

LATINOS FACE A WIDENING COLLEGE COMPLETION GAP

Latinos'* impressive gains in college enrollment over the last decade and a half are encouraging, but because of disparities in degree completion, Latinos are not gaining full access to the benefits of a college degree. Latinos are completing high school at a record rate, contributing to higher enrollment in postsecondary programs: between 1990 and 2016, Hispanic enrollment in postsecondary programs increased 337%—from 782,400 to 3.4 million students.¹ Despite these impressive increases in attendance, Latinos have lost ground on closing the higher education completion gap with White students since 2001.² Graduation is a crucial determinant in whether students benefit from the higher education wage premium. For Latinos, the wage premium from a college degree is substantial; median earnings are 23% higher for those with an associate degree and 66% higher for those with a bachelor's degree, compared to median earnings for those with no more than a high school diploma.³ Entering a postsecondary institution but not graduating, especially if students take on student loans, threatens Latino economic security and wealth-building opportunities. Improving Latino completion rates across all institutions requires both institutional and financial support.

Latinos are overrepresented at institutions with the lowest completion rates.

Latino completion rates can partly be explained by the types of post-secondary institutions Latinos attend. While their graduation rates vary by institution type, Latinos are overrepresented in institutions with low completion rates like two-year public institutions, where the Latino graduation rate is 21%, and four-year for-profit colleges, where their graduation rate is 29%.⁴ Latino students are also more likely to be enrolled at an institution beyond six years and less likely to transfer out of two-year college compared to their White peers. These factors are hindering degree completion. Extending enrollment increases students loan payments, while transferring to a four-year college increases a student's ability to graduate.⁵ According to one study, after six years, 49% of Latinos had completed their certificate or degree, and another 17% were still enrolled. Overall, only 13% of Latino students who start at a two-year school end up completing at a four-year school, compared to 20% of White students.

Degree completion is harder to obtain for Latinos without adequate financial aid.

Other hurdles such as costs associated with tuition and living expenses push Latinos out of school, adding substantial barriers to completion.⁶ First-generation Latino college-goers—75% of Latino undergraduates—face particular hurdles to completion. According to a Federal Reserve Board Survey, Latinos were more likely than their White peers to say they left school and did not complete their degree because it was too expensive.⁷ This may be compounded by the confusing financial aid system that many first-generation students must navigate largely on their own. To ensure the American economy can rely on an educated and career-ready Latino workforce, federal policies must work to ensure that students have access to programs that allow students to succeed.

* The terms "Hispanic" and "Latino" are used interchangeably by the U.S. Census Bureau and throughout this document to refer to persons of Mexican, Puerto Rican, Cuban, Central and South American, Dominican, Spanish, and other Hispanic descent; they may be of any race.

Recommendations to Close Latinos College Completion Gap

To increase completion and ensure students and taxpayers can see a return on investment, a reauthorized HEA should include the following recommendations:

- **Establish Evidence-Based Grant Programs that Improve Completion Rates.** These initiatives provide institutions with resources to implement academic or nonacademic support services to struggling students.
- **Establish Grant Programs to Provide First-Generation, DACA, TPS, and Undocumented Students with Culturally Competent Academic and Nonacademic Support Services.** Financial, academic, and nonacademic resources students can improve student persistence and ensure that students have the support to complete their studies.
- **Establish Grant Programs for Equity Audits.** Equity audits provide resources to institutions to examine internal policies and practices, and based on findings address gaps in student outcomes by race and ethnicity, gender, income, etc.
- **Provide Small-Dollar Emergency Financial Aid.** Providing small-dollar financial aid helps low-income students that may not be able to cover the entire cost of attendance while enrolled fill these gaps, allowing them to persist through college until completion.
- **Fully Fund, Reauthorize, and Mandate Permanent Funding to Minority Serving Institutions (MSIs).** Permanent funding assists MSIs' ability to provide adequate student services to predominately underrepresented students.
- **Disaggregate Post-Secondary Data by Race, Ethnicity, Income, and Student Enrollment Status.** Requiring the Department of Education to disaggregate data exposes the disparities present across institutions, allowing researchers and policymakers to develop targeted policy interventions.

Endnotes

- 1 UnidosUS calculation using U.S. Department of Education, "Digest of Education Statistics," National Center for Education Statistics. Washington, DC, 2017, https://nces.ed.gov/programs/digest/d17/tables/dt17_306.50.asp (accessed January 2019), Table 306.20.
- 2 J. Oliver Schak, "10 Key Takeaways on Degree Attainment for Latino Adults," The Education Trust, August 20, 2018, <https://edtrust.org/the-equity-line/10-key-takeaways-degree-attainment-latino-adults/> (accessed January 2019).
- 3 Jennifer Ma, Matea Pender, and Meredith Welch, Education Pays 2016: The Benefits of Higher Education for Individuals and Society, (Washington, DC: College Board, 2016), Figure 2.4, <https://trends.collegeboard.org/sites/default/files/education-pays-2016-full-report.pdf> (accessed January 2019).
- 4 U.S. Department of Education, "Digest of Education Statistics," National Center for Education Statistics. Washington, DC, 2017, https://nces.ed.gov/programs/digest/d17/tables/dt17_326.20.asp (accessed January 2019) Table 326.20.
- 5 Akers, Beth & Chingos, Matthew. *Time-to-Graduation Too Often Overlooked* (Washington, DC: Brookings, 2013), <https://www.brookings.edu/research/time-to-graduation-too-often-overlooked/> (accessed May 14, 2019).
- 6 Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S. Households in 2014, (Washington, DC: Federal Reserve Board, 2015), <https://www.federalreserve.gov/econresdata/2014-report-economic-wellbeing-us-households-201505.pdf> (accessed January 2019).
- 7 Board of Governors of the Federal Reserve System, Report on the Economic Well-Being of U.S. Households in 2014, (Washington, DC: Federal Reserve Board, 2015), <https://www.federalreserve.gov/econresdata/2014-report-economic-wellbeing-us-households-201505.pdf> (accessed January 2019).