

American Latinos, Economic Realities and Educational Opportunity

SUMMARY

Three forces are converging that point to an increasingly pivotal role for the American Latino workforce. These forces are: 1) declining skills; 2) sweeping demographic change; and 3) seismic changes in the U.S. economy. American Latinos figure dramatically in each of these areas by virtue of the rapid growth in their numbers, their insufficient skills for participation in an economy that requires greater education and skills, and growing awareness of the centrality of American Latinos for our nation's prosperity and sustained global competitiveness.

This essay draws on conclusions from a milestone report — *America's Perfect Storm* — from Educational Testing Service along with data about improvements in American Latino educational attainment and the gaps that remain between them and non-Hispanic Whites. The inescapable conclusion is that increased educational opportunity for American Latinos is not only good for America — it is a national imperative.

Success will come, says this essay, when every sector of our society — educational institutions at all levels; local, state and federal government; the private sector; community-based organizations; foundations; and Hispanic organizations — act to increase educational opportunities for American Latinos.

Demographic and economic realities in the United States mean that American Latinos are pivotal to the resurgence of our nation's educational attainment compared to other advanced economies and to assuring our sustained global competitiveness. American Latinos (Hispanics) now number more than 53 million — or about 16 percent of the total population — and that number is growing fast.

Recent studies point to several areas in which American Latinos over the last few years have narrowed the education gap compared to Whites. For example, Hispanics had increased their four-year high school graduation rate in the 2011–2012 school year to

76 percent, compared to 86 percent for Whites and 69 percent for African Americans.ⁱ
(Note: Hispanics and American Latinos are used interchangeably in this essay.)

Still, gaps remain and they are worrisome. The National Science Foundation and the National Center for Science reported in 2012 that Hispanics earned seven percent of science and engineering degrees, compared to three percent in 1992. This was a much greater increase during the same period than those of African Americans and women.ⁱⁱ

The American Institutes for Research said in 2013 that “STEM education and the workforce must draw talent from a broad student population at every level if the nation is to sustain its preeminence in the global STEM community.”ⁱⁱⁱ This, of course, includes American Latinos.

And in June of this year, The Education Trust issued a report, *The State of Education for Latino Students*, that noted that six-year college graduation rates for Latinos (studies of graduation rates span 6 years for all groups) have increased to 52 percent from 46 percent in 2002. Encouraging, yes, but still behind the 63 percent rate for White students. They lag significantly, the report said, in college readiness benchmarks in English, reading, math, and science.^{iv}

American Latinos, furthermore, are the most segregated group in our nation’s public schools, and those schools are under-resourced. The segregation results not so much from discrimination but from the effects of zip codes, socioeconomic status, real estate tax funding of schools and other causes. Students in many schools are insufficiently exposed to aspects of mainstream culture and values, role models and ideas.

Today in our public schools alone there are more than 5 million English learners (ELs) — and around 80 percent of them are American Latinos. Despite the efforts of countless individuals and organizations, the needs of ELs are not being addressed adequately. Students are often misclassified, placed in special education programs and evaluated on what they know in English rather than what they know in another language. (For information on ETS’s Center for English Language Learning and Assessments, visit http://www.ets.org/research/topics/ella/us_k12.)

Converging Forces that Imperil Our Future

In 2007, ETS published a milestone study, *America’s Perfect Storm*. It identified three converging forces that, if not addressed, imperil our nation, our democracy and our

world leadership. Regrettably, according to the principal author, Irwin Kirsch, the trends are worsening, not improving. ^v

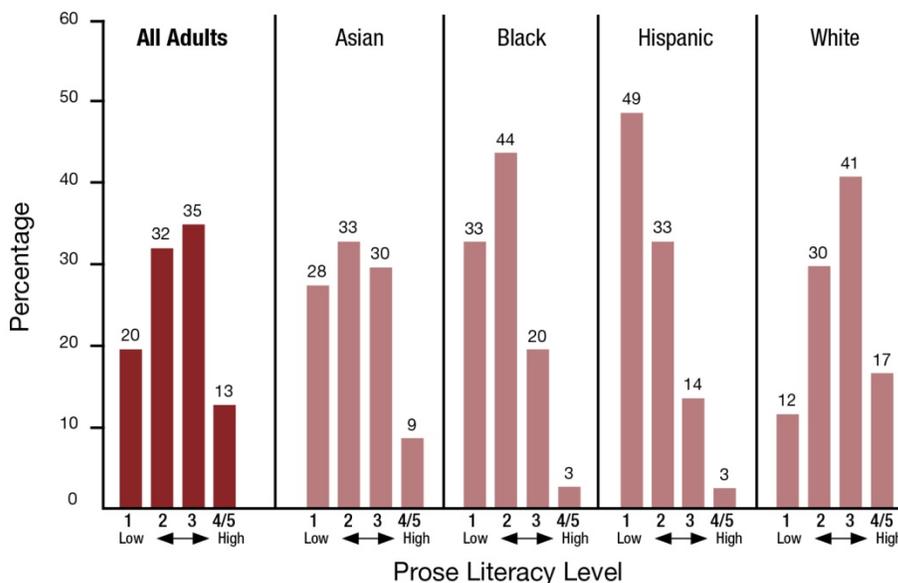
The first force is declining skills. Many people 16 and older lack sufficient literacy and numeracy skills needed to participate fully in an increasingly competitive work environment.

Hispanic, Black and Asian adults, the report states, are far more likely to perform at the lowest level on a prose scale than Whites. The percentage of Hispanic adults who demonstrate proficiency in the lowest of the five literacy levels is four times that for Whites (49 vs. 12 percent). Among Black adults, this ratio is 2.8 times, while for Asian adults it is 2.3.

Much smaller percentages of these racial/ethnic groups demonstrate skills in the highest two levels on the prose scale (see Figure 1). Seventeen percent of White adults perform in Levels 4/5, compared with only 3 percent of Black and Hispanic adults and 9 percent of Asian adults.

Figure 1

Percentage of Adults in Each Prose Literacy Proficiency Level, by Race/Ethnicity



Source: Adult Literacy and Life Skills (ALLS) Survey, 2005

High school graduates as a percentage of 17-year olds peaked at 77 percent in 1969, fell to 70 percent in 1995, and has stayed in this range ever since. The graduation rate for disadvantaged minorities, although improving recently, is about 50 percent.

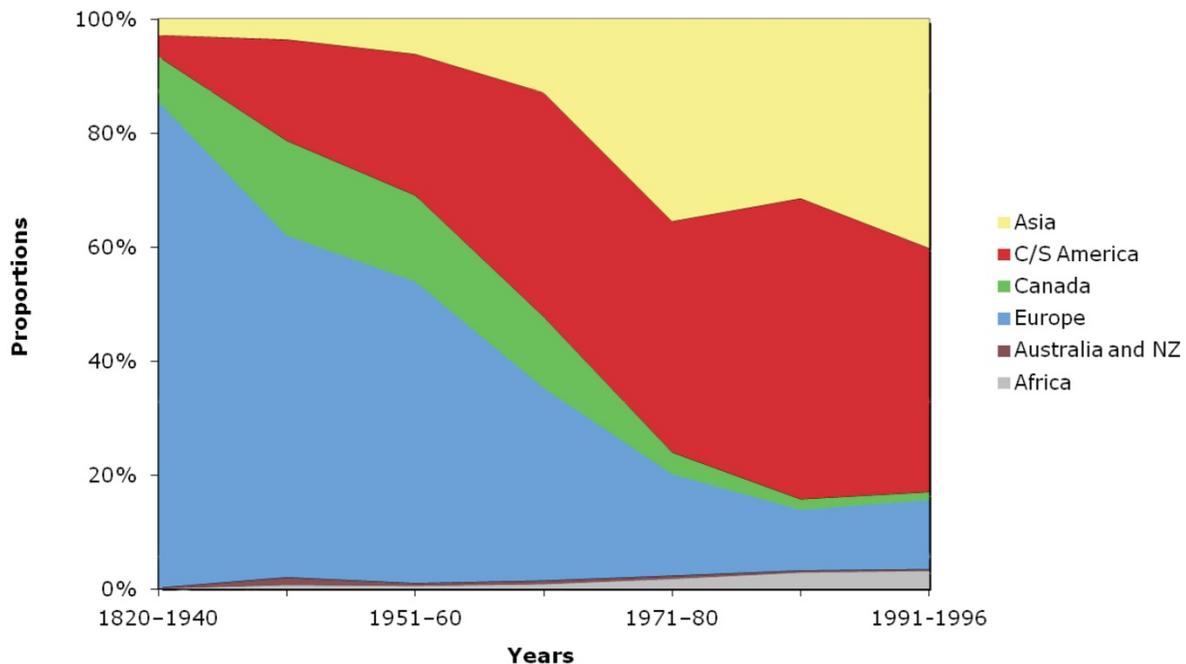
International surveys show that in no area of achievement is the United States among the world's leaders in average educational output at age 15, despite the fact that we are among the world's leaders in per-pupil spending.

The second force is sweeping demographic change. Our population is projected to grow to 360 million by 2030. Our population will become increasingly older and more diverse, with immigration, retirement of baby boomers and birthrates greatly affecting the composition of the workforce.

America's labor force will grow more slowly over the next 20 years than it did between 1980 and 2000. Almost none of the growth will come from native-born workers of prime working age. *From 2000 to 2015, the Census Bureau expects immigration to account for half of our nation's population growth. And most of the immigrants will come from Latin America!*

New immigrants are quite heterogeneous. This graph shows dramatic changes in immigration patterns over the last 100 years (see Figure 2). Not surprisingly, immigrants are quite diverse in their educational backgrounds and English skills.

Figure 2



Among immigrants 18 and older in 2004, about a third lacked a high school diploma, while another 28 percent held a bachelor's degree. Among American Latinos, the distribution was much different: 62 percent of immigrants from Mexico and Central America lacked a high school diploma, compared with 9 percent of those from Europe. In contrast, 46 percent and 56 percent of new immigrants from Europe and Asia, respectively, held a B.A. or higher degree compared with 6 percent of those from Mexico and Central America.

The third force: Seismic changes in our economy have created new sources of wealth, novel patterns of trade and shifts in the balance of capital over labor. These changes are driven by technological innovation and globalization, producing a profound workforce restructuring. Today's labor markets are far different from those of earlier decades.

For example, in 1950, manufacturing's share of total employment was 33.1 percent. By 1989, it was 18.2 percent and by 2003, it was 10.7 percent. We are now more a service and information economy.

In the future, *America's Perfect Storm* continues, the challenge facing our country will be obtaining access to higher-earning opportunities as opposed to just finding or obtaining a job. **This means getting an education in technical fields to get technical jobs.**

What Does the Future Look Like?

Recent reports point to increased segregation in schools, intractable problems of poor schools with poor teachers, and racial/ethnic inequities in higher education.^{vi} And a **Latina-Latino educational attainment gap** is worrisome and needs to be closed.

Over the next 25 years, as better-educated persons leave the workforce, they will be replaced by those who, on average, have lower levels of education and skills. Over this period, *America's Perfect Storm* points out, **nearly half of the job growth will be in occupations associated with higher education and skill levels.**^{vii}

The challenge for Americans will not be finding jobs, but finding ones that pay living wages and provide opportunities. One consequence of the perfect storm is that education, skills and economic opportunities are more closely linked.

Uneven growth of educational and economic outcomes threatens both our economic potential and our democratic ideals. The rich-poor gulf is widening.

Given these forces, *America's Perfect Storm* notes, a looming question is whether we will continue to grow apart or, as a nation, we will invest in policies that will help us to grow together. Clearly, we must do the latter.

If American Latinos Graduated from College ...

In her 2014 Tomás Rivera Lecture Yvette Donado, Senior Vice President of ETS, pointed out the following findings from an ETS study by Anthony Carnevale in 1999:

"By 2015, if Latinos age 18–24 attended and graduated from college at the same rates as non-Hispanic Whites:

- 430,000 more Hispanics would be in college, and 110,000 would graduate.
- Other benefits would accrue as they enter the workforce, contributing to diversity of thought and action.
- They would add more than \$130 billion per year to the economy.
- That new wealth would add \$45.5 billion to public revenues, helping all Americans.

- The proportion of Hispanic families with less than adequate incomes would decline from 40 percent to under 21 percent.^{viii, ix}

Now, if one were to apply these projections to mid-2014 — with a significantly larger American Latino population — the economic/opportunity impact would be far greater. The inescapable conclusion, therefore, is that increasing educational opportunities for American Latinos is a critical national imperative.

Research and experience have shown consistent correlations between educational attainment and success. Education improves personal and public health and overall quality of life; strengthens communities and societies; increases wealth; heightens interest in environmental quality; and promotes harmony and collaboration among people of different backgrounds.

In 2008, the Organisation for Economic Co-operation and Development (OECD) pointed out that postsecondary education aids social and economic development through:

- Human capital formation (e.g., through teaching)
- Building of knowledge bases
- Dissemination and use of knowledge
- Maintenance of knowledge (storage and transmission)^x

Societies with higher levels of education, moreover, have lower rates of AIDS, HIV and infant mortality; longer life expectancies; greater economic output; and are more stable and productive. Education may not guarantee well-being in a society, but social well-being is improbable without it.

Given the global economy's escalating reliance on skills and knowledge, and the growing gap in opportunity between the economically advantaged and disadvantaged, the links among education, well-being, economic growth and global competitiveness will grow stronger.

A Response to the Challenge

In recognition of the “perfect storm’s” resiliency, ETS’s Research and Development division has begun an ambitious initiative led by Irwin Kirsch, the lead author of

America's Perfect Storm. It is called Restoring Opportunity in America (ROiA), and its goal is "to connect existing empirical data with a strong action agenda and communication strategy such that it becomes part of the public and political discourse."

America's Perfect Storm laid out the problems and the challenges and warned that the failure to address them would imperil our future. Clearly, we are not meeting those challenges. Restoring Opportunity in America proposes to identify solutions and make a call to action to implement them. The initiative has organized a broadly representative advisory group to help it guide its work.

Recommendations

Progress must depend on hard work, creativity, initiative and persistence. And solutions must be holistic, engaging every sector of our society, including educational institutions at all levels, federal, state and local governments, the private sector, foundations, community-based organizations and Hispanic organizations. Education is evolving. And American Latinos are playing strong advocacy roles to assure that they are included in the solutions.

Improvements must include:

- A strong start for Hispanic preschoolers, including day care for children of working parents
- Better educational programs and policies for English learners
- Improved teacher quality across the board
- Greater parental engagement in their children's education
- Lower dropout rates
- Easier access to higher education
- Higher graduation rates for high school and postsecondary students

- Increased numbers of American Latinos going into STEM careers
- Easier transitions from two-year to four-year higher education institutions
- Increased numbers of private sector internships leading to jobs and careers
- Increased numbers of Hispanic college presidents, administrators and faculty

There is growing awareness of the strategic importance of education for American Latinos. That awareness, however, must be accompanied by concrete actions by all sectors of our society.

America must move from doubts and uncertainties, to assured progress, along pathways with built-in success and fail-safe mechanisms. The challenge is to move our communities and our nation from the realm of “possibilities” into the realm of “probabilities.” Our motto should be “mission possible.”

About ETS

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www.ets.org

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^{vii} Kirsch et al., op. cit.

^{viii} Yvette Donado, 30th Annual Tomás Rivera Lecture, Ninth Annual American Association of Hispanics in Higher Education (AAHHE) Conference (Costa Mesa, CA, March 6, 2014).

^{ix} Anthony Carnevale, *Education = Success: Empowering Hispanic Youth and Adults* (Princeton, NJ: Educational Testing Service, 1999).

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