Ms. Sarah Van Cleef Vice President for Financial and Administrative Affairs/Chief Financial Officer	Tyler Junior College	Large Colleges	2027
Dr. Jeremy McMillen President	Grayson College	Medium Colleges	2025
Mr. Tex Buckhaults President	Clarendon College	Small Colleges	2026
Dr. Ron Clinton President	Northeast Texas Community College	Small Colleges	2027
Mr. Jeff Engbrock Comptroller/Chief Financial Officer	Galveston College	Small Colleges	2027
Mr. Ray Martinez President and Chief Executive Officer	Texas Association of Community Colleges	N/A (Representative)	2026

2.6 FY25 High-Demand Fields at Palo Alto College

For Fiscal Year 2025, high-demand fields at Palo Alto College align with the THECB updated methodology, which identifies in-demand occupations based on state and regional workforce projections. The process prioritizes occupations requiring education beyond high school but below a bachelor's degree, using U.S. Bureau of Labor Statistics data.

Each college's high-demand fields are determined by combining the top statewide high-demand occupations with those specific to its economic region. Palo Alto College follows the designated regional list based on the Texas Comptroller's classification. Credentials awarded in the 2024-2025 academic year will be considered for funding, with adjustments made as actual data becomes available.

Additionally, institutions may petition for essential occupations that are critical to their local economy, with a process set to open in Spring 2025. *Table 2* lists Palo Alto College CIP codes that align with THECB, along with their corresponding field and awards offered. The full list of THECB high wage, high demand CIP codes can be found in *Appendix A*.

Table 2. High Wage-High Demand Fields for FY 2025, Offered by Palo Alto College

CIP Code	High Demand Field	Associate	Certificate	OSA
0183	Veterinary/Animal Health Technologies/Technicians	X	X	
1109	Computer Systems Networking and Telecommunications	X	X	X
1110	Computer/Information Technology Administration and Management	X	X	X
1204	Cosmetology and Related Personal Grooming Services	X	X	
1312	Teacher Education and Professional Development, Specific Levels and Methods	X		
1504	Electromechanical and Instrumentation and Maintenance Technologies/Technicians	X	X	X
5106	Dental Support Services and Allied Professions	X		
5107	Health and Medical Administrative Services	X	X	
5138	Registered Nursing, Nursing Administration, Nursing Research and Clinical Nursing	X		
5202	Business Administration, Management and Operations	X	X	X
5204	Business Operations Support and Assistant Services		X	

Importantly, the codes relating to high-wage, high-demand fields are specific to the 2024-2025 academic year. While unlikely to change entirely, high-wage, high-demand fields

that will be considered for funding under HB8 are expected to change year to year. As such, it is important to continuously monitor the CIP Codes relating to additional funding.

However, Palo Alto College does provide many degrees and certifications aligning with high-wage, high-demand occupations. PAC has always provided education for the southside community aiming to provide upskilling and degree opportunities balancing affordability and payoff after graduation.

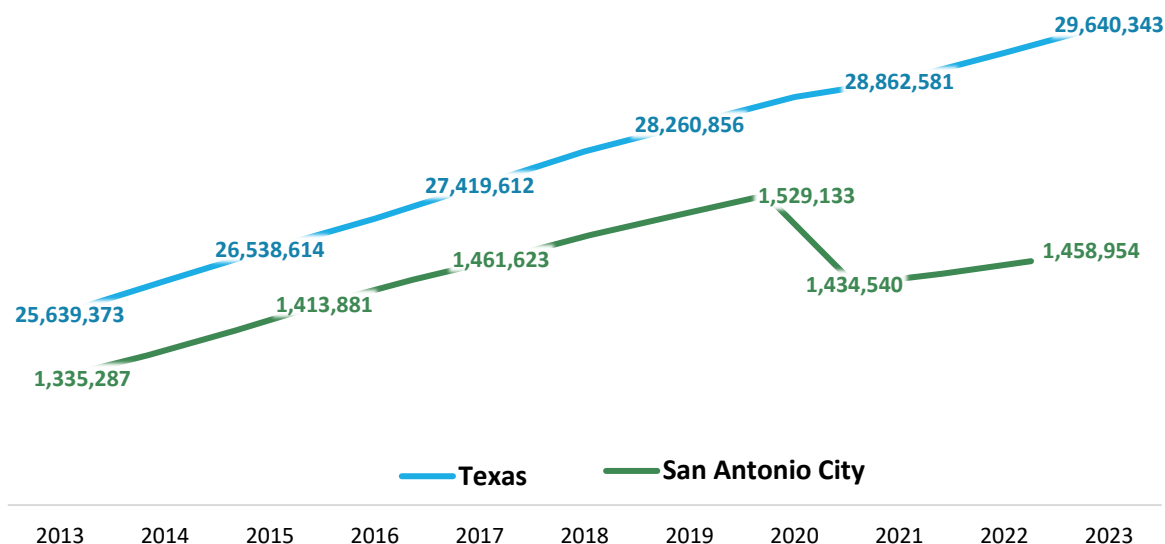
Population Growth and Demographic Shifts

3.1 Population Growth

Although the U.S. is on the precipice of an aging population, with the Census Bureau estimating 17.7% of the population being 65 years or older. and experiencing declining birth rates, dropping from 13.5 live births per 1,000 women in 2009 to 11.4 in 2019, the overall population has continued to increase largely due to in-migration. Between July 2023 and July 2024, the U.S. experienced a growth of 101.6% (added 1.6% of the population) compared to the prior year. Despite declining birth rates, births continue to outpace deaths. The United States is expected to continue growing in population, albeit slowly, in coming years (U.S. Census 2025).

Already the most populous region, representing 39% of US population (US Census Bureau 2025), population growth is also greatest in the South. In particular, Texas has seen a growth of 5.1% between 2020 and 2023, one of the top 10 population increases across the country. This population gain has from both domestic and international in-migration as well as natural births, bringing the state population to 29,640,343 in 2023. Looking at San Antonio more closely, the city experienced a small decline of -4.5% in population between 2020 and 2023 (U.S. Census 2023). *Figure 1* reflects the population changes in Texas and the city of San Antonio.

Figure 1. Population Change in Texas and San Antonio, 2013 – 2023



Source: U.S. Census Bureau, ACS 5-year DP05 ACS Demographic and Housing Estimates

The decline in population in San Antonio is likely a result of migration to more rural areas during the COVID-19 pandemic. The population trend for the region, as will be explored further throughout this section, is a population increase over time.

3.2 Population Changes

As well as migration and population growth, the population is changing in composition. The Baby Boomer generation, born following the Second World War, will all be retirement age, 65 and older, in 2030. This means that roughly 20% of the population will be retirement-age at that time and none of the following generations have had the same number of children on average (CDC 2023; Vespa, Medina, and Armstrong 2020). As such, the population of the US cannot rely on natural births to grow. Growth is predicted to come from natural births plus in-migration, as it has in recent years, which will also continue to create a more varied population racially and ethnically.

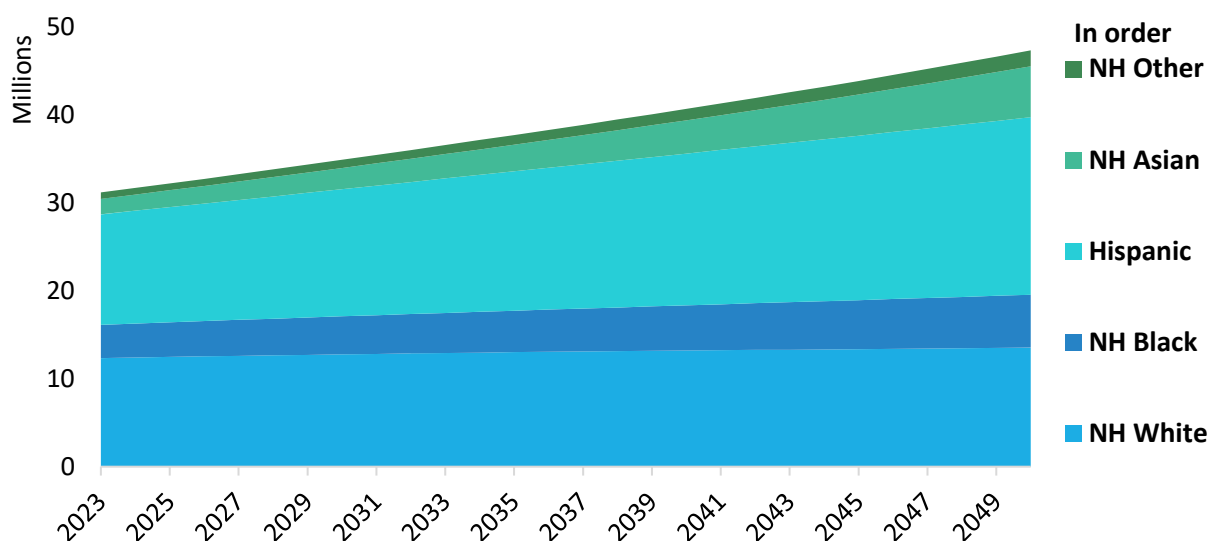
The 2020 Census revealed a large change in ethnic diversity, with a drop in the percent of the population that identified as non-Hispanic whites, partially due to changes in the categories made available (Marks and Rios-Vargas 2021). The American Community Survey (ACS) estimates have shown a similar trend, with those identifying as something

other than non-Hispanic whites growing in proportion. ACS 2023 5-year estimates place non-Hispanic whites as 58.2% of the US population, compared to 60.1% in 2020. In 2023, estimates place non-Hispanic whites in Texas at 39.9%, down from 41.4% in 2020 (US Census Bureau DP05 2023; *ibid* 2020). As such, while Texas is far more racially and ethnically diverse than the nation, this diversity trend is expected to continue.

Changes to the population in Texas will likely be less apparent than those across the country in coming decades due to already high levels of diversity. The same goes for the city of San Antonio, which boasts more diversity still than the state. In 2023, ACS 5-year estimates place non-Hispanic whites at 23.3%, with 29.6% of the city identifying as two or more races, compared to just 19.2% of the state generally (US Census Bureau 2023). These demographic shifts and realities are important for Palo Alto College, as it serves the city of San Antonio. Understanding the population, their identity, culture, and community, helps PAC support current and potential students to the best of its ability.

Looking to the future, and in line with past Census data, the Texas Demographic Center (2023) predicts that the state will experience continued growth among non-white populations through 2050. This change is expected to largely occur through a growth in the Hispanic population (US Census Bureau). Using the Texas Demographic Center's predictive data, this change is presented in *Figure 2* as stacked population counts.

Figure 2. Population Projections in Millions for Texas by Race, 2023 to 2050



NH = Non-Hispanic

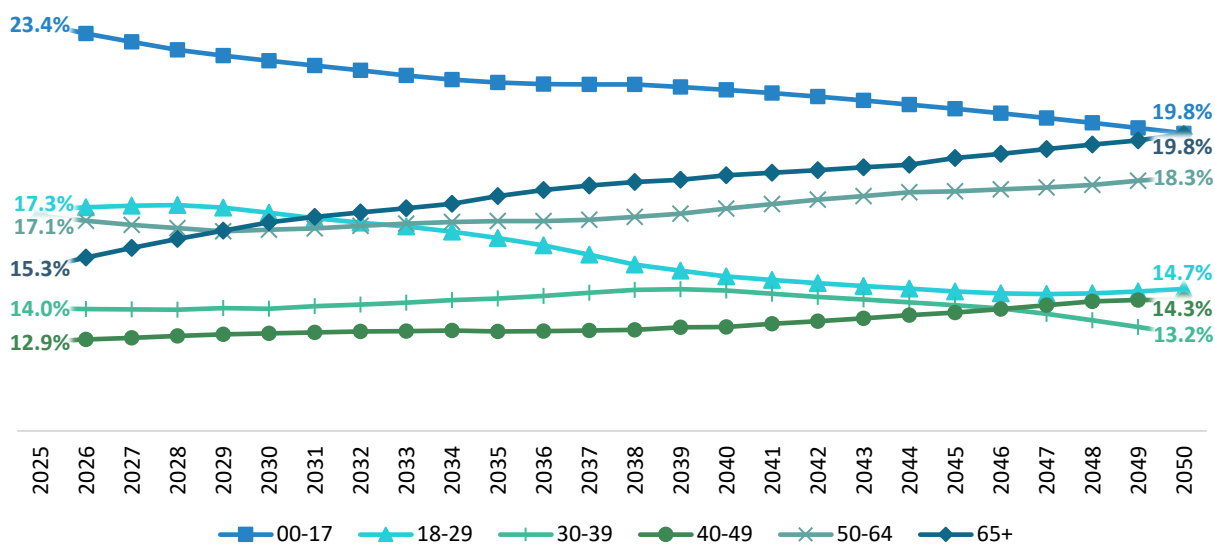
Source: Texas Demographic Center (<https://demographics.texas.gov/data/>)

Texas is predicted to see the fastest growth in non-Hispanic Asians, although they will remain a minority compared to the Hispanic population of any race (Texas Demographic Center 2023). Although national projections predict Hispanics will be the fastest growing group in the country (US Census Bureau), as Texas already boasts a majority Hispanic population, things in the state will differ from the national trend.

While the Baby Boomer generation aging affects the country generally, Texas is not posed to see the same aging. Based on 2023 estimates, just 22.2% of the US population is younger than 18 years old while 25.2% of Texans and 23.9% of San Antonio's population are minors. Looking at older groups, currently in the United States, 16.8% of the population is 65 years and older but only 13.2% and 13.1% of Texas and San Antonio residents, respectively, are in the same age bracket (US Census Bureau DP05). These differences will contribute to the demographic differences in age projected in Texas and the US more generally. Texas is anticipated to be younger and more diverse than the country in the future as it is today.

Age-based population predictions for the state can be found in *Figure 3*.

Figure 3. Population Projections Texas by Age Group, 2025 to 2050



Source: Texas Demographic Center (<https://demographics.texas.gov/data/>) using mid-migration levels

Although a younger population in general, the Texas Demographic Center (TDC) projects that the proportion of children in the state will eventually match the proportion of the population who is over 65+ in 2050. By 2050, the TDC projects that almost 20% of Texas will be 65 years and older, two decades after the nation is expected to reach the

same level. As such, Texas is expected to remain younger as a population than the rest of the country, despite a declining proportion of minors (00-17 years) over the same time period.

Education and Income

4.1 Educational Attainment in San Antonio

Although San Antonio boasts relatively high educational attainment, it falls behind the state and nation more generally when it comes to post-secondary education. Adults 25 years and older in San Antonio are less likely to hold a Bachelor's degree or higher (28.7%) than in Texas generally (33.1%) or the rest of the country (35.0%), but more likely to have some college education or an Associate's degree by a little more than one percent (US Census 2023). Regarding some college education that has not resulted in an Associate's degree or higher, San Antonio leads the state and the nation. This indicates a high proportion of San Antonians seeking education, perhaps stopping at certificates, or simply to gain new skills to improve their work situation. Regardless, these individuals are primed to either continue or return to school to improve their earning prospects even more. These data, and the full scope of the region's educational attainment among young adults and those 25 and older (also considered adult learners) are discussed in this section.

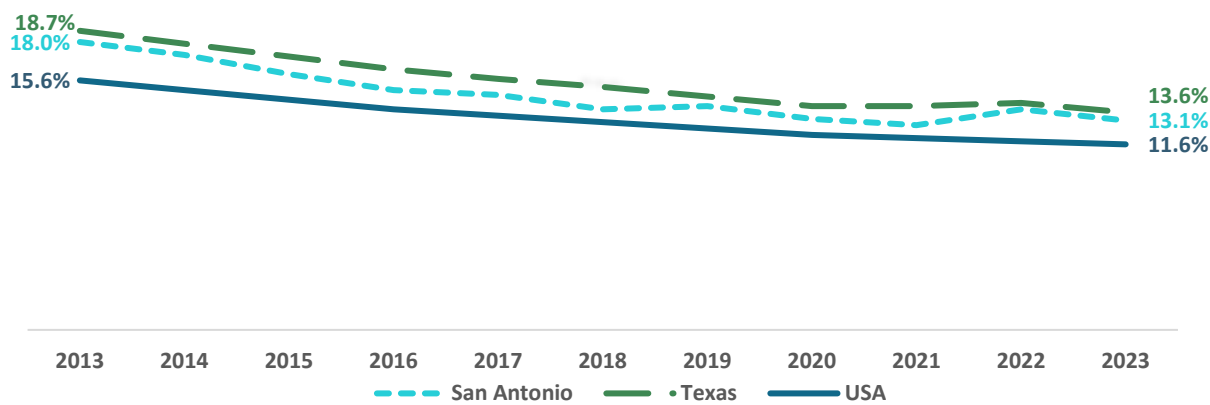
4.1.1 Population with Less than a High School Degree

For those between the ages of 18 and 24, not having obtained a high school diploma or equivalent is relatively consistent between the state and the city of San Antonio, with 13.1% of the city and 13.6% of the state population in that age range having yet to complete high school. Inversely, this means that more than 86% of the population has finished high school or obtained an equivalent education.

SA Tomorrow, a development plan for the city of San Antonio, developed a plan specifically for the area based on an existing conditions study in 2020. That study reports that 30% of the adult population of the south side had not completed high school, which is 17% higher than the rest of the city (SA Tomorrow Atlas 2020). On a positive note however, the high school graduation rate for Southside ISD nearly matches the state average. It appears as if the youth of the area are motivated to complete their education.

As a state, Texas averages a 90% 4-year high school graduation rate for 2022. Meanwhile, Southside ISD has a 4-year graduation rate of 88.5%, meaning that the majority of students who begin high school, complete it in the area in 100% time (Texas Tribune 2022). Although PAC is located in the southside, the college serves the entire city and surrounding region. As such, *Figure 4* displays trend lines for the U.S., Texas, and San Antonio between 2013 and 2023 for adults between 18 and 24 who have not obtained a high school degree or equivalent.

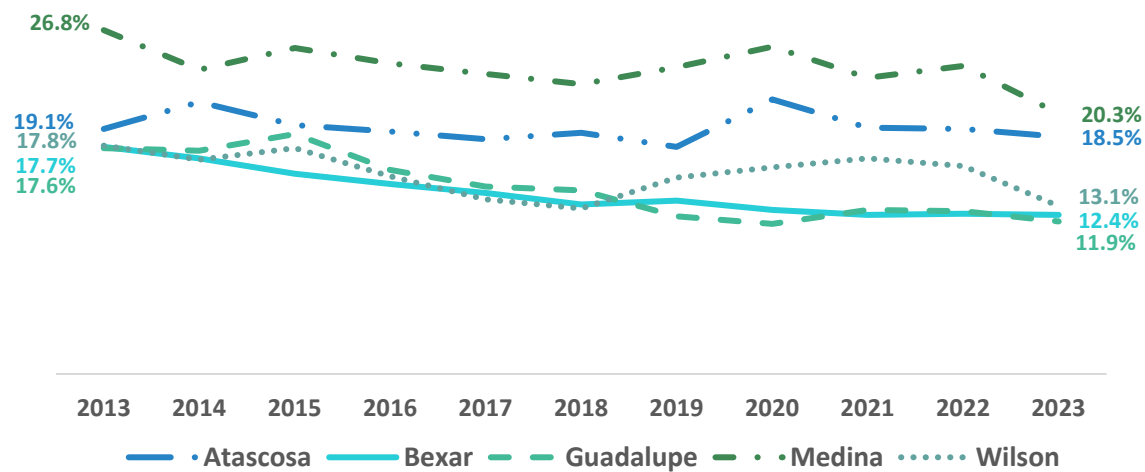
Figure 4. Population 18-24 years old with less than a High School Credential, State, Nation, and City Trends 2013-2023, percent



Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

Of course, students at Palo Alto College do not come exclusively from the San Antonio-metro area but from across Bexar and four adjacent counties. *Figure 5* displays the same time variables as *Figure 4*: the percent of adults aged 18-24 who have not obtained a high school diploma or equivalent in these feeder counties.

Figure 5. Adults 18-24 years old with less than a High School Credential, Regional Trends 2013-2023, percent



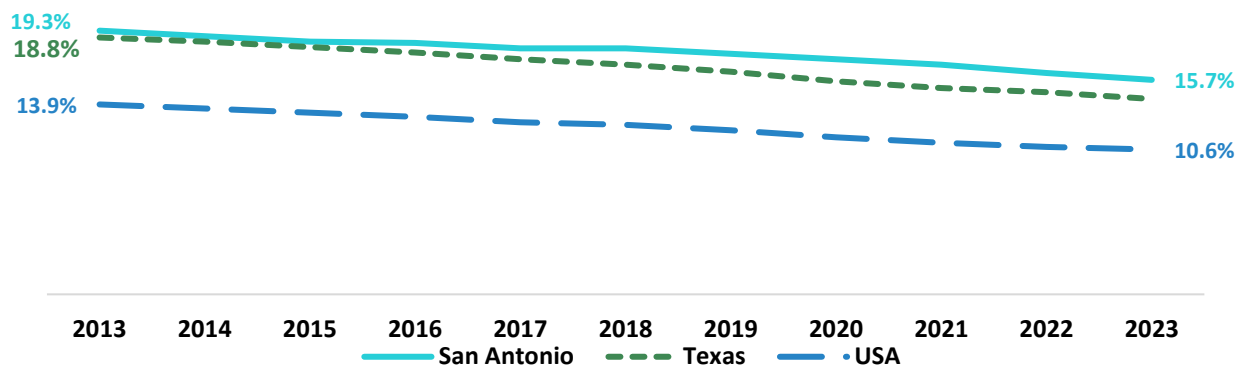
Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

Medina county boasts the highest percent of 18-24 year olds who have not obtained a high school diploma at 20.3% but this is a large drop from 2022 ACS 5-year estimates which placed this group at 24.0%. Following Medina, Atascosa, Wilson, and Bexar respectively have lower and lower rates of 18-24 year olds who have not completed a high school education. Guadalupe county has lowest proportion of adults 18-24 who do not have a high school credential 11.9%. These young people may be seeking or primed to complete their high school education, if not also want to earn credentials or degrees of a post-secondary nature.

Overall, the region has experienced declining rates of less than high school education among 18–24-year-olds. This means that young adults are obtaining a high school education at greater rates than in the past. Regardless of 18-24 being what many consider as the traditional age to complete high school and college education, there are many alternative paths to and through education.

This is apparent when looking at high school or higher completion rates for adults 25 and older. Between 2013 and 2023, rates of 25 and older adults without a high school diploma have also been in decline, meaning the inverse is true, that adults over 25 years old who have a high school education or greater make up a greater proportion of the population than in the past. This is presented in *Figure 6* which compares the ten-year trends for adults 25 years and older who have less than a high school degree or equivalent for the nation, state, and the city of San Antonio.

Figure 6. Population 25 and Older with less than a High School Credential, State, Nation, and City Trends 2012-2023, percent



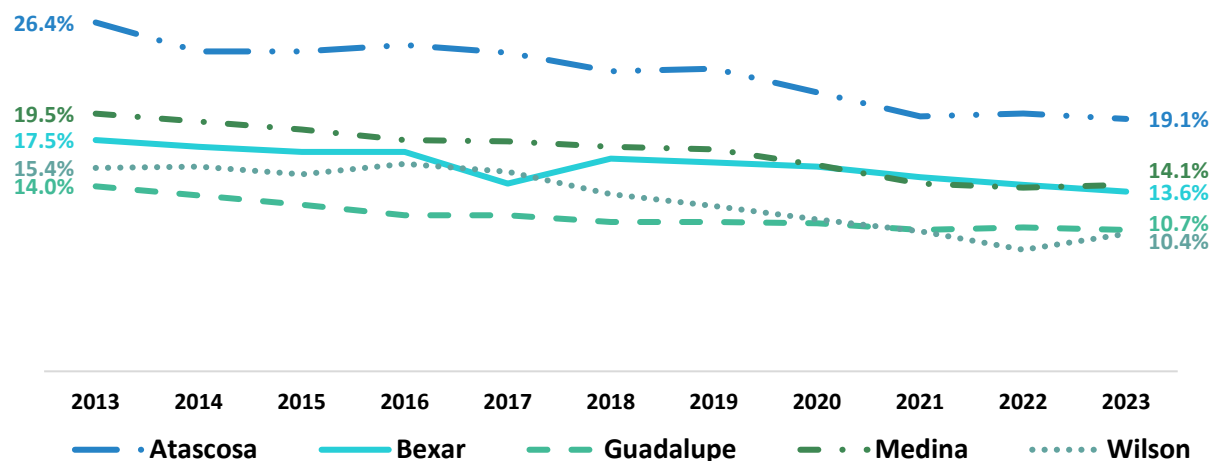
Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

Although approximately 90% of adults over the age of 25 around the country have completed a high school education or greater, Texas and the city of San Antonio lag behind the national rates despite overall increases in educational attainment.

In 2023, 10.6% of U.S. adults 25 years and older had not completed a high school education, down from 10.8% in 2022 according to Census Bureau estimates (ACS 2023). Similarly, across Texas and in San Antonio, the rate of adults 25 years and older who had not completed high school or greater dropped by 0.5%. This equates to roughly half a million additional adults over 25 who have completed high school or higher.

Regional trends mimic city, state, and national trends, with high school attainment or greater increasing over the past decade. Wilson county, closely followed by Guadalupe, boasts the lowest rate of adults 25 years or older without a high school education, meaning they have the greatest educational attainment of the five counties. Wilson and Guadalupe are followed then by Bexar, Medina, and Atascosa counties. *Figure 7* displays these trends between 2012 and 2021 across all of Palo Alto's feeder counties.

Figure 7. Population 25 and Older with less than a High School Credential, Regional Trends 2013-2023, percent



Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

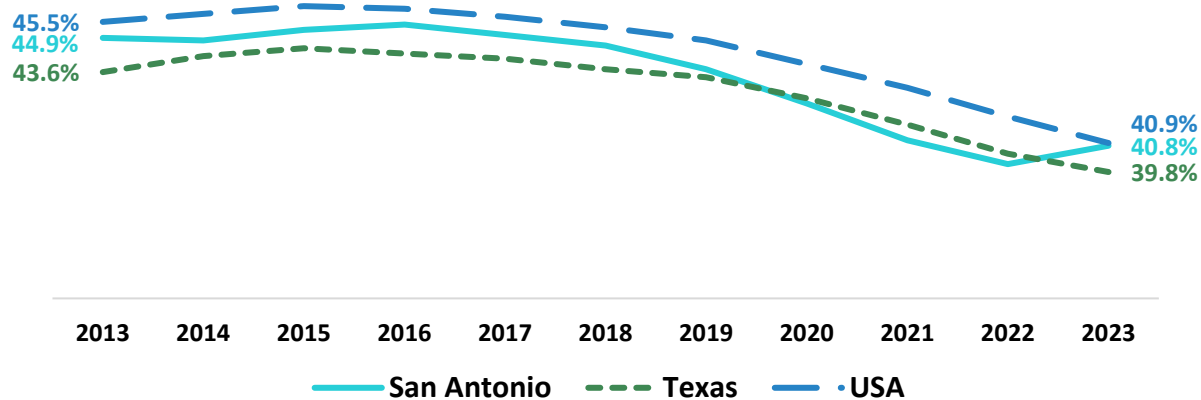
Although sometimes small in percentage, this overall downward trend results in thousands of more individuals over the years obtaining a high school credential or higher in the region. On average, high school or greater educational attainment has increased by 5% across the five feeder counties since 2013. Young people are therefore completing high school in greater numbers and proportions than in the previous decade, and are primed to continue their education at institutions like Palo Alto College.

4.1.2 Population with Some College Education or an Associate's Degree

Data on college education supports the argument that young adults are seeking higher education in greater proportions than prior years, with increases in associate degree and some college educational attainment in the region, and particularly in the city of San Antonio.

In general, young adults across the United States between the ages of 18 and 24 complete some college education or an associate's degree at higher levels than young adults of the same age in Texas and San Antonio. However, as of 2023 ACS 5-year estimates, show San Antonio 18-24-year-olds achieving this level of educational attainment just 0.1% lower than adults in the same age group nationally. In contrast, Texas young people generally fall slightly further behind the nation, as displayed in *Figure 9*.

Figure 8. Population 18-24 with Some College or an Associate's Degree, State, City, and Nation 2012-2022, percent



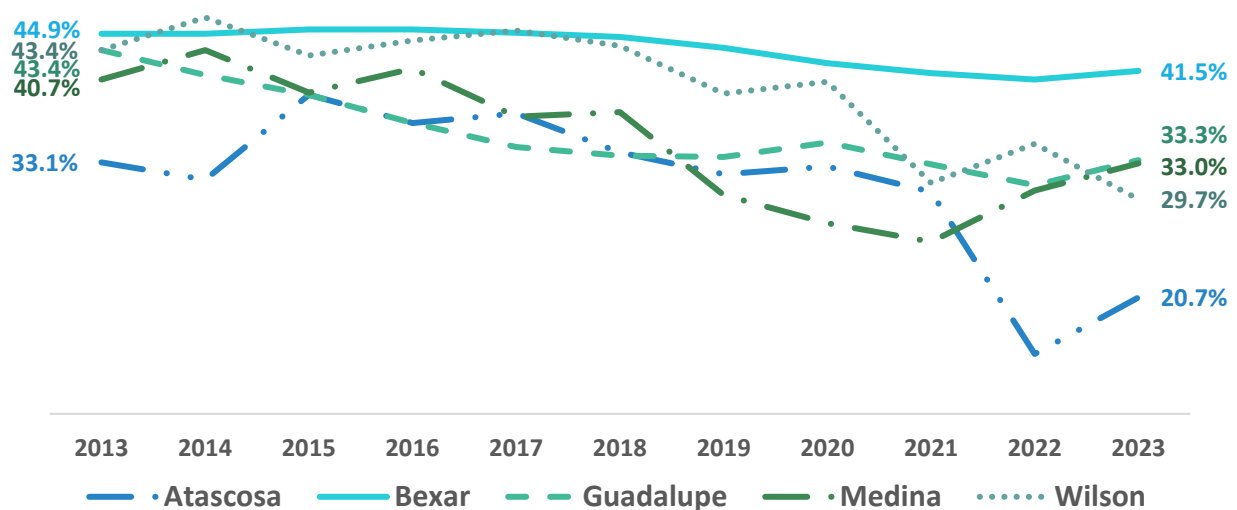
Source: U.S. Census Bureau, S1501 Educational Attainment (2022)

A decline in some college or associate's degree educational attainment is also apparent at the national level among 18- to 24-year-olds, to 40.9% in 2023 down from 41.9% in 2022 (US Census ACS 2023). It appears there is a general decline in some college/associate's degree attainment, which, while potentially concerning to institutions that provide this level of education, reflects a greater trend in overall educational attainment at higher levels than in the past. Understanding education trends among those 25 and older in the region is important to understanding what is happening and the future for 2-year higher ed institutions who provide education below the baccalaureate level.

A similar downward trend in some college or associate's degree attainment across Palo Alto College feeder counties, reflecting the decline at national, state, and city levels. The smallest change occurred in Bexar County, with educational attainment at this level declining by -9.5% from 2013 to 2023. In the context of similarly declining rates of less than high school educational attainment, these data indicate increases in educational attainment at higher levels. Since all members of the population fall into one of the education brackets, a decline in one area will result in an increase in others.

Examining the feeder counties, there are large declines in some college or associate's degree attainment in all counties except Bexar, where this kind of educational obtainment remained relatively stable between 2013 and 2023. *Figure 9* outlines the changes between 2012 and 2022 that took place in Bexar and the region among 18- to 24-year-olds.

Figure 9. Population 18-24 with Some College or an Associate's Degree, Regional Trends 2013-2023, percent

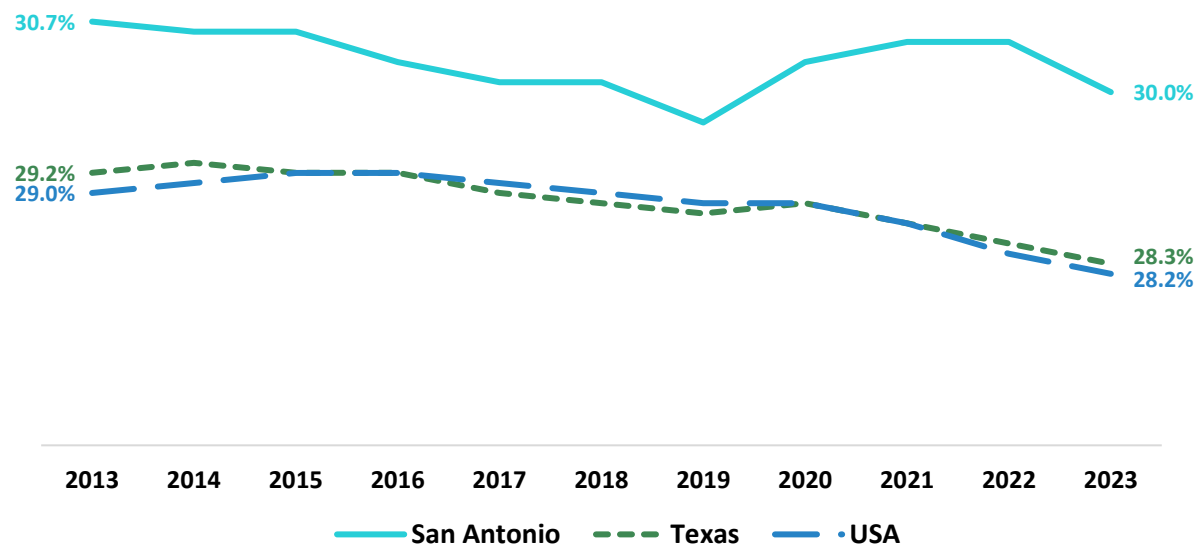


Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

The steep changes reflected in *Figure 9* are likely due to population changes over time, from migration in and out of the counties. It is important to note that all but Bexar County have populations less than 150,000 persons, which means relatively small changes in the population of the county could impact these percentages significantly. In contrast, Bexar County boasts a population over 2 million, reducing the impact of smaller population shifts on overall trends.

Among those 25 years of age and older, within the city of San Antonio there is a higher percent of the adults with some college education or an associate's degree than in the state or the country, by a small but not insignificant percent. As of 2023 ACS 5-year estimates, 30.0% of the adult population 25 years or older has some college or an associate's degree in San Antonio, compared to 28.3% and 28.2% in the state and country, respectively. As seen in *Figure 10*, these data look very different from some college or associate's degree attainment among 18 to 24-year-olds.

Figure 10. Population 25 and Older with Some College or an Associate's Degree, Nation, State, and City 2013-2023, percent

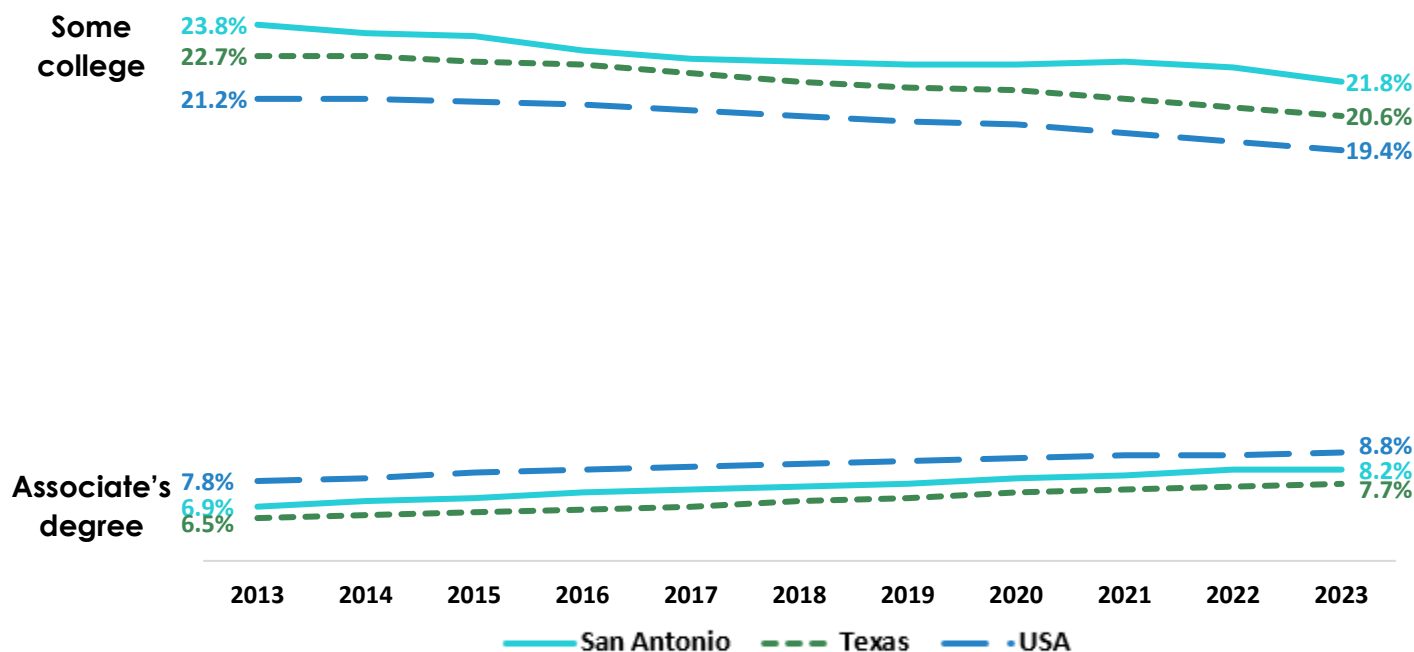


Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

Although these data are typically present in combination, some college and an associate's degree, it is worth disaggregating these data especially for community colleges who offer credentials and associate's degrees as their primary product. Based on these data, it appears as though adults over 24 years old in San Antonio are seeking to bridge the gap between some college education and that first degree step, the associate's degree.

Looking at a decade of these data, it appears as though there is a convergence of adults with some college and adults with an associate's degree, wherein the percentage of adults over 24 with an associate's degree trending upwards towards the lines representing some college education attainment. As such, it appears as though more adults over 25 years of age are seeking to complete associate's degrees out of the college credits they may have already attained. This disaggregated trend is displayed in *Figure 11*.

Figure 11. Population 25 and Older with Some College or an Associate's Degree, Nation, State, and City Trends 2013-2023, percent



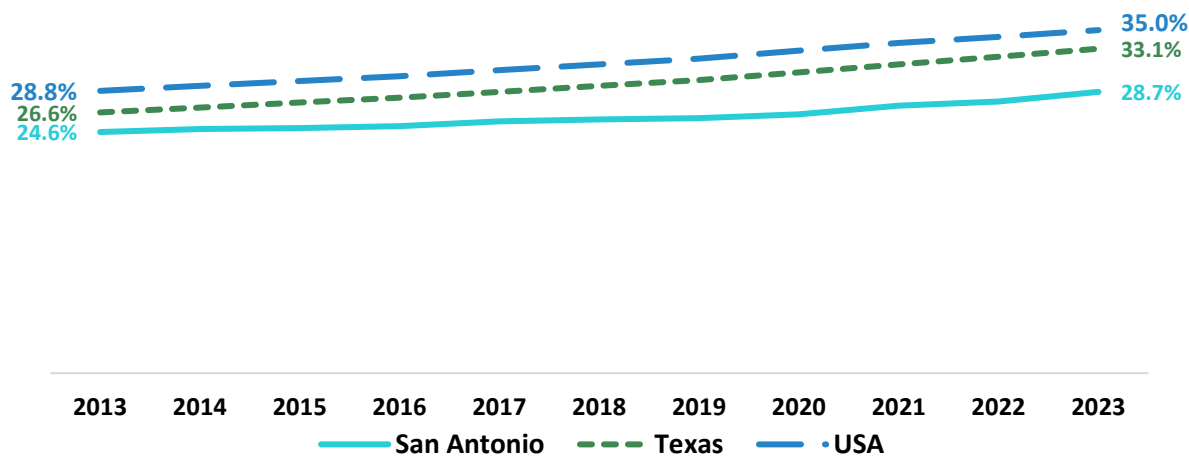
Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

This trend, of increasing associate's degree attainment and declining some college attainment, is seen at the city, state, and national level. Taking all three groups into consideration together, it is apparent that earning an associate's degree is on the rise, as some college attainment is declining. While many students may seek a certificate before exiting higher education, it appears as though many are continuing on to their associate's and/or a higher degree.

4.1.3 Population with a Bachelor's Degree or Higher

As with associate's degree attainment, bachelor's degree attainment has been increasing over the last decade as well. Specifically, among adults 25 years of age and older, bachelor's degree attainment has increased in the city of San Antonio from 24.6% in 2013 to 28.7% in 2023. The same trend is seen across the state and nation, although at higher levels. At the national level, bachelor's degree attainment or greater has increased from 28.8% in 2013 to 35.0% in 2023 and from 26.6% in 2013 to 33.1% in 2023 in Texas (US Census Bureau 2023). These trends are displayed in *Figure 12*.

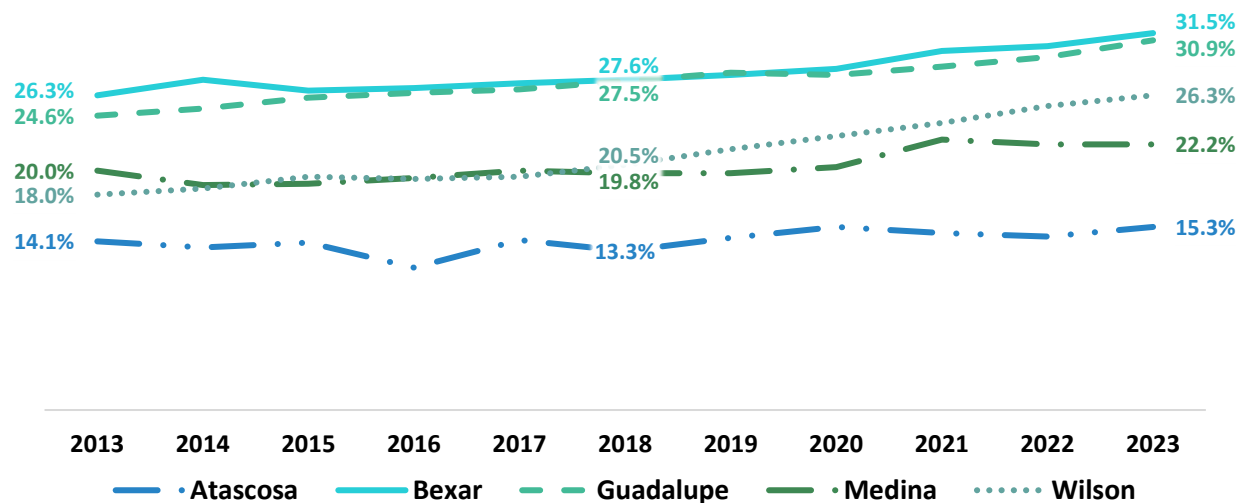
Figure 12. Population 25 and Older with a Bachelor’s degree or higher, Nation, State, and City 2013-2023, percent



Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

The five counties that make up the majority of Palo Alto College’s student body have experienced similar increases in bachelor’s degree attainment. Although varying in the degree to which bachelor’s degree attainment has increased, each county has seen increases since 2013. Bexar County, from which the majority of Palo Alto students come, boasts the highest level of bachelor’s degree attainment, at 31.5%, followed closely by Guadalupe County with 30.9%. These two are followed then by Wilson, Medina, and Atascosa. These trends are displayed in *Figure 13*.

Figure 13. Population 25 and Older with a Bachelor's degree or higher, Regional Comparisons 2013-2023, percent



Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

As Palo Alto College has recently begun a bachelor's degree program, seeing that adults 25 and older are seeking the completion of bachelor's degrees as well as associate's degrees means there are possibly more students in the next few years that are open to beginning or continuing their education. With the expansion of program offerings, along with increases in the population, continuous growth appears possible for Palo Alto College for the near future.

4.2 Income and the Impact of Educational Attainment in San Antonio

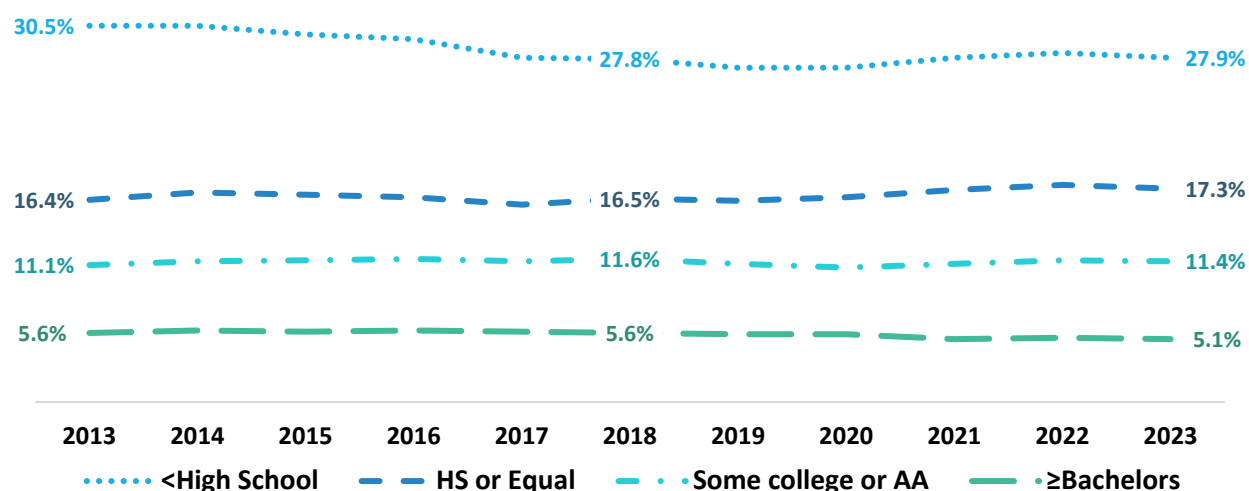
As those in higher education are aware, furthering one's education is a reliable way to increase one's income. Education has a positive impact on individual and household income and therefore, is also a protective buffer from poverty.

4.2.1 Poverty Rate for Population 25 Years and Older by Educational Attainment Level

Poverty in San Antonio is conditioned by educational attainment. Lower educational attainment is negatively correlated with poverty rates. Essentially, the less schooling completed, the more likely the individual is to be living below the poverty line. *Figure 14*

displays the same time period as the prior section, looking at poverty trends by educational attainment in San Antonio.

Figure 14. Percent in Poverty by Educational Attainment in San Antonio, 2013-2023



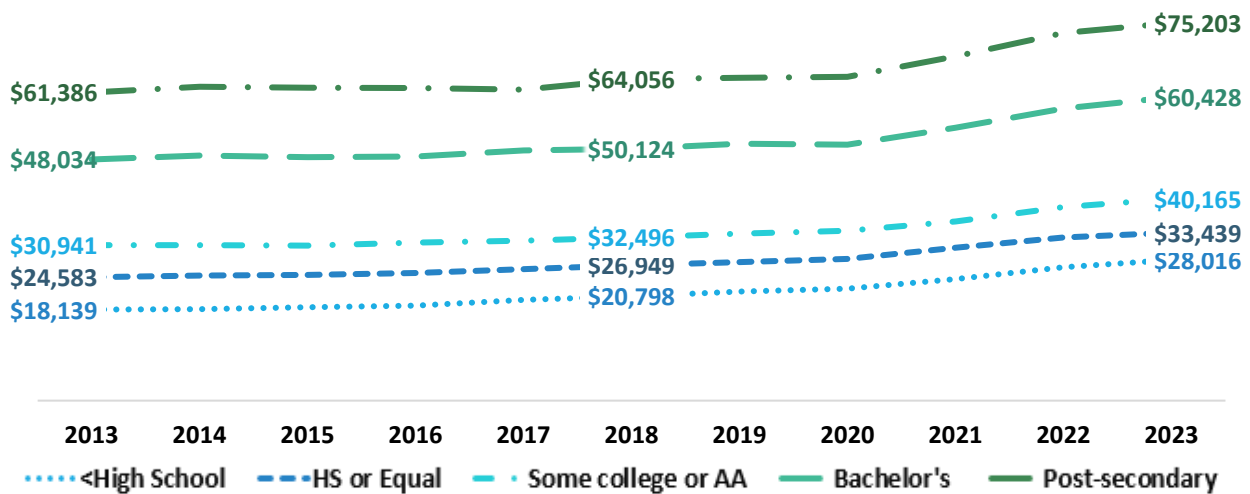
Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

As displayed in *Figure 14*, those who have not completed high school are more than five times more likely to be in poverty than those who have completed a bachelor's degree or higher. As of 2023, just completing high school reduces the percent of the population in poverty by more than 10%, from 27.9% to 17.3%. Those with some college or an associate's degree, the bulk of Palo Alto College graduates, drop another almost 6% to just 11.4% of that population in poverty. Finally, obtaining a bachelor's or advanced degree leaves just 5.1% of that group in poverty. Unsurprisingly, as higher educational attainment results in lower poverty rates, it also results in higher median earnings, as discussed in the next section.

4.2.2 Median Earnings in the Past 12 Months for Population 25 Years and Older by Educational Attainment

Figure 15 shows the way that educational attainment works inversely for poverty and positively for income. Greater educational attainment has substantial impacts on individual income.

Figure 15. Median Income by Educational Attainment in San Antonio, 2013-2023 (in 2021 inflation-adjusted dollars)

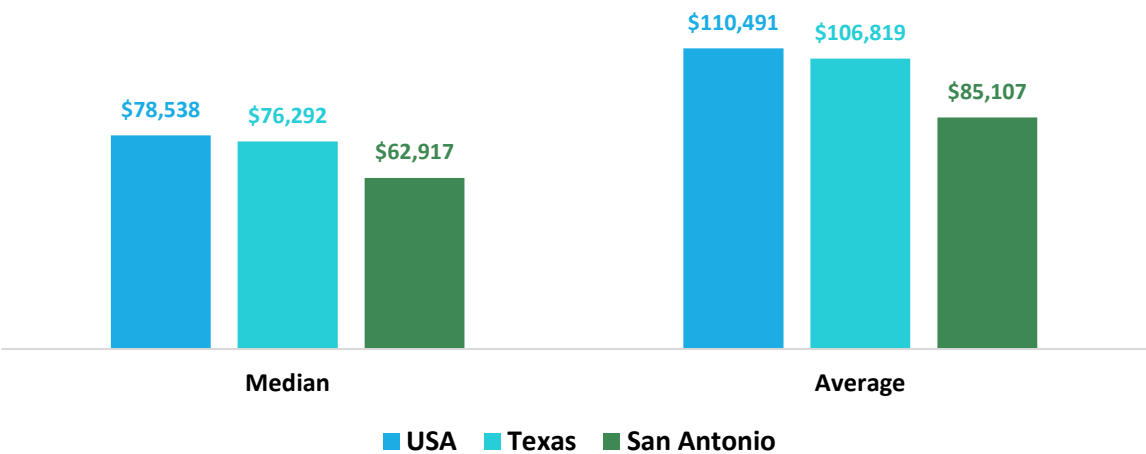


Source: U.S. Census Bureau, S1501 Educational Attainment (2023)

Between 2013 and 2023 in San Antonio, those who have less than a high school education have made significant gains in income, growing 54.5% over the decade. However, this represents only the third greatest dollar increase in the period. Those with a post-secondary education have increased median income by \$13,817 and those with a bachelor’s degree saw income increases of \$12,395 between 2013 and 2023. This accounts for a 22.5% and a 25.8% increase in income over the decade, respectively (US Census Bureau 2023). Already the highest paid educational group, these two groups saw the greatest increases, although there were gains across all educational levels.

Palo Alto College’s primary graduate group, those with some college or associate’s degrees, saw a 29.8% increase between 2013 and 2023, resulting in an additional \$9,224 in these individuals gross income. Overall, this paints a positive picture for the city of San Antonio, as obtaining additional education pays off, literally, through increased earnings. However, San Antonio continues to lag behind the state and the nation in terms of household earnings.

Figure 16. Household Earnings in San Antonio, Texas, and USA 2022



Source: U.S. Census Bureau, S1901 Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars) (2023)

Median earnings in San Antonio, the measure least influenced by earners at the very top, reached \$62,917 in 2023, according to US Census ACS 5-year estimates. This is more than \$10,000 below national and state median household earnings. The average household income, which is influenced by those who outearn others by significant amounts, is pulled up to \$85,107 in San Antonio but is more than \$20,000 less than the state average and \$15,000 less than the national average (US Census Bureau 2023). Although San Antonio boasts a moderate cost of living (CITE), these data reveal economic realities for the city.

4.3 College Enrollment and College Readiness

People in the region appear motivated to continue their education but may feel limited by prior education. According to the Texas Higher Education Coordinating Board (THECB) (2023), less than half of high school graduates enroll in higher education for the following fall yet 55.5% are meeting Texas Success Initiative (TSI) standards for college readiness according to the THECB (2023). This is a gap institutions like Palo Alto College can help bridge, by providing development education courses and additional TSI testing.

Community colleges like Palo Alto College play an important role in accessing higher education for those students who may not have been planning to attend college, who had trouble getting into 4-year institutions they originally planned to, or who face barriers to education.

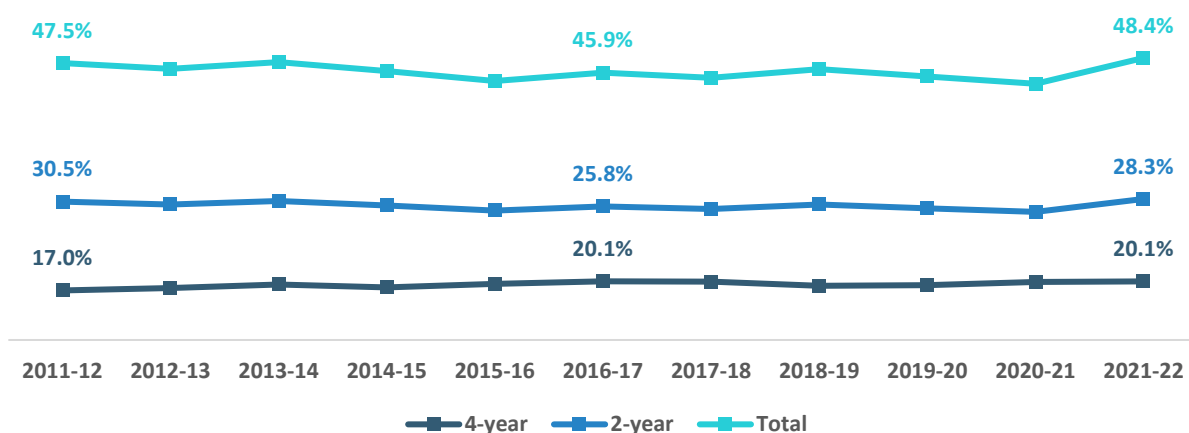
Community colleges operate in the space between 4-year institutions and high schools and are particularly accessible to those who may need remedial courses, who may have been out of the education system for some time, or who simply need a more affordable option to get themselves started. For those who do not plan to go on to a 4-year institution, community colleges provide hands-on workforce training to upskill and increase earning potential and ultimately, future stability for these students and their families.

4.3.1 College Enrollment

For 2021 to 2022 high school graduates, only 40% of high school graduates in Texas enrolled in an institution of higher education, which is a -5% change from the 2020 to 2021 academic year. It has been many years since high school enrollment in higher education in Texas neared the fifty-percent mark.

This is important to note, as the San Antonio Area Foundation has adopted a target enrollment rate of 70% enrollment. Like Texas, less than 50% of high school graduates in Bexar County enroll in institutions of higher education but Bexar high school graduates do enroll at higher rates, 48.4% enrolled in higher education (TPEIR 2025). High school graduate enrollment trends in Bexar County to 4-year, and 2-year institutions are displayed in *Figure 17*.

Figure 17. Bexar County High School Graduates Enrolled in Higher Education by Institution Type, 2012-2013 to 2021-2022, percent



Source: Texas Public Education Information Source (TPEIR) 2025 – High School Graduates Enrolled in Higher Education – by High School County

Like higher education enrollment generally, high school graduate enrollment in 2-year institutions has increased in recent years, although it remains slightly below 2012-2013 high school graduate enrollment, by 0.5% (TPEIR 2025).

According to the THECB, 2-year public institutions have experienced an overall decline in enrollment from 769,100 to 695,700 between Fall 2019 and Fall 2023 (THECB Enrollment Dashboard). However, unlike the 2-year public institution decline between 2019 and 2023, Palo Alto College experienced an overall increase in Fall enrollment, growing 1.3% between Fall 2019 and Fall 2023.

The THECB also developed enrollment projections based on data from 2010 through 2019, published in 2021. Total enrollment in higher education was predicted to grow across all regions and all types of institutions. For Palo Alto, enrollment was predicted to reach 12,000 students in 2030. However, Palo Alto College reached its highest Fall enrollment in Fall 2024, 12,395, surpassing past THECB projections (Certified CBM0CS; PAC Data Portal; THECB 2021). Not only are people in the region looking to upskill or obtain further education and degrees, but they are choosing PAC above and beyond projections.

4.3.2 College Readiness

The Texas Success Initiative (TSI) is a program designed to determine the college readiness of high school graduates that offers an alternative to the SAT, ACT, STAAR English III and Algebra II EOCs for Texas students. Though 55.5% of Texas high school graduates met the TSI standards for college readiness in 2022, this is conditioned by ethnicity.

Just forty-nine percent (49%) of Hispanic high school graduates, who make up most of Palo Alto College's student body, met all TSI standards in 2022. However, of all of those who met or did not meet any of the TSI standards, only 39% enrolled in higher education. Of particular interest to PAC, students who qualify for free lunch, an indicator of household income, only 43% met all TSI standards and only 35% enrolled in higher education post-graduation. In comparison, 65% of those who did not qualify for free or reduced lunch of any kind met all TSI standards and 45% enrolled in higher education (THECB 2023).

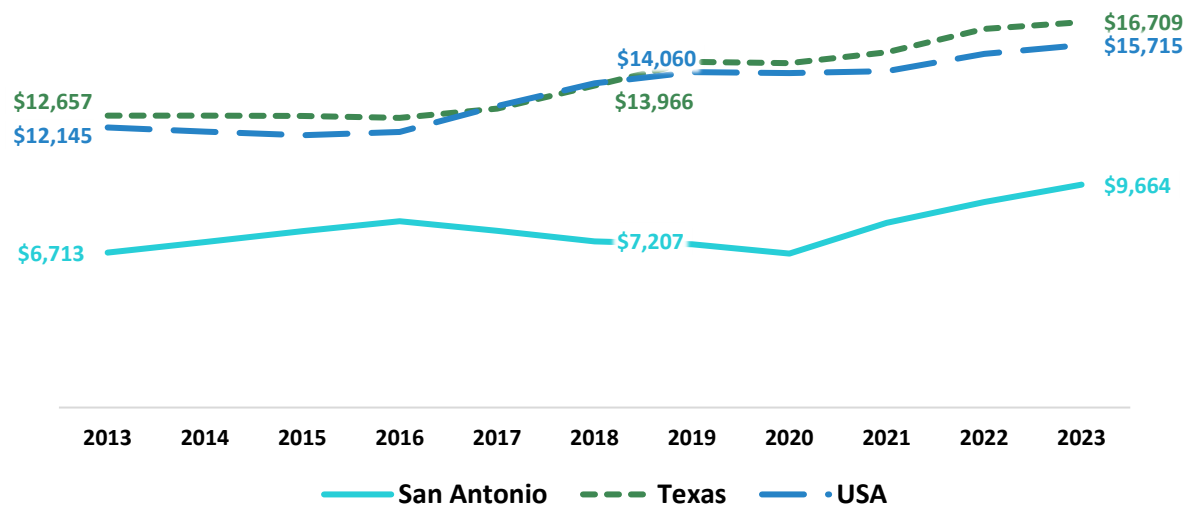
As a federally designated Hispanic Serving Institution (HSI), Palo Alto College is well-positioned to support the 51% of Hispanic test takers who did not meet all TSI standards. These students may need additional support upon entering college through developmental academic support as well as initiatives and educators familiar with their

culture and language, as many in PAC’s service area speak a language other than English at home. In this way, and others, Palo Alto College serves as a bridge for the community from high school through higher education and into the workforce.

4.2.3 Median Earnings in the Past 12 Months, Gender Gap

The income gap is not only prevalent across geographic spaces, as ACS 5-year estimates also reveal an increasing gap in earnings between males and females, here forward identified as men and women¹. However, San Antonio appears to be leading the nation when it comes to closing the gender wage gap. *Figure 16* portrays the pay gap provided by the ACS estimates over the decade between 2013 and 2023, adjusted for inflation, such that the values represent 2023 dollars, the most recent data available. These values were obtained by subtracting women’s median earnings from men’s median earnings² in the United States, Texas, and San Antonio. As such, positive values reflect a higher income for men compared to women. A negative value reflects women out-earning men.

Figure 17. Gender Gap Earnings Trends in San Antonio, Texas, and USA 2021



Source: U.S. Census Bureau, S1501 American Community Survey 5-year Estimates, Educational Attainment 2013-2023. Displayed data are calculated from male and female median earnings.

¹ Census estimates use self-disclosed sex, not gender. PEW estimates indicate 1.6% of all US adults and 5% of adults 18-29 are transgender or non-binary (Brown 2022). As the majority of the population is cis-gender, this report will convert the sex category data to a gender identifier.

² Median earnings were chosen over averages to control for earners at the highest levels.

Although the gender wage gap has been increasing in Texas and across the nation since 2013, the city of San Antonio saw some declines in that time and less extreme increases where those occurred. The COVID-19 pandemic job losses and need for childcare contributed to the increases since 2020, as women were more likely to report losing or leaving their jobs during the pandemic than men (Dang and Nguyen 2021). Based on 2023 5-year ACS estimates, the gender wage gap has increased in San Antonio to \$9,664 having grown from \$6,713 in 2013. These differences have real consequences for families, especially single-parent families, whether the head of that family be a man or a woman.

This gender gap in earnings is not isolated to specific education levels or income brackets. Keeping the focus on San Antonio, *Table 3* displays the difference between men and women’s median earnings over the prior decade in 2023 adjusted dollars. As with *Figure 17*, these values were calculated by subtracting women’s earnings from men’s earnings, such that a negative value would indicate women out-earning men.

Table 3. Gender Pay Gap in San Antonio by Educational Attainment, 2023 Dollars

	<High School	HS or equivalent	Some college or AA	Baccalaureate	Post-Baccalaureate
2012	\$8,465	\$7,820	\$10,425	\$11,587	\$23,197
2013	\$8,393	\$7,574	\$10,236	\$11,937	\$21,740
2014	\$8,496	\$8,126	\$10,225	\$12,114	\$25,282
2015	\$8,104	\$8,291	\$10,573	\$13,805	\$24,015
2016	\$8,544	\$8,461	\$10,220	\$12,429	\$24,478
2017	\$9,509	\$8,870	\$9,640	\$11,976	\$23,455
2018	\$10,509	\$8,707	\$8,851	\$10,645	\$22,975
2019	\$10,022	\$7,640	\$8,618	\$10,916	\$20,469
2020	\$10,627	\$7,732	\$6,858	\$10,438	\$20,416
2021	\$11,848	\$8,104	\$8,063	\$10,984	\$19,140
2022	\$11,799	\$8,367	\$8,218	\$13,253	\$21,557
Percent Change	39.4%	7.0%	-21.2%	14.4%	-7.1%

Source: U.S. Census Bureau, S1501 American Community Survey 5-year Estimates, Educational Attainment 2013-2023. Displayed data are calculated from male and female median earnings and adjusted for average inflation to 2023 dollars.

The wage gap in median wages between men and women exists across all levels of educational attainment, although they follow slightly different trends. Between 2013 and 2023, the wage gap increased for those without a high school diploma or equivalent, for those with a high school diploma or equivalent, and for those with a bachelor’s degree. The gap decreased across those with some college or an associate’s degree and for those with a post-secondary degree. While this is certainly some positive news, as

equality in pay contributes to more stable families and opportunities for children, this decline, especially in the post-secondary gap still leaves men out-earning women by over twenty-thousand dollars.

Although the wage gap is still increasing, it is worth paying attention to the declining gap in those with some college or an associate's degree, as this is the bulk of Palo Alto college graduates. This indicates, above and beyond what we know about education increasing earning power and reducing poverty levels, that there is a real world pay off to education that is not limited to personal development or skill increases.

Economic Competitiveness and Workforce

5.1 Employment in Targeted Industries

Education makes individuals attractive candidates for hire but of course, only when their education aligns with the career and industry they are applying for. Palo Alto College provides valuable educational training and workforce advancement opportunities for the Southside and greater San Antonio area. This section examines the economic and labor market that PAC students are entering after completing their education.

PAC provides education and training across a wide variety of industries and potential careers. Major employers in San Antonio fall into many different industries as well. Not including Joint Base San Antonio military careers, the largest employers in San Antonio are H-E-B, USAA, and Methodist Healthcare System, all of which employ more than ten-thousand persons (Greater SATX 2025).

5.1.1 Employment by Sector

The San Antonio-New Braunfels metropolitan area has experienced a 2% increase across non-farm employment sectors between December 2023 and December 2024, the most recent data available at the time of this report.

All industries with the exception of information and trade, transportation, and utilities grew in the past year. Information lost -1.2% of the supersector's jobs while trade, transportation, and utilities lost only -0.2% (US Bureau of Labor Statistics 2025). The largest increases occurred in education & health services (4.6%), manufacturing (3.7%), and leisure & hospitality (2.4%). The employment changes between December 2023 and

December 2024 are organized by the total number of employed persons in 2025 in *Table 4*.

Table 4. Major Employment Sectors in San Antonio-New Braunfels Metro Area

Sector	Dec 2023	Dec 2024*	% Change
Total Nonfarm	1,186,900	1,210,800	2.0%
Trade, Transportation, & Utilities	215,700	215,200	-0.2%
Government	186,900	191,100	2.2%
Education & Health Services	181,600	190,000	4.6%
Professional & Business Services	162,500	165,600	1.9%
Leisure & Hospitality	144,300	147,800	2.4%
Financial Activities	100,400	102,100	1.7%
Mining, Logging, & Construction	74,900	75,500	0.8%
Manufacturing	61,900	64,200	3.7%
Other Services	41,600	42,400	1.9%
Information	17,100	16,900	-1.2%

Source: Bureau of Labor Statistics, San Antonio-New Braunfels, TX Metropolitan Area Data Tables

*Preliminary values

Unemployment in the San Antonio-New Braunfels metropolitan area has held fairly steady in recent years, ending 2024 at 3.4% (US Bureau of Labor Statistics 2025). While these supersectors fluctuate and shift over time, growth in general seems likely, as San Antonio and Texas grow, and more services are needed to support this growing population.

5.1.2 Employment by Industry

Census Bureau ACS 5-year estimates break the supersectors in the previous section up slightly differently. The major areas of employment for the city of San Antonio are estimated to be education, health, and business services which makes up 34.8% of those employed, followed by sales (20.6%), and other services and supports (17.8%). Palo Alto provides education across all supersectors and options for certificates and associate's degrees that align to those largest sectors, making Palo Alto College an excellent choice for individuals in the region. *Table 5* presents the 2023 ACS 5-year estimates for San Antonio.

Table 5. Employment by Industry and Occupation in San Antonio 2023

Sector	Employment	Percent
Education, Health, and Business Services	252,440	34.8%

Management, business, and financial occupations	99,277	12.8%
Computer, engineering, and science occupations	37,004	4.8%
Education and Health Services	72,875	9.4%
Community and social service occupations	10,848	1.4%
Legal occupations	7,056	0.9%
Educational instruction, and library occupations	42,387	5.5%
Arts, design, entertainment, sports, and media occupations	12,584	1.6%
Health diagnosing and treating practitioners and other technical occupations	26,767	3.5%
Health technologists and technicians	14,674	1.9%
Sales	159,602	20.6%
Sales and related occupations	69,135	8.9%
Office and administrative support occupations	90,467	11.7%
Natural resources and Construction	70,540	9.1%
Farming, fishing, and forestry occupations	1,077	0.1%
Construction and extraction occupations	46,599	6.0%
Installation, maintenance, and repair occupations	22,864	3.0%
Manufacturing and Transportation	80,971	10.5%
Production occupations	27,762	3.6%
Transportation occupations	27,078	3.5%
Material moving occupations	26,167	3.4%
Other Services and Supports	137,779	17.8%
Healthcare support occupations	26,358	3.4%
Protective service occupations	12,474	1.6%
Food preparation and serving related occupations	52,776	6.8%
Building and grounds cleaning and maintenance occupations	28,799	3.7%
Personal care and service occupations	17,372	2.2%
Total	774,207	100.0%

Source: U.S. Census Bureau, ACS 2023 5-Year Estimates Table S401

Based on prior trends in employment, the Texas Labor Market Information (TLMI) estimates increasing growth in the San Antonio area by 21.6% from 2020 to 2030. ACS 5-year estimates between 2013 and 2023 show an increase in the employed civilian labor force of 15.5% over the course of the decade (US Census Bureau 2023). Overall, employment in the city and region is on the rise, indicating a good labor market for exiting students.

5.1.3 Wages and Benefits by Industry

As reviewed in a Section 4, median income is lower in San Antonio than across Texas and the nation overall.

This trend remains stable across supersectors and most occupations, as the median income of San Antonian workers falls below state and national comparisons. This data is presented in *Table 6*.

Table 6. Individual Median Income by Occupation, Nation, State, and Metropolitan Area 2023

Label	USA	Texas	San Antonio
Education, Health, and Business Services	\$72,752	\$70,826	\$61,775
Management, business, and financial occupations	\$82,543	\$80,876	\$65,607
Computer, engineering, and science occupations	\$93,819	\$94,930	\$75,973
Education, Art, and Health Services	\$52,817	\$54,711	\$51,786
Community and social service occupations	\$50,878	\$49,816	\$47,014
Legal occupations	\$99,052	\$91,419	\$76,037
Educational instruction, and library occupations	\$49,853	\$54,541	\$53,874
Arts, design, entertainment, sports, and media occupations	\$49,296	\$46,200	\$41,667
Health diagnosing and treating practitioners and other technical occupations	\$84,063	\$83,463	\$81,015
Health technologists and technicians	\$47,077	\$46,708	\$46,701
Sales	\$39,120	\$37,015	\$34,264
Sales and related occupations	\$37,814	\$36,282	\$31,376
Office and administrative support occupations	\$39,669	\$37,391	\$35,348
Natural Resources and Construction	\$47,864	\$43,720	\$39,400
Farming, fishing, and forestry occupations	\$29,478	\$31,043	\$22,033
Construction and extraction occupations	\$46,654	\$41,407	\$36,511
Installation, maintenance, and repair occupations	\$54,113	\$50,334	\$46,061
Manufacturing and Transportation	\$38,665	\$38,095	\$35,505
Production occupations	\$42,591	\$42,035	\$38,072
Transportation occupations	\$45,136	\$47,057	\$40,983
Material moving occupations	\$29,786	\$28,989	\$28,521
Other Services and Supports	\$25,821	\$23,498	\$22,851
Healthcare support occupations	\$29,203	\$24,522	\$23,536
Protective service occupations:	\$55,816	\$52,309	\$47,283

Food preparation and serving related occupations	\$18,666	\$17,801	\$20,307
Building and grounds cleaning and maintenance occupations	\$27,228	\$23,853	\$24,038
Personal care and service occupations	\$22,176	\$22,053	\$18,364
Total	\$48,591	\$47,070	\$42,441

Source: U.S. Census Bureau, ACS 2023 5-Year Estimates Table S411

San Antonio workers out-earn those in the state and the nation when it comes to food preparation and serving related occupations, and slightly out-earn state workers in building and grounds cleaning and maintenance occupations. San Antonio workers split the middle, out-earning national workers but earning below state works, in educational instruction, and library occupations. In all other areas, San Antonio workers earn less than those across the nation and state, to varying degrees. Though San Antonio is a growing city, lower median earnings across industries may push them to relocate for greater earning potential.

5.2 Workforce

Despite lower than state and national earnings in the metropolitan area, San Antonio has and has maintained a growing labor market. In Greater SATX Regional Economic Partnership's 2023 report, they indicate they have contributed to over 6,800 work-based learning opportunities which provide students with hands-on, also called experiential learning, a focus of the Alamo Colleges as well. Indeed.com reports that many entry level jobs require some amount of prior experience, making experience during educational attainment imperative to getting students employed post-graduation.

5.2.1 Employment and Unemployment Rates

Data from the Bureau of Labor Statistics (2025) places unemployment in January 2025 at 3.4%, somewhat lower than the national rate of 4%. Following the pandemic in 2020, unemployment had dropped relatively steadily until Spring 2023 when the rates began climbing slightly from a low of 3.4% nationally in April 2023.

In contrast to the national unemployment rate, the San Antonio-New Braunfels area has maintained a relatively stable unemployment rate since a high of 12.6% in April 2020. After dropping steadily between April 2020 and August 2021, the regional unemployment

rate has hovered between a low of 3.3% and a high of 4.4%. As displayed in *Table 7*, the San Antonio workforce maintains relatively stable unemployment rates, pandemic aside.

Table 7. Employment and Unemployment Counts and Rates for the San Antonio-New Braunfels Statistical Area, 2015-2025

Year	Total Civilian Labor Force	Percent Growth	Number of People Employed	Number of People Unemployed	Unemployment Rate
2025	1,337,426	3.4%	1,291,929	45,497	3.4%
2024	1,293,836	2.0%	1,245,321	48,515	3.7%
2023	1,268,493	3.6%	1,218,797	49,696	3.9%
2022	1,223,971	2.9%	1,186,860	46,111	3.7%
2021	1,208,907	2.2%	1,146,120	62,787	5.2%
2020	1,183,338	-0.4%	1,096,750	86,588	7.3%
2019	1,188,077	1.0%	1,150,958	37,119	3.1%
2018	1,176,738	1.5%	1,137,334	39,404	3.3%
2017	1,159,970	1.5%	1,118,736	41,234	3.5%
2016	1,143,008	3.3%	1,099,891	43,117	3.7%
2015	1,106,351	1.8%	1,063,931	42,420	3.8%

Source: U.S. Bureau of Labor Statistics (2025), Local Area Unemployment Statistics

Not counting the COVID-19 period, unemployment in the San Antonio-New Braunfels area has remained relatively stable. At the same time, there has been consistent growth in the labor force. Since the pandemic period, the area has experienced growth in the labor force of over 2% annually. As unemployment remains stable, the area's workforce, employment opportunities, and employed individuals has been growing and looks to continue trending in a positive direction.

5.2.2 Fastest Growing Occupations

Texas Labor Market Review reports the greatest growth has been occurring in the good producing and private sector occupations, experiencing a 1.2% increase between January 2024 and January 2025, with the largest increase in manufacturing, a 2.4% increase. *Table 8* organizes occupations by type and percentage change from January 2024 to January 2025 in Texas.

Table 8. Occupation Change in Texas, January 2025 Year Growth

Occupations	Positions as of January 2025	Growth from January 2024	Percent Change
<i>Total Nonagricultural</i>	14,236,400	187,700	1.3%
<i>Private Sector</i>	12,097,100	142,400	1.2%
<i>Goods-Producing</i>	2,056,600	25,200	1.2%
Mining & Logging	219,700	1,200	0.5%
Construction	974,600	4,200	0.4%
Manufacturing	862,300	19,800	2.4%
<i>Service-Providing</i>	12,179,800	162,500	1.4%
Trade, Transportation & Utilities	2,782,600	20,200	0.7%
Information	227,900	200	0.1%
Other	490,000	12,200	2.6%
Leisure	1,512,000	10,300	0.7%
Professional & Business Services	2,137,300	19,700	0.9%
Financial	939,300	19,000	2.1%
Private Education & Health Services	1,951,400	35,600	1.9%
Trade, Transportation & Utilities	2,139,300	45,300	2.2%
Government	2,139,300	45,300	2.2%

Source: Texas Workforce Commission (TWC) Texas Labor Market Review, February 2025

All subsectors experienced an increase in occupations. In combination with other labor statistics, there is an abundance of evidence for continued growth across all industries in the San Antonio region.

Despite an aging population nationally, Texas and San Antonio are poised to continue experiencing a balanced population in terms of age. More and more young people will be seeking education in the region, particularly in growing fields and high wage industries that may not require a bachelor's degree. Palo Alto College is poised to serve these students by offering tuition support, remedial courses, pathways to higher education for adult learners and student parents, and providing certificates, associate's degrees, and a bachelor's degree to support individual's future career goals.

Legislation Update

The State Educational Section of the Environmental Scan contains legislation updates from the State of Texas 89th Legislative Sessions that potentially affect education and/or community colleges specifically. For a full list of legislative updates please go to <https://capitol.texas.gov/> .

HB 281 Relating to the review, funding, and continuation of degree and certificate programs at public institutions of higher education based on certain performance standards.

If passed, would go into effect September 1, 2025

The Texas Higher Education Coordinating Board must review degree and certificate programs every five years, assessing student loan debt relative to graduates' earnings. Programs are rated from "reward" (low debt burden) to "sunset" (high debt burden), with "sunset" programs barred from enrolling new students and subject to closure. Institutions cannot use certain state funds for poorly rated programs, and disapproved programs may lose state appropriations unless specifically approved by the legislature.

HB 1233 Relating to measures to encourage the earning of credentials of value at public institutions of higher education.

If passed, would go into effect September 1, 2025

The Texas Higher Education Coordinating Board will promote the completion of "credentials of value," which are industry-recognized credentials in high-demand fields, by encouraging their integration into degree programs, improving credit transferability, and ensuring financial aid eligibility. Institutions where at least 8% of graduates earn such credentials will receive a distinction. A task force, including representatives from the education and workforce sectors, will develop a model framework to expand credential accessibility and submit reports with recommendations by 2026 before disbanding in 2027.

SB 418 Relating to baccalaureate degree programs offered by a public junior college.

If passed, would go into effect September 1, 2025

The Texas Higher Education Coordinating Board will have ongoing approval authority over degree programs offered under this subchapter. Junior colleges may offer baccalaureate degree programs only if their district meets certain criteria, with a previous financial health assessment requirement being repealed. This would remove the current five baccalaureate degree programs limit to junior colleges.

HB 526 Relating to requiring coursework in economics for an associate or baccalaureate degree program at a public institution of higher education.

If passed, would go into effect September 1, 2025

Public institutions of higher education in Texas will be required to ensure that students complete at least three credit hours in an economics course covering both macroeconomics and microeconomics before earning an associate or baccalaureate degree. This requirement applies to students enrolling in such programs on or after January 1, 2026.

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Appendix A. High Demand CIP Code List

CIP Code	Field
0101	Agricultural Business and Management
0183	Veterinary/Animal Health Technologies/Technicians
1102	Computer Programming
1105	Computer Systems Analysis
1107	Computer Science
1109	Computer Systems Networking and Telecommunications
1110	Computer/Information Technology Administration and Management
1204	Cosmetology and Related Personal Grooming Services
1302	Bilingual, Multilingual, and Multicultural Education
1310	Special Education and Teaching
1312	Teacher Education and Professional Development, Specific Levels and Methods
1313	Teacher Education and Professional Development, Specific Subject Areas
1314	Teaching English or French as a Second or Foreign Language
1504	Electromechanical and Instrumentation and Maintenance Technologies/Technicians
1505	Environmental Control Technologies/Technicians
1517	Energy Systems Technologies/Technicians
1905	Foods, Nutrition, and Related Services
1907	Human Development, Family Studies, and Related Services
3019	Nutrition Sciences
4301	Criminal Justice and Corrections
4304	Security Science and Technology
4501	Social Sciences, General
4603	Electrical and Power Transmission Installers
4604	Building/Construction Finishing, Management, and Inspection
4605	Plumbing and Related Water Supply Services
4702	Heating, Air Conditioning, Ventilation and Refrigeration Maintenance Technology/Techn
4703	Heavy/Industrial Equipment Maintenance Technologies
4704	Precision Systems Maintenance and Repair Technologies
4707	Energy Systems Maintenance and Repair Technologies/Technicians
4902	Ground Transportation
4903	Marine Transportation

5106	Dental Support Services and Allied Professions
5107	Health and Medical Administrative Services
5108	Allied Health and Medical Assisting Services
5109	Allied Health Diagnostic, Intervention, and Treatment Professions
5110	Clinical/Medical Laboratory Science/Research and Allied Professions
5115	Mental and Social Health Services and Allied Professions
5118	Ophthalmic and Optometric Support Services and Allied Professions
5126	Health Aides/Attendants/Orderlies
5131	Dietetics and Clinical Nutrition Services
5135	Somatic Bodywork and Related Therapeutic Services
5138	Registered Nursing, Nursing Administration, Nursing Research and Clinical Nursing
5139	Practical Nursing, Vocational Nursing and Nursing Assistants
0182	Veterinary Administrative Services
1003	Graphic Communications
5202	Business Administration, Management and Operations
5203	Accounting and Related Services
5204	Business Operations Support and Assistant Services
5217	Insurance

Appendix B. NAICS Super-sectors and Sectors

