

A Look into Latino Trends in Higher Education: Enrollment, Completion, and Student Debt

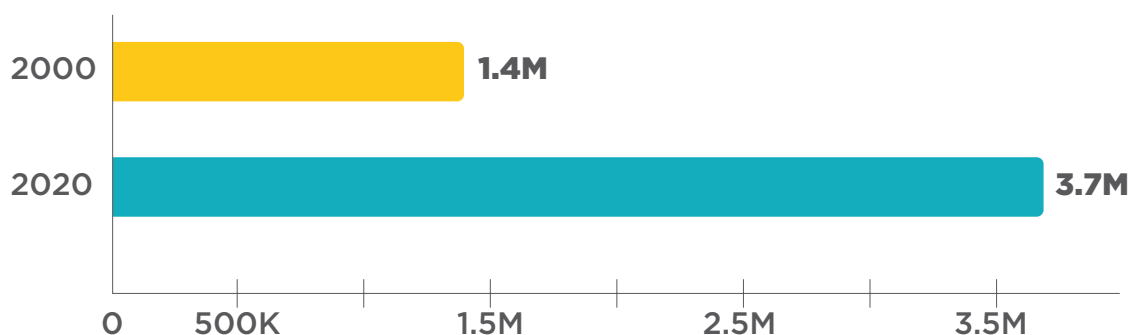
Steady Increase in Latino Enrollment Paused by Underlying Economic Fragility and COVID-19 Pandemic

COVID-19's health and economic fallout stunted two decades of Latino* college enrollment gains. Pre-pandemic, Latinos were enrolling in postsecondary programs at record rates, making up close to 20% of all undergraduate students. The pressures spurred by COVID-19 led many Latino students to cancel or change their future postsecondary plans and likely enter the workforce to recoup their family's lost wages and income.¹

Latino students continue to value higher education, yet it remains out of reach as many are still forgoing or postponing their educational plans—primarily for financial reasons. Reversing these enrollment dips and decisions by students and families is imperative for the nation's economic recovery and future workforce, as Hispanics are projected to make up one in five workers by 2030.

- Between 1990 and 2020, Latino enrollment in postsecondary programs increased by 372%—from 782,400 to 3.7 million students.²

FIGURE 1: Hispanic Enrollment (2000 and 2020)

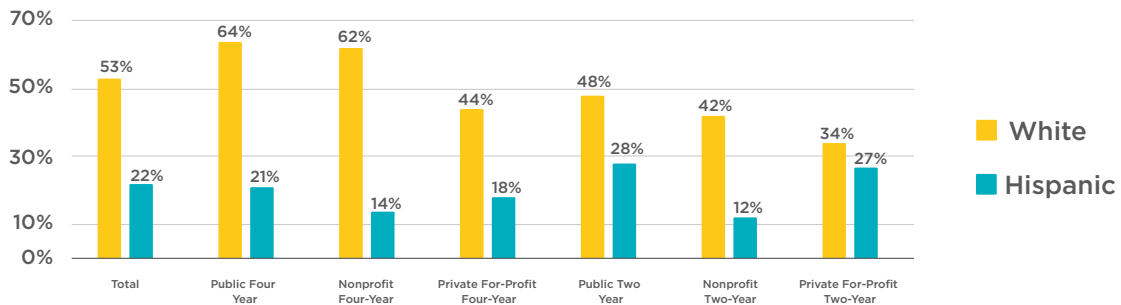


Source: UnidosUS calculation using U.S. Department of Education, “Digest of Education Statistics,” National Center for Education Statistics, Washington, DC, 2021, Table 306.20, https://nces.ed.gov/programs/digest/d20/tables/dt20_306.10.asp (Accessed June 15, 2022).

* 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.

- In Fall 2020, there were approximately 18.9 million students enrolled in postsecondary institutions, of which 3.7 million (20%) were Latinos.³
 - **Undergraduate:** 3,348,800 (90%)
 - **Graduate:** 340,900 (9%)
 - **First-generation college students:** 70% of Latino students⁴
- In Fall 2020, Latinos were overrepresented at public and for-profit two-year schools. While Latinos represent 22% of undergraduates overall,⁵ they comprise 28% of students enrolled at public two-year colleges and 27% of those enrolled in for-profit two-year institutions.⁶

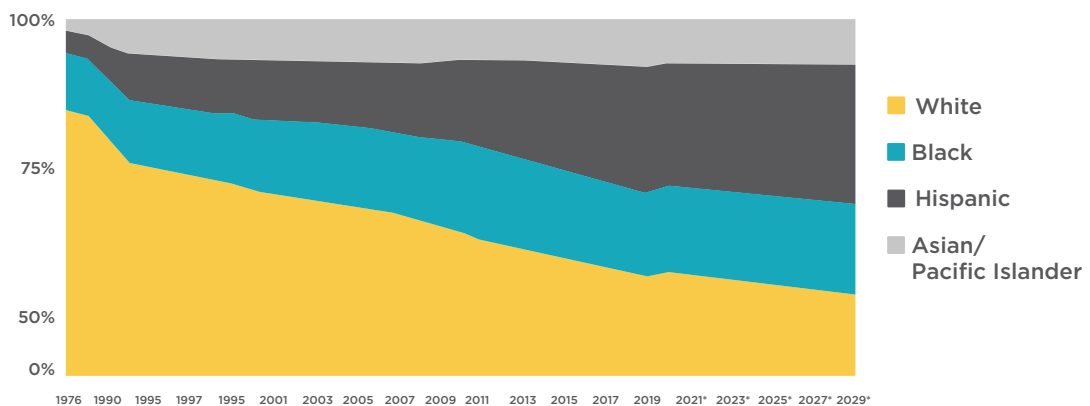
FIGURE 2: Fall 2020 Enrollment by Sector, Latino, White



Source: U.S. Department of Education, “Characteristics of Postsecondary Students,” National Center for Education Statistics, <https://nces.ed.gov/programs/coe/indicator/csb> (Accessed June 15, 2022).

- New projections, adjusted for COVID’s impact, show a 15% increase in enrollment, which is half the enrollment gains (38%) witnessed in the decade prior (2010-2019).⁷

FIGURE 3: College Enrollment by Race/Ethnicity (1976–2029)



Source: Excelencia in Education, *Latino College Enrollment: Past, Current, and Projections*, April 11, 2022, <https://www.edexcelencia.org/fact-sheet/Latino-College-Enrollment-Past-Current-Projections>.

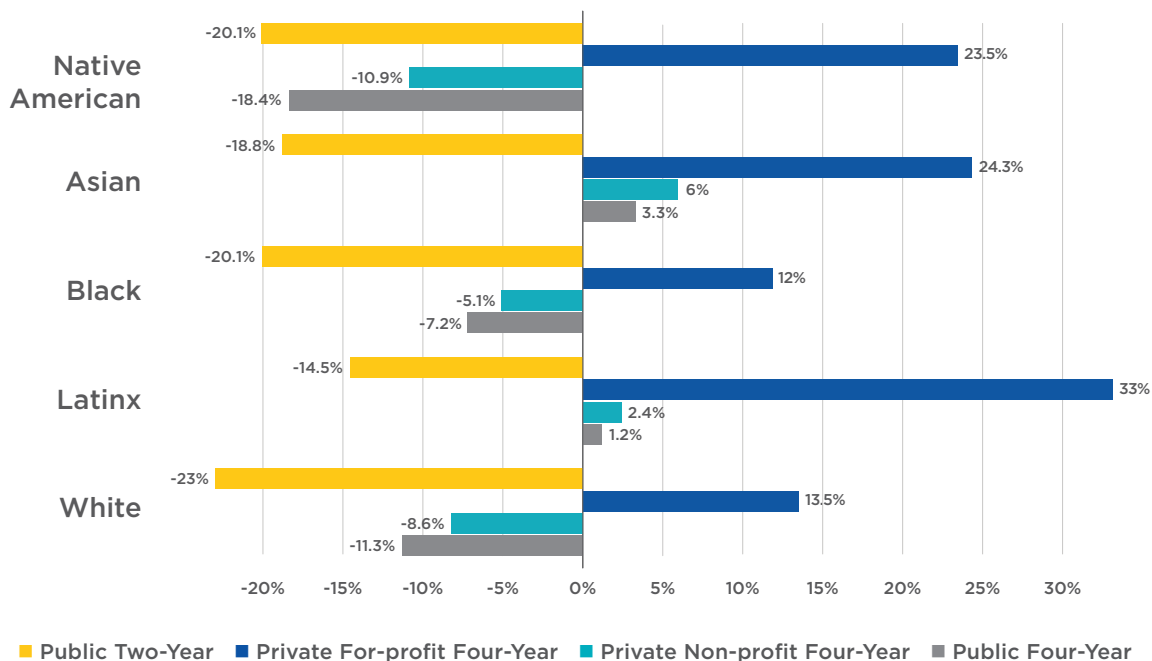
* Years 2020 through 2029 show projected enrollment data

- In 2020, Latino 18- to 24-year-olds enrolled in postsecondary programs at a lower rate than their White peers (36% compared to 41%, respectively).⁸

Enrollment Changes and Reasons for Forgoing College (Fall 2019–Fall 2021)

- Recent undergraduate enrollment changes from Fall 2019 to Fall 2021 show a national enrollment decline across all racial and ethnic groups. Latinos experienced major enrollment dips at public two-year schools or community colleges, at which Latinos are overrepresented. Interestingly, there was a 1.2 percentage point increase in enrollment at nonprofit private four-year schools.

FIGURE 4: Undergraduate Enrollment Changes by Sector and Race (Fall 2019–Fall 2022)



Source: National Student Clearinghouse Research Center, *COVID-19 Stay Informed with the Latest Enrollment Information*, (Washington, DC: NSC Research Center, November 2021), <https://nscresearchcenter.org/stay-informed/> (Accessed June 3, 2022).

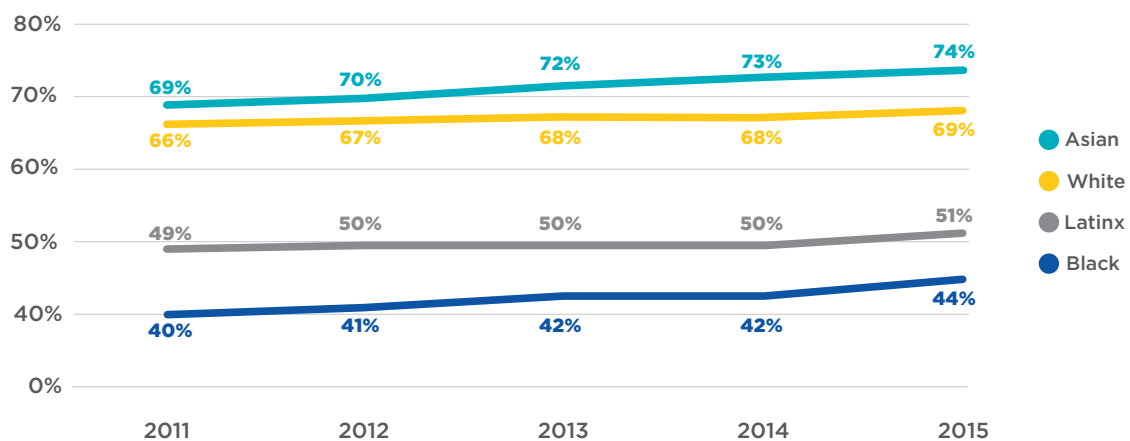
- In August 2021, 17.2% of Latino adults 18 years and older who had household members planning to take postsecondary classes in Fall 2021 reported canceling their plans at a higher rate than White adults (14.5%).⁹ Among Hispanic adults who canceled their plans, the top reasons for changes included concerns about contracting or having contracted the virus (47%), inability to pay for classes or other educational expenses due to change in income (45%), and changes to financial aid (23%).¹⁰

Stubborn College Completion and Degree Attainment Rates Threaten Latino Wage Growth

Once enrolled, Latino students lag behind their wealthier and White peers in completing college. This is no fault of their own, as Latino students must contend with the effects of deeply rooted inequities fueled by decades of systemic racism, discrimination, and one-size-fits-all policy approaches in higher education. As a result, college completion and degree attainment rates remain low, contributing to long-term disparities in debt, wealth accumulation, and economic security. Without significant improvement in closing these racial and ethnic equity gaps, the already-growing “some college, no degree” group will make up a significant share of the Latino population and impact their income. Over one in five Latinos make up this subgroup of students, and are likely to earn less than those with a credential.¹¹ In 2020, Latinos’ median annual earnings were 39% higher for those with a bachelor’s degree compared to those with “some college, no degree.”¹²

- In 2020, roughly 37% of Latino adults held an associate degree compared to 56% of White adults. In addition, 25% of Latino adults held a bachelor’s degree compared to 45% of White adults. Between 2020 and 2030, projections show that 78% of net new workers will be Latinos, which will require them to meet the demands of the modern workforce. Job growth projections estimate that between 2016 and 2026, jobs requiring a bachelor’s degree will increase by 10%, a faster growth rate than for jobs that do not require some postsecondary education.
- Six years after entering college in 2015, 44% of Black students and 51% of Latino students had completed degrees, compared to 69% of White students—a completion gap of more than 18%.

FIGURE 5: National Completion Rate by Race/Ethnicity 2011-2015

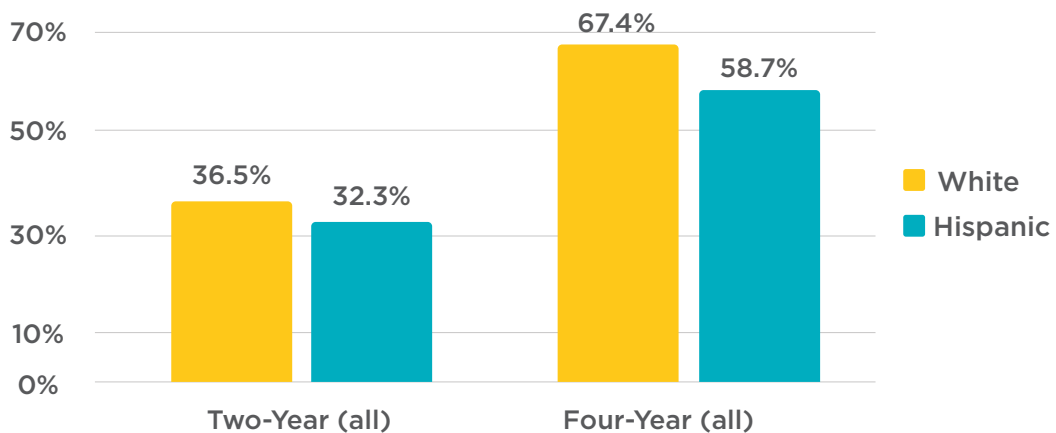


Source: National Student Clearinghouse Research Center, *Completing College: National and State Reports* (Washington, DC: NSC Research Center, 2022), <https://nscresearchcenter.org/stay-informed/>.



- For Hispanic first-time, full-time students at four-year institutions, 59% graduate within six years compared to 67% of White students (See Figure 6).
- At two-year institutions, 32% of Hispanic first-time, full-time students graduate within three years, compared to 37% of White students (See Figure 6).

FIGURE 6: Graduation Rate from First Institution Attended, Hispanic and White

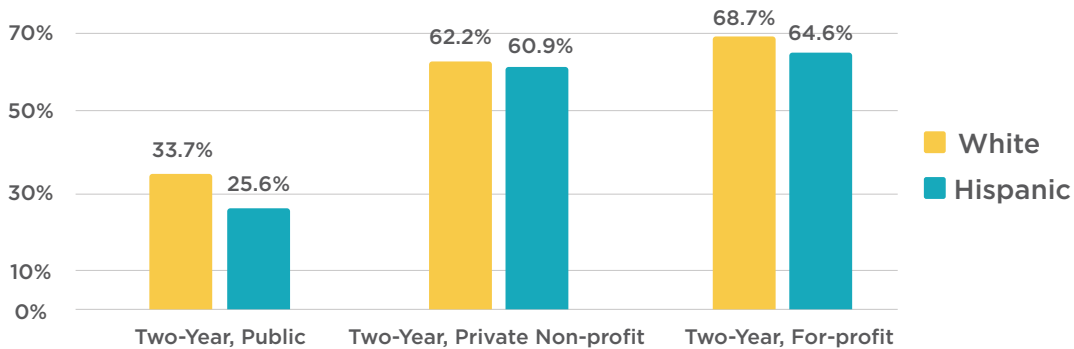


Note: Graduation rate is based on the number of full-time, first-time, degree-seeking undergraduate students completing their program within 150% divided by the number of students in the entering cohort.

Source: U.S. Department of Education, National Center for Education Statistics, “Digest of Education Statistics,” Tables 326.10 and 326.20, Washington, DC, 2021.

- The completion picture gets more nuanced when looking at completion rates at two- and four-year institutions by public, private nonprofit, and for-profit status.
- At two-year public institutions, one in four Latinos in the 2017 entering cohort graduated, compared to one in three White students. (Figure 7)

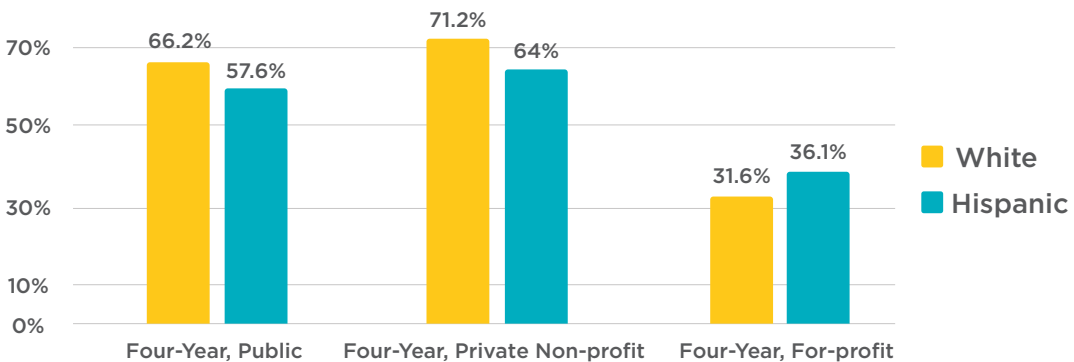
FIGURE 7: Three-Year Graduation Rate from First Institution Attended, Two-Year Institutions, Latino and White



Source: U.S. Department of Education, National Center for Education Statistics, “Digest of Education Statistics,” Table 326.20, Washington, DC, 2021.

- Latinos face the widest college completion gap (8 percentage points) at public four-year institutions. For the 2014 cohort, the graduation rate for Latinos at public four-year institutions was 58%, compared to 66% for White students.

FIGURE 8: Six-Year Graduation Rate from First Institution Attended Four-Year Institutions, Latino and White



Source: U.S. Department of Education, National Center for Education Statistics, “Digest of Education Statistics,” Table 326.21, Washington, DC, 2021.

Student Debt: A Wealth-Building Barrier That Can Trap Latinos into Long-Term Debt

Today, more Latinos are taking on student debt while also having lower median incomes and lower wealth than their White peers. Despite nearly half of Latinos receiving the Pell grant, they rely on filling the college affordability gap with loans. Taking on mortgage-like debt could be consequential for Latino's future wealth-building capability and could also widen wealth disparities. While Latino borrowers tend to borrow less on average compared to Whites,¹³ they are still prevented from wealth-building opportunities like owning a home, saving for retirement, or starting a business. Due to issues with earnings, completion rates, and student loan servicing, Latino borrowers are likely to see their debt grow over time and fall into delinquency or default. Latinos who do not default still struggle to make on-time student loan payments. In a national study of student loan borrowers, 17% of Hispanic borrowers made occasional payments in 2019, and 9.2% expect to make no payment after forbearance.¹⁴

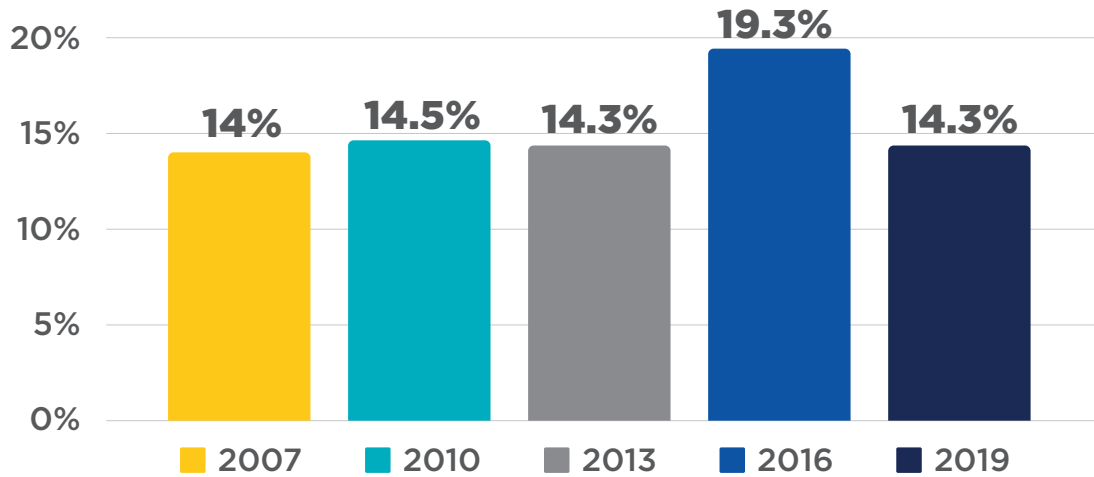
- In 2019, the median net worth for White families stands at five times higher than that of Hispanics.

TABLE 1: Financial Health Indicators, 2019

	LATINOS	WHITES
Median Household Income¹⁵	\$40,720	\$69,230
Median Wealth¹⁶	\$36,050	\$189,100
Undergraduates Receiving Pell Grants¹⁷	46.9%	31.5%
Average Pell Grant Award¹⁸	\$3,855	\$3,593

- Latino bachelor's degree recipients in 2007-08 delayed buying a home (43%), getting married (33%), and having children (37%), and they worked more than desired (37%), for reasons related to educational cost.¹⁹
- Estimates of the 2019 Survey of Consumer Finances (SCF) suggest there are 5.3 million Latinos holding federal student loan debt.²⁰ This is likely an underestimation due to survey limitations.
- Among the major debt categories, Latino households witnessed the largest increases in education debt between 2007 and 2016. While only 14% of Latino households held educational debt in 2007, close to 20% had acquired educational debt by 2016. Between 2016 and 2019, educational debt held among Latino family households declined to 14%, stabilizing to 2007 levels.

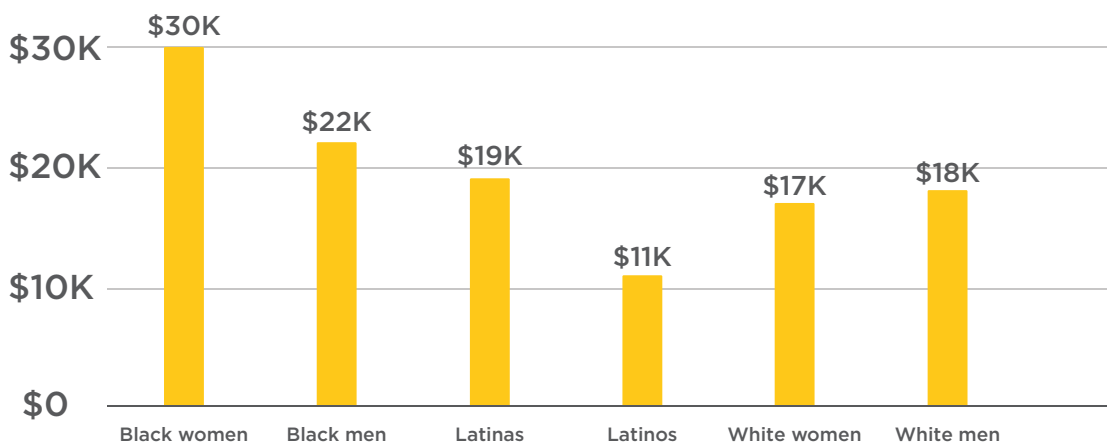
Figure 10: Share of Latino Families Holding Educational Debt



Source: Survey of Consumer Finances

- In 2015-16, 67% of Latino bachelor’s degree recipients borrowed; Latino borrowers’ average loan balance was \$25,524.²¹
- In 2015-2016, 36% of Latino associate degree recipients borrowed; Latino borrowers’ average loan balance was \$15,778.²²
- A Center for Responsible Lending analysis of 2019 SCF data found that Latina borrowers’ median loan balance is \$19,000, the third-highest behind Black women and men.

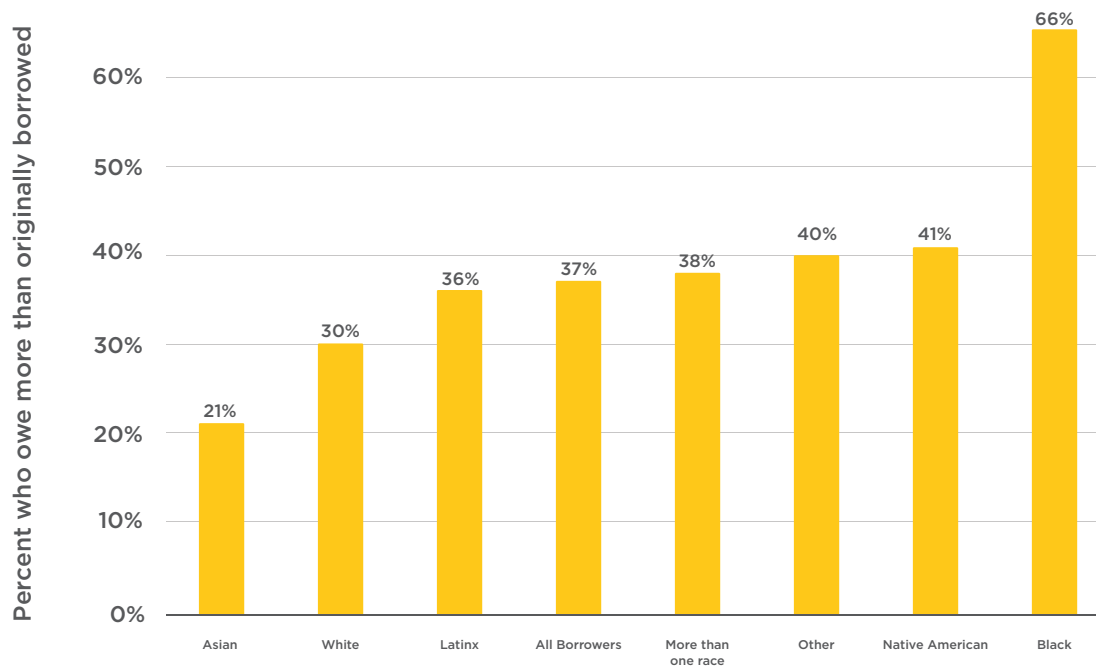
FIGURE 11: Median Federal Student Loan by Race and Gender/Ethnicity



Source: Center for Responsible Lending Analysis of Survey of Consumer Finances, 2019

- Twelve years after starting college, 36% of Latino borrowers owed more than they originally borrowed.²³
 - On average, 91.4% of Latino associate degree recipients owed more than their original principal balance.
 - On average, 69.7% of Latino bachelor’s degree recipients owed more than their original principal balance.
 - On average, 63.8% of Latinos with “some college, no degree” owed more than their original principal balance.

FIGURE 12: Share of Students Owning More than Originally Borrowed 12 Years after Starting College



- Latino borrowers default at rates higher than their White peers—18% of Latino first-time college entrants in 2011-12 defaulted on their student loans within six years of completing their degree, compared to 12% of their White peers.²⁴ In the same cohort, Latino default rates varied by institution sector but were highest at for-profit colleges (57%) and lowest at non-profit (8%) and public institutions (35%).²⁵ Factors impacting Latinos’ high default rates include challenges attaining their degree, lower earnings once they enter the workforce, and inadequate student loan counseling and servicing.

Endnotes

- 1 UnidosUS and Latino Decisions, *Student Loan Debt in California Survey of Current and Former Student Borrowers*, September 21, 202, <https://www.unidosus.org/publications/2083-student-loan-debt-in-california-survey-of-current-and-former-student-borrowers/>.
- 2 UnidosUS calculation using U.S. Department of Education, "Digest of Education Statistics," National Center for Education Statistics, Washington, DC, 2021, Table 306.20, https://nces.ed.gov/programs/digest/d20/tables/dt20_306.10.asp (Accessed June 10, 2022).
- 3 U.S. Department of Education, "Digest of Education Statistics," National Center for Education Statistics, Washington, DC, 2021, Table 306.10, https://nces.ed.gov/programs/digest/d21/tables/dt21_306.10.asp (Accessed June 10, 2022).
- 4 UnidosUS, "Latinos in Higher Education: Enrollment and Completion," March 2019, https://www.unidosus.org/wp-content/uploads/2021/07/enrollment_completion_brief.pdf.
- 5 U.S. Department of Education, "Digest of Education Statistics," Table 306.10.
- 6 U.S. Department of Education, "Characteristics of Postsecondary Students," *Condition of Education*, National Center for Education Statistics, May 2022, <https://nces.ed.gov/programs/coe/indicator/csb> (Accessed June 15, 2022).
- 7 *Excelencia* in Education, "Latino College Enrollment: Past, Current, and Projections," April 11, 2022, <https://www.edexcelencia.org/fact-sheet/Latino-College-Enrollment-Past-Current-Projections>.
- 8 U.S. Department of Education, "College Enrollment Rates," *Condition of Education*, National Center for Education Statistics, May 2022, <https://nces.ed.gov/programs/coe/indicator/cpb/college-enrollment-rate> (Accessed June 15, 2022).
- 9 U.S. Department of Education, "Digest of Education Statistics," National Center for Education Statistics, Table 302.80, https://nces.ed.gov/programs/digest/d21/tables/dt21_302.80.asp (Accessed June 10, 2022).
- 10 U.S. Department of Education, "Digest of Education Statistics," National Center for Education Statistics, Table 302.85, https://nces.ed.gov/programs/digest/d21/tables/dt21_302.85.asp (Accessed June 10, 2022).
- 11 National Student Clearinghouse Research Center, *Some College, No Credential Student Outcomes Annual Progress Report-Academic Year 2020/21*, May 2022, <https://nscresearchcenter.org/wp-content/uploads/SCNCRReportMay2022.pdf>.
- 12 UnidosUS calculation using U.S. Department of Education, "Digest of Education Statistics," National Center for Education Statistics, Table 502.30, 2022, https://nces.ed.gov/programs/digest/d21/tables/dt21_502.30.asp (Accessed June 10).
- 13 Morgan Taylor, Jonathan M. Turk, Hollie M. Chessman, and Lorelle L. Espinosa, "Chapter 5: Undergraduate Debt and Student Loan Payment," in *Race and Ethnicity in Higher Education: 2020 Supplement* (Washington, DC: ACE, 2020).
- 14 Tom Akana and Dubravka Ritter, *Expectations of Student Loan Repayment, Forbearance, and Cancellation: Insights from Recent Survey Data*, Federal Reserve Bank Philadelphia, May 13, 2022, <https://www.philadelphiafed.org/consumer-finance/education-finance/expectations-of-student-loan-repayment-forbearance-and-cancellation-insights-from-recent-survey-data>.
- 15 The Federal Reserve, *Survey of Consumer Finances*, Washington, DC, 2021, <https://www.federalreserve.gov/econres/scfindex.htm>.
- 16 Ibid.
- 17 UnidosUS, "Latinos in Higher Education: Financing and Student Loans," March 2019, https://www.unidosus.org/wp-content/uploads/2021/07/financingstudent_loans_brief_32519.pdf.
- 18 *Excelencia* in Education, "Latinos in Higher Education: Compilation of Fast Facts," April 2019, <https://www.edexcelencia.org/Excelencia-Compilation-Fast-Facts>.
- 19 U.S. Department of Education, *Debt After College: Employment, Enrollment, and Student-Reported Stress and Outcome*, U.S. Department of Education Web Tables, NCES 2018-401, March 2018, <https://nces.ed.gov/pubs2018/2018401.pdf> (Accessed June 4, 2022).
- 20 Letter from Charlie Eaton, Amber Villalobos, Adam Goldstein, Laura Hamilton, and Frederick Wherry, to Senator Elizabeth Warren, May 3, 2022, https://www.warren.senate.gov/imo/media/doc/Eaton%20et%20al%20analysis_05.03.22.pdf.
- 21 American Council on Education, *How Students Finance Undergraduate Study*, accessed June 16, 2022, <https://www.equityinhighered.org/indicators/how-students-finance-undergraduate-study/bachelors-degree-recipients-borrowing-rates/>.
- 22 Ibid.
- 23 Letter from Charlie Eaton et al. to Elizabeth Warren, May 3, 2022.
- 24 Unidos calculation using U.S. Department of Education, National Center for Education Statistics, "Beginning Postsecondary Students: 2012/2017 (BPS)," <https://nces.ed.gov/surveys/bps/>.
- 25 Ibid.