

HISPANIC HIGHER EDUCATION AND OUR ECONOMIC FUTURE
The Hispanic Association of Colleges and Universities (HACU)
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As it is now well known, Hispanics comprise the largest ethnic minority in the United States. Hispanics are also the youngest, with a median age of 27.4, and the fastest-growing.¹ Hispanics are projected to make up nearly three of every four workers entering the American workforce between 2010 and 2020.² Given that the competitive demands of a global and high tech economy increasingly require college degrees, the under-representation of Hispanics in higher education is a national crisis.

In 2012 only 45.5% of Hispanic 18-21 year olds were attending college compared to 49.4% of whites.³ While Hispanics have been steadily closing this gap in recent years, the persisting under-representation is costing the nation. Consider this: If 49.4% of Hispanic 18-21 year olds attended college (i.e., the same ratio as whites), there would be almost 150,000 more Hispanic college students today.⁴ At the current difference in annual family incomes between college and high school graduates, achieving parity of Hispanic participation in college would mean an additional \$7 billion⁵ annually for the U.S. economy and an additional \$1 billion in federal income tax.⁶ Assuring comparable college access and success is not simply about social justice, it is about investing in the American future.

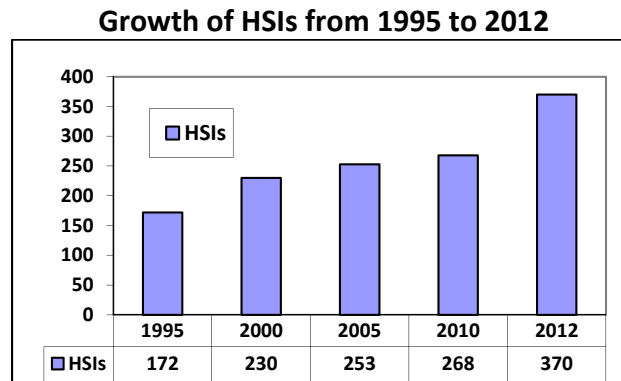
The good news is that this part of the education gap has been closing: in 2007 the gap in the college going rate was not 3.9 percent, but 16.8 percent! But while we are seeing progress, gaps remain:

- 33.8% of Hispanic adults lack a high school diploma, compared to 7.1% of non-Hispanic whites.⁷
- The Hispanic high school dropout rate decreased to 12.7% in 2012 (from over 25% a decade earlier), but was still almost three times the white non-Hispanic dropout rate of 4.3 percent.⁸
- Only 15.1% of Hispanics 25 and older have a bachelor's degree (or more), compared to 35.2% of non-Hispanic whites.⁹
- Hispanic 6-year graduation rate from all 4-year institutions increased from 45.7% in the 1996 starting cohort to 51.9% in the 2006 starting cohort, but gaps persist: the 1996 gap of 12.4% between Hispanics and non-Hispanic whites was still 10.6% in 2006.¹⁰
- On all these measures, Hispanic males fare worse than females: for example, the 6-year graduation rate for Hispanic males in the 2006 starting cohort was only 47.7% and for females it was 54.9%.¹¹

Much more needs to be done to assure that Latino students not only get into college, but graduate with a degree. And every student graduating with a degree means an additional \$48,000 in annual household income on average.

Hispanic college students today are concentrated in Hispanic-Serving Institutions (HSIs): over half attend one of the approximately 370 colleges and universities with Hispanic enrollments of 25% or more. These institutions tend to be in regions with a high density Hispanic population since most college students attend within 100 miles of their homes.

Not surprisingly, the number of HSIs is rapidly growing as the Hispanic demographic grows: from 172 in 1995, to 230 in 2000, to 253 in 2005, 268 in 2010 and 370 in 2012.¹² With the number of Hispanic high school graduates nationwide projected to *double* between 2004 and 2021, this growth in HSIs will only continue.¹³



HSIs also tend to be low cost, low tuition schools and consequently far less well-funded than other colleges and universities. In 2010 HSIs received \$3,815 in federal funding per student, compared to \$5,554 on average for all institutions of higher education: that is less than 69 cents on the dollar.¹⁴ HSIs are also serving a student population with lower average incomes.

The single most important federal funding for HSIs comes through the Department of Education’s Developing Hispanic-Serving Institutions competitive grant program (under Title V of the Higher Education Act). While appropriations have grown from the initial \$12 million in 1995, for five years they remained level (or decreased slightly) in the \$93-95 million range, even though the number of HSIs has increased over that same time. Funding increased to \$117 million in FY 2010 before falling below \$100 million again because of federal budget cuts and sequestration. A graduate education program (Part B) was added in 2008.

Additional programs have targeted funding to HSIs: the Department of Agriculture’s Hispanic-Serving Institution Educational Grants Program, the Department of Housing and Urban Development’s Hispanic-Serving Institutions Assisting Communities grants (1999-2010), and the Department of Defense’s HSI grants (2000-2005). The 2007 College Cost Reduction and Access Act (CCRAA) mandated for two years a number of grant programs for Minority-Serving Institutions (MSIs), the HSI portion being \$100 million each year, to support STEM education proposals and two-year/four-year institutional transfer programs. Those same purposes are included in the 2010 Student Aid and Fiscal Responsibility Act and mandated funding is extended through 2019.

Since 1995, over \$2.4 billion of federal funding has been appropriated for Hispanic-Serving Institutions. This seems like a lot of money, but it has just begun to shrink the federal funding gap for HSIs. What is at stake here is more than Hispanic student *access* to higher education, but supporting their *success*, that is, completion of quality degrees and transition to meaningful and well-paying careers.

HSIs and higher education in general can not accomplish this goal in isolation. Recent work by the Education Trust¹⁵ documents the persisting under-preparation of Hispanic students in K-12. Clearly, we cannot assure college success unless we address the challenges Latino students face before they get to college, indeed before they begin formal education. Hispanic and African American students are far more likely than white non-Hispanic students to be attending more segregated and under-resourced K-12 schools. They are less likely to have access to experienced teachers with advanced degrees, to teachers with appropriate subject matter degrees (especially in science and math),¹⁶ to adequate academic and college counselling and to advanced placement and college preparatory courses. In addition to burdens many already bear because of poverty and violence in their neighborhoods, because of work demands to make ends meet in their families, because of nutrition and health disparities, they are too often provided the least real opportunity in school for escaping the cycle of poverty.

As the globalization of the economy continues to evolve and global issues drive new directions for international cooperation, Hispanics and HSIs must be equitably engaged in international education initiatives and programs, both as students and scholars abroad as well as hosts of international students in the United States. From 2002-2012, the range of Hispanic participation in study abroad has fluctuated between a low of 5.0 and a high of 7.6% of the total 283,332 U.S. students studying abroad in 2012, even though Hispanics constitute 17% of the approximately 20 million students in U.S. higher education. On the other hand, only 6.8% of the 819,644 foreign students attending American institutions in 2012-13 were from Latin American countries. The overwhelming majority of foreign students enroll at non-HSIs.¹⁷

HSIs face their own funding challenges, but they often represent success stories of students, faculty and staff that have met the challenges of their environment and gotten on a path to a better life. With some additional support, HSIs can do even more to leverage their resources on behalf of the communities they serve.

Why should we as a nation care about this set of issues? As suggested above, what is at stake is not just the opportunity and prosperity of one demographic segment of the country. Because Hispanics are already playing so central a role in the nation's workforce growth, and because this role will only increase as the century goes forward, increasing Hispanic educational attainment is critical to maintaining the economic strength of the U.S. And to the degree that science and technology are the economic drivers of the present and future, increasing Hispanic participation in STEM (science, technology, engineering and math) education and careers is essential to a culture of innovation and progress as well as to our national security.

These considerations lead to the following recommendations:

1. We must make increasing Hispanic educational access and success a national priority, because it is key to the economic growth of the United States throughout the 21st century.
2. Federal appropriations need to reduce the funding gap experienced by HSIs. Increasing federal funding to HSIs through Title V and other targeted vehicles is the most cost-effective way to assure educational opportunity and success to the students who will make up the leadership and workforce of tomorrow.
3. Addressing the persistent socio-economic issues that create increased barriers to educational attainment for Hispanics (and other underrepresented groups) is a must: in particular, assuring that K-12 schools serving Hispanic and other low income children have the resources and the support they need to prepare these students for college and careers should be foundational to the American dedication to equal opportunity.
4. Supporting Hispanic adult degree completion efforts is important to make up for the lack of educational opportunities older generations have experienced.
5. Increasing Hispanic participation in international education and enhancing HSI capacity to collaborate in transnational education, research, and service learning are crucial to improve Hispanic educational and professional success.

¹ U.S. Census Bureau, “Statistical Abstracts of the United States 2012” (Section 1 Population, Table 10).

² Mitra Toossi, “Labor force projections to 2020: a more slowly growing workforce,” *Monthly Labor Review*, January 2012.

³ U.S. Census Bureau, Current Population Survey October 2012 – Detailed Tables, School Enrollment, Table 1 (<http://www.census.gov/hhes/school/data/cps/2012/tables.html>).

⁴ *Ibid.* In 2012 there were 3,825,000 Hispanics 18-21 years old; 3.9% (=49.4%-45.5%) of them would be 149,175 additional Hispanic college students.

⁵ According to U.S. Census Bureau, Current Population Survey 2013 Annual Social and Economic Supplement, HINC-01 Selected Characteristics of Households by Total Money Income in 2012, the average household income for a high school graduate is \$52,199 and for head of household with a bachelor’s degree \$100,637. The differential between these average salaries is \$48,438. For 149,175 additional college graduates (see note 4), the total would be \$7,225,738,650.

⁶ Assuming an average income tax of \$3,877 on the salary of \$52,199 and a tax of \$11,797 on the salary of \$100,637, the tax differential is \$7,920 for a total tax increment (over 149,175 additional grads) of \$1,181,466,000.

⁷ U.S. Department of Education, Digest of Educational Statistics 2013, Table 104.10: Rates of high school completion and bachelor’s degree attainment among persons age 25 and over, by race/ethnicity and sex: Selected years, 1910 through 2013.

⁸ U.S. Department of Education, Digest of Educational Statistics 2013, Table 219.70: Percentage of high school dropouts among persons 16 through 24 years old (status dropout rate), by sex and race/ethnicity: Selected years, 1960 through 2012.

⁹ See note 7.

¹⁰ U.S. Department of Education, Digest of Educational Statistics 2013, Table 326.10: Graduation rates of first-time, full-time bachelor’s degree-seeking students at 4-year postsecondary institutions, by race/ethnicity, time to completion, sex, and control of institution: Selected cohort entry years, 1996 through 2006.

¹¹ *Ibid.*

¹² HACU analysis of FTE (Full Time Equivalent) enrollment figures in the Integrated Postsecondary Education Data System (IPEDS) of the U.S. Department of Education.

¹³ “Knocking at the College Door: Projections of High School Graduates by Race/Ethnicity, 1992-2022,” WICHE, March 2008, see p. 59.

¹⁴ HACU analysis of 2010-11 IPEDS Financial Data.

¹⁵ The Education Trust, The State of Education for Latino Students, June, 2014, http://www.edtrust.org/sites/edtrust.org/files/TheStateofEducationforLatinoStudents_EdTrust_June2014.pdf.

¹⁶ See The Education Trust, Fact Sheet—Teacher Equity, http://www.edtrust.org/sites/edtrust.org/files/Ed%20Trust%20Facts%20on%20Teacher%20Equity_0.pdf.

¹⁷ Institute for International Education, Open Doors report, <http://www.iie.org/Research-and-Publications/Open-Doors/Data>, see links for U.S. Study Abroad/ Student Profiles and for International Students/ All Places of Origin.