

**PRICED OUT: A CLOSER LOOK AT POSTSECONDARY  
AFFORDABILITY FOR LATINOS**

*A Knowledge Essay* Prepared by

Laura I Rendón, Alicia C. Dowd, and Amaury Nora

*for*

***Enriching America through the 21<sup>st</sup> Century:  
Increasing Latino Postsecondary Completion***

*Convened by*

**THE HIGHER EDUCATION SUBCOMMITTEE OF PRESIDENT BARACK OBAMA'S ADVISORY COMMISSION  
ON EDUCATIONAL EXCELLENCE FOR HISPANICS**

August 16-17, 2012

*Davidson Center*

University of Southern California

*Laura I Rendón*

Professor & Co-Director, Center for Research and Policy in Education  
College of Education and Human Development  
University of Texas at San Antonio

*Alicia C. Dowd*

Associate Professor and Co-Director  
Rossier School of Education, Center for Urban Education  
University of Southern California

*Amaury Nora*

Professor & Associate Dean for Research  
& Co-Director, Center for Research and Policy in Education  
College of Education and Human Development  
University of Texas at San Antonio

## **ACKNOWLEDGEMENTS**

The authors wish to thank the members of the Higher Education Subcommittee of the President's Advisory Commission on Educational Excellence for Hispanics for commissioning this knowledge paper and the symposium in which it was presented, particularly the organizers of the session on financial aid, Drs. Sara Lundquist and Ricardo Romo, and the symposium co-chairs, Dr. Luis Fraga and Lisette Nieves. The authors appreciate helpful comments on an earlier draft of this paper from Dr. Luis Fraga.

*The authors also thank Dr. Vijay Kanagala, Jade Nguyen, and Cecilia Santiago-González for valuable research assistance.*

### **Suggested Citation:**

Rendón, L. I., Dowd, A. C., & Nora, A. (2012, August). *Priced out: A closer look at college affordability for Latinos*. A knowledge essay commissioned by the President's Advisory Commission on Educational Excellence for Hispanics and presented at the Enriching America through the 21<sup>st</sup> Century: Increasing Latino Postsecondary Completion Symposium, Los Angeles, CA.

## —EXECUTIVE SUMMARY—

A key barrier to college access and completion for Latinos is financial. Latino families experience the college affordability landscape in dramatically different ways than White and Asian families, whose needs may well be met by their own ability to pay for college and by existing federal, state, and institutional aid. Latinos, however, are being priced out of college because this cohort is disadvantaged by high rates of poverty, limited financial, academic and social capital, high levels of unmet financial need, high risk of accruing unmanageable debt, and financial illiteracy.

Consequently, the objectives of this knowledge essay are to: 1) illuminate the importance of college affordability for Latino students and families, 2) highlight the extent of borrowing and debt for Latinos, 3) identify challenges to accessing financial aid, and 4) provide federal policy recommendations that can facilitate Latino student financing of higher education.

### **Key Findings**

- College affordability is especially critical for Latinos due to a legacy of poor high school and college attainment and high rates of poverty which can put college out of reach.
- An abundance of research evidence substantiates that financial aid has both tangible (receipt of aid to offset college costs) and intangible (reduction of stress and development of positive academic and social attitudes) benefits. Financial aid is also associated with college persistence, academic performance, degree attainment and transfer.
- No matter what sector they enroll in, low-income Latinos, as represented by those receiving Pell Grants, typically face the highest levels of unmet need of all racial/ethnic groups.
- College costs, including tuition, room and board, can be two to five times greater than the median net worth of Latino households.
- As Latino enrollments rise in the for-profit sector, students will be at risk of accruing unmanageable debt burden because for-profit graduates have the highest loan default rates.
- Public community college students have the lowest loan debt.
- Low-income Latinos experience financial literacy challenges making it difficult to complete the FAFSA and to understand financial aid forms and processes.
- Financial and legal barriers can put postsecondary education out of reach for an estimated 65,000 undocumented

students — those born abroad who are not U.S. citizens or legal residents — who graduate from U.S. high schools each year.

- Undocumented Latino students are largely ineligible for state or federal financial aid. Only three states—California, New Mexico and Texas—allow undocumented students to receive state financial aid.
- Although many undocumented families file tax returns using individual taxpayer identification numbers (ITINS), the majority face complex, highly technical tax payment circumstances. They are often reluctant—due to fear or lack of knowledge of their rights—to release confidential information that might jeopardize their lives in the U.S (Olivas, 2009).

### **Recommendations**

Federal policy recommendations are offered to address information and financial barriers, to minimize risks and to address research gaps. These recommendations include:

*Recommendation 1:* Continue Efforts to Simplify the FAFSA and Create a Latino FAFSA Review Advisory Commission.

*Recommendation 2:* Develop Culturally Responsive Financial Literacy Centers Connected to College Affordability.

*Recommendation 3:* Restore the Duration of Eligibility for Pell Grants to 18 semesters (or equivalent).

*Recommendation 4:* Increase Federal Work Study Funding.

*Recommendation 5:* Expand Loan Forgiveness Programs for Latino Students.

*Recommendation 6:* Create Demonstration Projects to Provide for Community-Based College Savings Accounts (CBCSA).

*Recommendation 7:* Fund an Integrated Program of Federal Research Examining the Relationship of Financial Aid and Student Outcomes.

One of the most important educational policy issues of our time is college affordability for the nation's native-born and immigrant Latino population. Although arguably one of the best investments, low- and middle-income Latinos<sup>1</sup> are finding it increasingly difficult to afford postsecondary education. At a time when state funding for higher education is lagging relative to demand, when tuition is rising, and when the purchasing power of need-based aid is declining, overall Latino wealth has diminished and non-affluent Latinos are being priced out of college.

Latino families experience the college affordability landscape in dramatically different ways than White and Asian families, whose needs may well be met by their own ability to pay and by existing federal, state, and institutional aid. Consequently, the objectives of this knowledge essay are to: 1) illuminate the importance of college affordability for Latino students and families, 2) highlight the extent of borrowing and debt for Latinos, 3) identify challenges to accessing financial aid, and 4) provide federal policy recommendations that can facilitate Latino student financing of higher education.

### **Why College Affordability Is Critical for Latino Students**

Being able to afford college is especially critical for Latinos due to a legacy of poor high school and college attainment—see Table 1, Appendix B. Further, high rates of poverty are reducing their ability to afford, as well as to complete college. When considering Latino higher education attainment, it is important to note where Latinos attend college. For Latinos, the main entry point into college remains community colleges. Nationally, in Fall 2010 nearly half of all Latino students were enrolled in public, 2-year colleges (49.3 percent), and in public 4-year the enrollment was at 29.8 percent—see Figure 1, Appendix A. Despite the benefit of relatively lower tuition charges, the question of return on investment is of particular concern for students in community colleges, which have low rates of degree completion and transfer (Bensimon & Dowd, 2009; Dowd, 2007). Many Latino students who aspire to transfer and earn bachelor's or graduate degrees never realize that goal (Bensimon & Dowd, 2009). About 45.8 percent of all degrees earned by Latino students in 2010-11 were earned at public, four-year colleges, and the comparable share at public two-year colleges was 22.4 percent.—see Figure 2.

---

<sup>1</sup> We use the terms Latino and Hispanic interchangeably in this paper, while recognizing the distinctive demographic and cultural meanings. References to statistics retain the term used in collecting the data, which is most often Hispanic based on the collection of federal data in the major categories adopted for race and ethnicity.

College affordability is related to financial status. The Pew Research Center (Taylor, Kochhar, Fry, Velasco & Motel, 2011) reported that the nation's Latino population experienced the largest single decline in net worth (assets minus debts) of any ethnic/racial group during the recession. The median wealth of Whites is now 20 times that of Black households and 18 times that of Hispanic households. In 2005, including home equity value, Latino households had a median net worth of \$18,359, which represented a small percentage of the median net worth of White (\$134,992) and Asian (\$168,103) households. But by 2009, this already-low total of \$18,359 had sharply declined to \$6,325, a drop of 66 percent — the biggest drop among all groups in percentage terms. Further, Pew estimated that in 2010 the 6.1 million Hispanic children among the poor were the largest group, compared with 5 million non-Hispanic White and 4.4 million Black children. In 2010, the official poverty line for a family of four, including two related children, was \$22,113. When income for this family of four falls below this line, then all family members are termed to be in poverty (Lopez & Velasco, 2011). The relationship between class and educational attainment points to stark inequalities between the rich and the poor, a point that has long been substantiated in research studies (Adelman, 2004; Reardon, 2011). Privileged students, many who attend elite, selective colleges and universities with large endowments, not only possess more wealth (as well as social and academic capital), but are also more likely to graduate from college on time. Because many Latino college students are low-income and first-generation and have attended poorly resourced school systems, they do not have the financial, social and academic capital to understand or to navigate the world of college (Rendon Linares & Munoz, 2012; Rendon, 1994; Venegas, 2007; Way & Holdern, 2009).

### **Unmet Financial Need, Borrowing and Unmanageable Debt Burden**

Between 1999–2000 and 2009–10, estimated prices for undergraduate tuition, room, and board at public institutions rose 37 percent, and prices at private institutions 25 percent, after adjustment for inflation (NCES, 2011). For the 2009–10 academic year, average annual prices for full-time undergraduate tuition, room, and board at public four-year institutions was \$15,014 and at public two-year, \$7,703 when adjusted for inflation. The comparable tuition at private four-year colleges was \$32,790 and at two-year, \$24,483. Consequently, tuition can be two to five times greater than the median net worth of Latino households discussed above.

### **Pell Grants, While Helpful, Are Insufficient Sources of Aid**

Access to college for many Latinos is made a reality through federally-sponsored financial aid, including Pell Grants, subsidized loans, and work-study aid. This is true across the different types of postsecondary institutions that Latino students attended. The largest source of financial aid for low-income students comes from the federal government's need-

based Pell Grants.<sup>2</sup> Most Pell recipients come from families where the household income falls below \$20,000 a year. However, Pell Grants have not kept up with either inflation or tuition increases. As shown in Figure 3, the purchasing power of the Pell grant has declined over time. Students have to find a way to cover greater amounts of the cost of college that is not covered by financial aid, what is called the “unmet need.”

The role the Pell Grant plays today in promoting college affordability for Latino students is best understood by examining patterns of college financing by institutional type. Data from the National Postsecondary Student Aid Study (NPSAS) revealed that in the 2003/04 academic year<sup>3</sup>, 80 percent of Latino undergraduates applied for financial aid, and 63 percent were awarded some form of financial assistance. While Latinos were more likely to receive federal aid than the other racial/ethnic groups, they received the lowest average aid award of any group. For example, in 2003-05 an average of \$5,415 was awarded to Latino students compared to \$6,230 to Whites. The average Pell Grant is a better representation of how much money is actually awarded to students. In 2010-11, when the maximum Pell Grant was \$5,550, 9.1 million students received an average of \$3,828 (College Board, 2011).

Figure 4 represents a breakdown of different sources of financial aid awarded to Latino students by institutional type. Student loans<sup>4</sup> accounted for the majority of financial assistance at private, non-profit institutions and also, overwhelmingly, at for-profit institutions. The second highest source of aid came in the form of Pell Grants. At public four-year institutions, the highest source of financial assistance came in the form of state aid, followed by student loans, Pell Grants, and institutional aid. Those Latino students attending a community college paid for their education mainly through institutional and state aid, followed by Pell grants, and student loans. Notably, the proportion of Latino students taking student loans at community colleges is much lower, at 15 percent, than in the other sectors. Further, community college students are less likely to receive state or institutional grants, work study aid, and subsidized federal loans.

### **Unmet Need**

The lack of college affordability facing Latinos is best illustrated by examining levels of unmet financial need. This is illustrated in Figure 5, which displays the percentages of the total costs of attending college that were *not* met through a combination of financial aid awarded (grants, loans, etc.) among Pell Grant recipients, disaggregated by race/ethnicity and

---

<sup>2</sup> Federal financial aid is determined through the Free Application for Federal Student Aid (FAFSA) and the formula known as Federal Methodology (FM). Pell Grants are awarded to individual students based on the Expected Family Contribution (EFC). The government conducts a “need analysis” based on financial information, such as income, assets, and other family information, which students (and parents if a dependent student) provide when applying for aid. Eligibility for subsidized Stafford Loans is based on both the EFC and the cost of attendance at the student’s institution.

<sup>3</sup> NPSAS 2003/04 is the most recent data collection of this federal survey.

<sup>4</sup> This statistic represents loans of all types that students applied for and received, but the majority of student loans are awarded by the federal government. States, for example, fund need-based and merit aid, but few provide subsidized loans (AASCU Report, 2012).

institutional type. The figures represent that portion of the total costs of attending college that was not met by the student's total financial aid packet. Higher values mean a higher burden on student ability to pay for college. For example, Latinos in public four-year institutions have higher unmet need, 76 percent of their college costs. Conversely, unmet need for Latinos in public two-year colleges represented 72 percent of their costs.

Figure 5 makes clear that no matter what sector low-income Latinos enroll in, as represented by those receiving Pell grants, they typically face very high levels of unmet need. The highest levels of unmet need for Latino students were found among those that attended private, four-year for-profit institutions and those enrolled in private, four-year non-profit institutions. However, even for those Hispanic students enrolled in public two- and four-year colleges nearly three-fourths of the costs were not covered by financial aid received. Notably, other racial/ethnic groups who are Pell recipients also have high levels of unmet need especially at private non-profit and for-profit sectors, but because Latinos have on average less wealth this unmet need is more burdensome for them.

### **Borrowing and Unmanageable Debt Burden**

Considerable attention has been given to the notion that Latinos are risk or loan averse. However, patterns of borrowing tell a much more nuanced story. Sixty-seven percent of Hispanic students graduating in 2008 with bachelor's degrees had federal student loan debt. This rate of borrowing was, in fact, higher than the 62 percent average rate among all students, and the typical amount of debt was also relatively high. Hispanic debt in the 2008 bachelor's degree cohort averaged \$22,886, compared to \$18,200 among their counterparts of all racial/ethnic groups (Cataldi, Green, Henke, Lew, Woo, Shepherd & Siegel, 2011).

Those statistics illustrate that for Latinos who complete a bachelor's degree, borrowing is slightly more common than among other groups and the average debt is higher. However, among *all* undergraduate students (not restricting the view only to those students who earned bachelor's degrees) borrowing by Hispanics has traditionally been somewhat lower than by others. For example, in 2003-04, 30 percent of Hispanic undergraduates borrowed, compared to 35 percent of total undergraduates (Santiago & Cunningham 2005). It is possible that the proportion of borrowers goes up among graduates because those who chose not to borrow—the “risk averse”—suffered from their failure to borrow in their academic pursuits. For example, longer work hours may have reduced study time or made it more difficult to enroll in required courses. It is also possible that other risk-averse Latinos never entered college due to an unwillingness to consider taking loans or to even contemplate how to pay college costs that were nearly equivalent to or a high share of their total income.

The lower rate of borrowing among Latino undergraduates is due, in part, to their heavy use of community colleges as gateways to postsecondary degrees, particularly in states with extensive community college systems such as California, Florida, and Texas. Among associate's degree graduates of any race or ethnicity, the majority (62 percent) who graduated from a public two-year college graduated with no debt (College Board, 2011). The fact that the majority of associate's degree holders were able to use a no debt strategy for associate's degree completion is attributable to the relatively low costs of community colleges and to students' receipt of Pell grants, institutional aid, and state grants.

The portrait of borrowing is quite different for students of all racial/ethnic groups who earn associate's degrees from for-profit colleges. Average student loan aid in 2009-10 was highest in the for-profit sector (\$9,641). For-profit institution graduates (compared to those from other sectors) were the most likely to have accrued the highest levels of debt, and most students (86 percent) had taken on debt (College Board, 2011; Fuller, 2012). Therefore, it is not surprising that for-profit college graduates have the highest loan default rates. Many low-income students take out private loans without exhausting choices and surplus federal financial aid (Loonin, 2012). The number of Hispanic students who initiate their studies at a for-profit college, although relatively small in relation to the total number of Latino undergraduates, has been increasing dramatically since the 1990s (Soto, 2012). A consequence of this shift from the public to the private sector is that more Latinos will be at risk of accruing unmanageable debt burdens.

### **Challenges to Accessing Financial Aid for Latinos**

The first step to being awarded federal financial aid is the timely completion of the FAFSA. This step is also critical to obtaining other forms of financial aid because most states, colleges and universities use the FAFSA to determine eligibility for grants, loans, scholarships, and work study opportunities they administer.<sup>5</sup> The FAFSA must be filed by January 1, but the process for filing should begin much earlier. Federal aid is limited and much of it is offered on a first-come, first-served basis (FAFSA Website, n.d.).

#### **Financial Literacy Challenges**

Completing the FAFSA and working through financial aid applications can be daunting for Latino students and families. Many Latino families have much less experience than affluent families with formal financial institutions and their processes, including establishing checking and savings accounts, securing car loans, applying for credit cards, or setting up retirement accounts. This lack of experience is in part due to distrust or harmful experiences with mainstream financial institutions. Latinos disproportionately held subprime mortgages and had higher rates of default during the economic

---

<sup>5</sup> Besides the FAFSA, some states and colleges require that students file other applications for aid--<http://studentaid.ed.gov/types>

downturn. Further, low-valued customers, such as those with low depository balances, are sometimes excluded from conventional financial institutions. As a result many Latinos are “unbanked,” meaning that they tend not to use mainstream, insured financial institutions, and even view conventional banking with suspicion or fear of harm (National Council of La Raza, 2004; Venegas, 2007). While a wide range of financial literacy programs presently exist, these initiatives are often difficult to implement in schools because teachers have many demands and limited time. Little, if any training is given to staff teaching financial literacy. Financial education and debt management programs are unevenly administered and rarely rigorously evaluated. There is also a dearth of research on the effectiveness of these programs and their impact on subsequent money-management and college-going behavior. In addition, these programs may not always be connected to college affordability and graduation (Way & Holdern, 2009).

### **Challenges Faced by Undocumented Latino Students**

Financial and legal barriers can put postsecondary education out of reach for an estimated 65,000 undocumented students — children born abroad who are not U.S. citizens or legal residents — who graduate from U.S. high schools each year (College Board, n.d.). Thirteen states have provided important leadership to reduce financial aid<sup>6</sup> barriers (Flores, 2010). The states<sup>7</sup>—California, Connecticut, Illinois, Kansas, Maryland, Nebraska, New Mexico, New York, Oklahoma, Texas, Utah, Washington, and Wisconsin—allow undocumented students to register at in-state tuition rates,<sup>8</sup> which are considerably lower than public tuition charges for out-of-state students. Three of these states—California, New Mexico and Texas—also allow undocumented students to receive state financial aid. Unfortunately, students without legal immigrant status are ineligible for federal aid. The Development, Relief, and Education for Alien Minors (DREAM) Act, which would have made undocumented students who met certain criteria eligible for federal financial aid and that would have created a pathway to U.S. citizenship, was defeated in Congress in 2010. Although many undocumented families file tax returns using individual taxpayer identification numbers (ITINS), the majority face complex, highly technical tax payment circumstances. They are often reluctant—due to fear or lack of knowledge of their rights—to release confidential information that might jeopardize their lives in the U.S., thus losing out on financial opportunities (National Conference of State Legislatures, 2011; Olivas, 2009).

---

<sup>6</sup> In addition, four states—Arizona, Colorado, Georgia and Indiana—have passed legislation that specifically prohibits undocumented students from receiving in-state tuition rates.

<sup>7</sup> The 13th state, Wisconsin, did allow such eligibility but revoked that legislation in 2011.

<sup>8</sup> Typical requirements for eligibility include attending an in-state high school for a specified period (for example, one to three years) and graduating or receiving a GED.

## **Recommendations**

President Barack Obama's plan for college affordability includes many features that are being welcomed by Latinos and Latino advocates. Helpful federal initiatives include: increasing Pell grants to \$5,635 for the 2013-14 award year, conversion to direct loans, public service loan forgiveness, income-based repayments, and tax credits. In Congress there has also been a push to support the DREAM ACT to provide a pathway to citizenship for undocumented immigrants. While the act was not passed, legislation that supports eligibility for federal and state financial aid for undocumented students should be at the forefront of the federal education policy agenda. Proposed legislation such as the "True Cost of College" Act, which will give students and families a clear idea of how much it costs to attend and enroll in the college of their choice deserves funding and support. Similarly, President Obama's proposed *College Affordability and Success Scorecard* would make indicators of college affordability and value such as college costs, time to graduation, loan repayment, average cumulative borrowing, and earnings potential more easily accessible to students and their families. While constituting less than 10 percent of colleges and universities in the non-profit sector, Hispanic Serving Institutions provide the most access to Latinos with 54 percent enrolled in 2009-10 (HACU, 2012). Federal policy should target this sector which numbered 293 institutions in 2009-10. Much of the growth in college enrollment among young Hispanics has been at community colleges, which deserve increased support to boost degree completion and transfer rates to four-year institutions. In 2011, 47 percent of all HSIs (137) were community colleges.

### **Recommendations Aimed at Eliminating Information Barriers**

We now know that low-income Latinos grapple with information barriers such as: not understanding how to complete the FAFSA and the importance of submitting it on time; not comprehending financial institutions and their processes; inability to distinguish which financial aid packages make better sense for them (i.e., differences between private and federal subsidized loans); and not understanding the wide range of postsecondary institutions and major fields of study. Undocumented Latino students face additional complexities in releasing personal information. We also know that students require the support of validating "institutional agents" (i.e. financial aid advisers, faculty and counselors) who serve as brokers of their success (Bensimon 2007; Bensimon & Dowd, 2012; Bensimon & Dowd, 2009; Pak, Bensimon, Malcom, Marquez, & Park, 2006; Dowd, Sawatzky, Rall & Bensimon, in press; Rendon Linares & Munoz, 2012). What will not work is treating Latino students as if they had the wealth, financial, and educational experiences associated with privileged, affluent students whose parents have graduated from high school and likely completed college (National Council of La Raza, 2004; Venegas, 2007; Way & Holdern, 2009).

**Recommendation 1: Continue Efforts to Simplify the FAFSA with a Special Focus on User Friendliness for Latinos and Other Low-Income Student Groups and Create a Latino FAFSA Review Advisory Commission.**

A federal Latino FAFSA Review Advisory Commission and counterparts at the state level with representatives from low-income communities should be created. The commission should annually review and recommend periodic changes to the FAFSA for user friendliness and coordination with the disbursement of available state aid. Information should be targeted at the Latino community through local community-based organizations, school district offices that enroll large numbers of Latino students, and media events involving outlets that reach Latino youth.

**Recommendation 2. Develop Culturally Responsive Financial Literacy Centers Connected to College Affordability.**

Culturally-responsive Financial Literacy Centers attuned to the needs and experiences of Latinos and low-income students and families should be established in all schools and colleges serving Latino communities. The centers should be staffed by bilingual, certified Financial Literacy Professionals (FLPs) who can become the key institutional agents charged with providing students information about financing their college education. The centers should develop a culturally-sensitive curriculum, connecting financial literacy with life goals, college enrollment, college completion, and career planning. The FLP's staffing the centers should be trained and certified as knowledgeable about the laws, policies and regulations that govern access to financial aid for native and undocumented Latino students. The centers should partner with guaranty agencies, community-based organizations, banks, and credit unions.

**Recommendations Aimed at Addressing Financial Need**

Research evidence substantiates the importance of financial aid within the student persistence process (e.g., Cabrera, Nora, & Castaneda, 1993; Chen & DesJardins, 2007; Crisp & Nora, 2010; Curs & Singell, 2002; DesJardins, Ahlburg, & McCall, 2002; Gross, 2011; Nora, 1990; Nora, Barlow, & Crisp, 2006; Olivas, 1985; Singell, 2004). These findings address the tangible component of receiving financial aid (receipt of aid to offset college costs), as well as the intangible benefits associated with receiving financial aid, such as the reduction in stress and the development of positive academic and social attitudes. Financial aid has proved to assist students in not only preventing dropout behavior but also in exerting a positive impact on student outcomes such as persistence (Hu & St. John, 2001), academic performance (Cabrera, Castaneda, Nora & Hengstler, 1992; Woo & Choy, 2011), transfer from two- to four-year institutions (Crisp & Nora, 2010; Woo & Choy, 2011) and degree attainment (Dynarski, 2003, 2005). Finally, we know that federal work study benefits students by enabling them to work on campus, where they can remain engaged in the campus community rather than experiencing an environmental *pull* towards the world of work (Crisp & Nora, 2010). The most beneficial

contribution made by the Federal Work Study (FWS) program is providing students the opportunities to earn money to pay for college expenses while remaining engaged, academically and socially, on their campuses.

Recognizing the importance of financial aid, what will not work is assuming Latino students have the monetary resources to make up unmet need and that the Pell Grant is sufficient to keep Latinos students enrolled in college because the amount of the Pell Grant award has not kept pace with the increases in tuition and fees across the country. Effective in the 2012-13 award year, Pell Grant aid was reduced from 18 full-time semesters (or equivalent) to fund only 12 semesters (or equivalent) of college study. This removes the ability for students to receive two Pell Grant awards during any one particular school year, and compromises receipt of a summer Pell Grant if students already received a full award during the previous spring, winter or fall semesters.

***Recommendation 3: Restore the Duration of Eligibility for Pell Grants to 18 Semesters (or equivalent).***

Pell Grant policy should not be made on a vision of traditional students who graduate in four years, including summer school. Part-time, older, and remedial students, as well as community college students and those who transfer, do not fit that image. The majority of Hispanics do not enroll full-time making it impossible to adhere to the four-year period (Santiago & Cunningham, 2005).

***Recommendation 4: Increase Federal Work Study Funding.***

President Obama's proposal to double the number of work study opportunities within the next five years is a step in the right direction. Also, the federal government can build on recent legislative achievements that will invest a billion dollars in the present decade in HSI's that develop partnerships between community colleges and four-year public university partners to boost transfer to degrees in STEM fields of study where Latinos are sorely missing (Malcom & Dowd, 2012). There should be a set aside in work study funding that is focused on developing opportunities for Latinos to gain work in STEM fields, including health-related fields of study where Latinos are least represented (Dowd & Malcom, 2012; Malcom 2008; Malcom & Dowd, 2012). There should be STEM work study research assistantships and internships, selecting those with demonstrated capacity to create a bridge between community colleges and state universities or liberal arts colleges.

***Recommendations Aimed at Minimizing Risk***

While Latinos are not completely loan averse, it is inadvisable to graduate with a huge loan debt. We know that attending for-profit institutions carries a huge risk for Latino students. Students in this sector typically have high levels of unmet need and are likely to take out private loans, which usually results not only in high loan debt, but also in loan default.

Even attending more affordable community colleges carries risk because of low retention and transfer rates in this sector. While public service loan forgiveness is already provided for in federal policy, such efforts should be expanded in ways that specifically target Latino students, parents, and communities.

Recently, there has been a federal focus toward Children's Savings Accounts (CSA's) designed to help families contribute early savings toward college. However, our review of research substantiating the effect of CSA's on student outcomes indicates studies have mixed results and some suffer from serious methodological flaws. We do not believe it is fair to ask low-income Latino families to save when they are already poor, when they do not have health insurance and when they fear that whatever they save could be used against them when considering their eligibility for food stamps, home health services and even Pell grant awards. Further, the minimal savings that might be accrued are simply not enough to make a significant difference in funding a college education. What is needed is greater community support, from both the public and private sectors to reduce individual student risk.

***Recommendation 5: Expand Loan Forgiveness Programs for Latino Students.***

A loan forgiveness program should be created for low- and middle-income Latino students who earn an undergraduate degree and enroll immediately in graduate or professional schools thereby incentivizing graduate school opportunities for Latinos. There should also be a loan forgiveness program for students who complete an associate's or bachelor's degree in a STEM-related field, including health professions where Latinos are underrepresented.

***Recommendation 6. Create Demonstration Projects to Provide for Community-Based College Savings Accounts (CBCSA) for Latinos Enrolling at HSI's.***

Incentives should be provided for public-private partnerships that will fund community-based college savings accounts (CBCSAs) for Latino students enrolling at HSIs. The federal government can seed the development of CBCSAs, for example, by tying initial funding to supplementary programs associated with grantees in the Title V HSI-STEM program or by directing funds towards the federal Promise Neighborhoods.

The CBCSA demonstration projects should be guided by an advisory group comprised of representatives of the business community, such as the Chamber of Commerce, as well as HSI presidents or other high-level education leaders, a member of the state financial aid commission, representatives of local elected officials, and school district leaders. Business Council members would be called on to request investments in the CBCSAs. The projects should focus on 1) providing no to low interest loans to Latino students in the CBCSA community to fund their living costs, 2) allowing students who graduate from college using CBCSA funding to qualify for deferred interest payments on federal loans associated with

those programs while they are employed at companies that contributed to the CBCSA fund, and 3) creating an income-based payment provision for Latino graduates who develop their own businesses to promote business start-ups and economic development in Latino communities.

### **Recommendations to Address Research Gaps**

To inform and drive future practice and policy, the empirical knowledge base connecting financial aid and student outcomes must be kept up to date.

#### ***Recommendation 7: Fund an Integrated Program of Federal Research Examining the Relationship Between Financial Aid and Student Outcomes.***

- Support research that examines the extent that asset-building tools such as Individual Development Accounts, Children's Savings Accounts and College Savings Accounts impact college access and persistence.
- Expand research on the connection among student debt, financial aid, and financial literacy with college success for Latinos and other low-income populations. The Department of Education should establish a funding priority for this type of research to be conducted in schools, colleges and universities.
- Fund research to ascertain the impact of the private student loan market on low-income students in the for-profit sector.

## References

- Abrego, L. J. (2006). I can't go to college because I don't have papers. *Latino Studies*, 4(3), 212–231.
- Addy, S., & Wight, V.R. (2012). *Basic facts about low-income children, 2010 children under age 18*. Retrieved from National Center for Children in Poverty Mailman School of Public Health Columbia University website: [http://www.nccp.org/publications/pdf/text\\_1049.pdf](http://www.nccp.org/publications/pdf/text_1049.pdf).
- Adelman, C. (2004). *Principal indicators of student academic histories in postsecondary education, 1972-2000*. U.S. Department of Education, Institute of Education Sciences.
- American Association of State Colleges and Universities. (AASCU). (2012). *Dynamics affecting public higher education financing and highlights from states' legislative sessions in 2012*. Retrieved from <http://www.aascu.org/policy/specialreports/stateoutlookjuly2012.pdf>
- Bensimon, E.M. (2007). The underestimated significance of practitioner knowledge in the scholarship of student success. *The Review of Higher Education*, 30(4), 441-469.
- Bensimon, E. M., & Dowd, A.C. (2012). *Developing the capacity of faculty to become Institutional Agents for Latinos in STEM*. Los Angeles, CA, University of Southern California.
- Bensimon, E.M., & Dowd, A.C. (2009). Dimensions of the "transfer choice" gap: Experiences of Latina and Latino students who navigated transfer pathways. *Harvard Educational Review*\_(Winter), 632-658.
- Brindis, C.D., Driscoll, A.K., Biggs, M.A., & Valderrama, L.T. (2002). *Fact sheet on Latino youth: Income & poverty*. Retrieved from the Center for Reproductive Health Research and Policy, Department of Obstetrics, Gynecology and Reproductive Sciences website: <http://crhrp.ucsf.edu/publications/files/Latino.pov.pdf>
- Cabrera, A.F., Castaneda, M.B., Nora, A., & Hengstler, D. (1992). The convergence between two theories of college persistence. *Journal of Higher Education*, 63(2), 143-164.
- Cabrera, A.F., Nora, A., & Castaneda, M.B. (1992). The role of finances in the persistence process: A structural model. *Research in Higher Education*, 33(5), 571-593.
- Casey, R. (2012 May, 25). Apprenticeships have fallen by the wayside. *San Antonio Express News*. Retrieved from <http://www.mysanantonio.com> <http://www.cafecollege.org/home>.
- Cataldi, E.F., Green, C., Henke, R., Lew, T., Woo, J., Shepherd, B., and Siegel, P. (2011). 2008–09 Baccalaureate and Beyond Longitudinal Study (B&B:08/09): First Look (NCES 2011-236). U.S. Department of Education. Washington, DC: National Center for Education Statistics. Retrieved from <http://nces.ed.gov/pubsearch>
- Chen, R. (2008). Financial aid and student dropout in higher education: A heterogeneous research approach. In J.C. Smart (ed.), *Higher Education: Handbook of Theory and Research*, 23, 209-239.
- Chingos, M., & McPherson, M. (2011). *Improving educational attainment. Recent trends and challenges*. Retrieved from <http://www.acenet.edu/AM/Template.cfm?Section=Forum&Template=/CM/ContentDisplay.cfm&ContentID=43624>

- College Board Advocacy and Policy Center. (2011). *Trends in student aid 2011: Trends in higher education series*. Retrieved from [http://trends.collegeboard.org/downloads/Student\\_Aid\\_2011.pdf](http://trends.collegeboard.org/downloads/Student_Aid_2011.pdf)
- College Board (n.d.). Advising undocumented students. Retrieved from <http://professionals.collegeboard.com/guidance/financial-aid/undocumented-students>.
- Crisp, G., & Nora, A. (2010). Hispanic student success: Factors influencing the persistence and transfer decisions of Latino community college students enrolled in developmental education. *Research in Higher Education, 51*(2), 175-194.
- Crisp, G., Nora, A., & Barlow, L. (2009). Student characteristics, pre-college, college, and environmental factors as predictors of majoring in and earning a STEM degree: An analysis of students attending a Hispanic Serving Institution. *American Educational Research Journal, 46*(4), 924-942.
- Curs, B., & Singell, L. (2002). An analysis of the application and enrollment processes for in-state and out-of-state students at a large public university. *Economics of Education Review, 21*, 111-124.
- Curs, B.R., Singell, L.D., & Waddell, G.R. (2007). The Pell grant at thirty years. In J.C. Smart (ed.), *Higher Education: Handbook of Theory and Research*, Vol. XXII, 281-334.
- Davis, J. (1997). *College affordability: A closer look at the crisis*. Washington, DC: Sallie Mae Education Institute.
- Denneen, J., & Dretler, T. (2012). The financially sustainable university. Sterling Partners, Bain & Company. Retrieved from [http://www.bain.com/Images/BAIN\\_BRIEF\\_The\\_financially\\_sustainable\\_university.pdf](http://www.bain.com/Images/BAIN_BRIEF_The_financially_sustainable_university.pdf)
- DesJardins, S.L., Ahlburg, D.A., & McCall, B.P. (2002). Simulating the longitudinal effects of changes in financial aid on student departure from college. *Journal of Human Resources, 37*, 653-679.
- Dowd, A. C. (2008). Dynamic interactions and intersubjectivity: Challenges to causal modeling in studies of college student debt. *Review of Educational Research 78*(2): 232-259.
- Dowd, A.C., & Malcom, L.E. (2012). *Reducing undergraduate debt to increase Latina and Latino participation in STEM professions*. Los Angeles, CA: University of Southern California.
- Dowd, A. C., Bishop, R., Bensimon, E. M., & Witham, K. (2012). Accountability for equity in postsecondary education. In K. S. Gallagher, R. Goodyear, D. J. Brewer and R. Rueda (Eds.), *Urban education: A model for leadership and policy* (pp. 170-185). New York, Routledge: 170-185.
- Dowd, A. C., Sawatzky, M., Rall, R.M. & Bensimon, E, M. (in press). Action research: An essential practice for Twenty-First Century assessment. *Fostering success of ethnic and racial minorities in STEM: The role of Minority Serving Institutions*. R. T. Palmer, D. C. Maramba and M. Gasman. New York, Routledge.
- Dynarski, S. (2005). *Building the stock of college-educated labor* (NBER Working Paper no. 11604). Cambridge, MA: National Bureau of Economic Research.
- Dynarski, S. (2003). Does aid matter? Measuring the effect of student aid on college attendance and completion. *American Economic Review, 93*(1), 279-288.
- Editorial: Full disclosure for student borrowers [Editorial]. (2012). *The New York Times*, p. A22. <http://www.fafsa.com/fafsa-deadlines>

- FAFSA. (n.d.). *Types of aid*. Retrieved from <http://studentaid.ed.gov/types>
- Flores, S. M. (2010). State “Dream Acts”: The effect of in-state resident tuition policies on the college enrollment of undocumented Latino students in the United States. *The Review of Higher Education*, 33, 239-283.
- Fry, R. (2011). *Hispanic college enrollment spikes, narrowing gaps with other groups*. Pew Hispanic Center. Retrieved from <http://www.pewhispanic.org/files/2011/08/146.pdf>.
- Fuller, A. (2012, May). Share of students receiving federal aid climbs, especially at for-profit colleges. *The Chronicle of Higher Education*. Retrieved from <http://chronicle.com/article/Share-of-Students-Receiving/132016/>
- Gross, J.P.K. (2011). Promoting or perturbing success: The effects of aid on timing to Latino students’ first departure from college. *Journal of Hispanic Higher Education*, 10(4), 317-330.
- Hispanic Association of Colleges and Universities (HACU). (2012, January). Fact sheet: Hispanic higher education and HSIs. Retrieved from [http://www.hacu.net/hacu/HSI\\_Fact\\_Sheet.asp](http://www.hacu.net/hacu/HSI_Fact_Sheet.asp)
- Hurtado, S., Eagan, M. K., Tran, M. C., Newman, C. B., Chang, M. J., & Velasco, P. (2011) We do science here: Underrepresented students’ interaction with faculty in different college contexts. *Journal of Social Issues*, 67(3), 553-579.
- Kane, T.J. (2001). Assessing the U.S. financial aid system: What we know, what we need to know. *Ford Policy Forum*. Cambridge, MA: Forum on the Future of Higher Education.
- Kezar, A. (2008). *Early commitment of financial aid: Individual Development Accounts (IDAs) for higher education*. Boston, Pathways to College Network.
- Knapp, L.G., Kelly-Reid, J.E., and Ginder, S.A. (2012). Postsecondary Institutions and Price of Attendance in 2011-12, Degrees and Other Awards Conferred: 2010-11, and 12-Month Enrollment: 2010-11 (NCES 2012-289). U.S. Department of Education. Washington, DC: National Center for Education Statistics. Retrieved from <http://nces.ed.gov/pubs2012/2012289.pdf>
- Lane, G.C. (2011, July). *Servicing unbanked Hispanics begins with financial literacy* [Web log comment]. Retrieved from <http://www.latinbusinessblog.com/servicing-unbanked-hispanics-begins-financial-literacy>.
- Loonin, D. (2012). Private student loans: Providing flexibility and opportunity to borrowers? Testimony before the U.S. Senate Banking Subcommittee on Financial Institutions and Consumer Protection. Retrieved from [http://banking.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore\\_id=1d481da6-1d5b-45ce-99c1-81f2f8d8ff0f](http://banking.senate.gov/public/index.cfm?FuseAction=Files.View&FileStore_id=1d481da6-1d5b-45ce-99c1-81f2f8d8ff0f)
- Lopez, M. H., & Velasco, G. (2011). Childhood Poverty among Hispanics Sets Record, Leads Nation. Retrieved from: <http://www.pewhispanic.org/files/2011/10/147.pdf>
- Lumina Foundation (2012). A stronger nation through higher education. Retrieved from [http://www.luminafoundation.org/publications/A\\_Stronger\\_Nation-2012.pdf](http://www.luminafoundation.org/publications/A_Stronger_Nation-2012.pdf)

- Lusardi, A. (2005). *Financial education and the saving behavior of African American and Hispanic households*. Report for the US Department of Labor. Retrieved from [http://www.dartmouth.edu/~alusardi/Papers/Lusardi\\_pdf.pdf](http://www.dartmouth.edu/~alusardi/Papers/Lusardi_pdf.pdf).
- Malcom, L. E. (2008). *Accumulating (dis)Advantage? Institutional and financial aid pathways of Latino STEM baccalaureates*. Rossier School of Education. Los Angeles, University of Southern California.
- Malcom, L.E., & Dowd, A.C. (2012). The impact of undergraduate debt on the graduate school enrollment of STEM baccalaureates. *The Review of Higher Education*, 35(2), 265-305.
- Motel, S., & Patten, E. (2012). The 10 Largest Hispanic Origin Groups: Characteristics, Rankings, Top Counties. Pew Hispanic Center. <http://www.pewhispanic.org/files/2012/06/The-10-Largest-Hispanic-Origin-Groups.pdf>.
- Mui, Y.Q., & Khimm, S. (2012, May). College dropouts have debt but no degree. *The Washington Post*. Retrieved from [http://www.washingtonpost.com/business/economy/college-dropouts-have-debt-but-no-degree/2012/05/28/gJQAnUPqwU\\_story.html](http://www.washingtonpost.com/business/economy/college-dropouts-have-debt-but-no-degree/2012/05/28/gJQAnUPqwU_story.html)
- Murphy, P. (2010). Immigration End Game: DREAM Act Defeated in the Senate. Huffington Post. Retrieved from <http://www.politicsdaily.com/2010/12/18/immigration-end-game-dream-act-defeated-in-the-senate>.
- National Center for Education Statistics (NCES). (2011). Data obtained from the National Center for Education Statistics, 2012, *Postsecondary Institutions and Price of Attendance in 2011-12*. Retrieved from <http://nces.ed.gov/fastfacts/display.asp?id=76>
- National Center for Education Statistics (NCES). (2010). Status and trends in the education of racial and ethnic minorities. *Indicator 27. Educational Attainment*. Retrieved from [http://nces.ed.gov/pubs2010/2010015/indicator7\\_27.asp](http://nces.ed.gov/pubs2010/2010015/indicator7_27.asp).
- National Center for Education Statistics (NCES). (2009). A profile of successful Pell Grant recipients: Time to bachelor's degree and early graduate school enrollment. *Statistical Analysis Report*. U.S. Department of Education.
- National Conference of State Legislatures (2011). Undocumented student tuition: State action. Retrieved from <http://www.ncsl.org/issues-research/educ/undocumented-student-tuition-state-action.aspx>.
- National Conference of State Legislatures (NCSL). (2011). *Financial literacy 2011 legislation*. Retrieved from the NCSL website: <http://www.ncsl.org/issues-research/banking/financial-literacy-2011-legislation.aspx>
- National Council of La Raza (NCLR). (2004). *Financial education in Latino communities: An analysis of programs, products, and results/effects*. Retrieved from the NCLR website: [http://www.nclr.org/index.php/publications/financial\\_education\\_in\\_latino\\_communities\\_an\\_analysis\\_of\\_programs\\_products\\_and\\_resultseffects](http://www.nclr.org/index.php/publications/financial_education_in_latino_communities_an_analysis_of_programs_products_and_resultseffects)
- National Council for Community and Education Partnerships (NCCEP). (n.d.). Exito Escolar. Retrieved from [http://www.edpartnerships.org/Template.cfm?Section=Exito\\_Escolar](http://www.edpartnerships.org/Template.cfm?Section=Exito_Escolar)
- National Council of La Raza (NCLR). (n.d.). Weak economy means rising poverty levels among Latino families. Retrieved from [http://www.nclr.org/images/uploads/publications/2010\\_Latino\\_Poverty\\_Analysis.pdf](http://www.nclr.org/images/uploads/publications/2010_Latino_Poverty_Analysis.pdf)

- National Society for Hispanic Professionals Networks. (2006 October, 16). Banking on us: Financial literacy in the Hispanic community [Web log comment]. Retrieved from <http://www.network.nshp.org/profiles/blogs/banking-on-us-financial>
- Nora, A. (2001-2002). The depiction of significant others in Tinto's "rites of passage": A reconceptualization of the influence of family and community in the persistence process. *Journal of College Student Retention*, 3(1), 41-56.
- Nora, A. (1990). Campus-based programs as determinants of retention among Chicano college students. *Journal of Higher Education*, 61(3), 312-331.
- Nora, A., Barlow, L. & Crisp, G. (2006). Examining the tangible and psychosocial benefits of financial aid with student access, engagement, and degree attainment. *American Behavioral Scientist*, 49(12), 1636-1651.
- Norris, F. (2012, May 24). Colleges for profit are growing, with federal help. *The New York Times*. Retrieved from <http://www.nytimes.com/2012/05/25/business/us-subsidies-to-for-profit-colleges-keep-growing.html?pagewanted=all>
- Olivas, M.A. (2009). Undocumented college students, taxation, and financial aid: A technical note. *The Review of Higher Education*, 32(3), 407-416.
- Olivas, M.A. (1985). Financial aid packaging policies: Access and ideology. *Journal of Higher Education*, 56, 462-475.
- Pachon, H.P., & Zarate, M.E. (2005). *Perspectives of college costs, benefits, and financial aid among California Latino youth*. Los Angeles, CA, The Tomás Rivera Policy Institute and the SallieMae Fund.
- Pak, J., Bensimon, E.M., Malcom, L., Marquez, A., & Park, D. (2006). *The life histories of ten individuals who crossed the border between community colleges and selective four-year colleges*. Los Angeles, CA, University of Southern California.
- Perna, L.W., & Li, C. (2006). College affordability: Implications for college opportunity. *NASFAA Journal of Student Financial Aid*, 36(1), 7-24.
- Pew Research Center (2011, July 17). *Pew report finds net worth of Latino households lower than other racial and ethnic group during the recession*. Retrieved from <http://academicink.blogspot.com/2011/07/pew-report-finds-net-worth-of-latino.html>
- Reardon, S.F. (2011). *The widening academic - achievement gap between the rich and the poor: New evidence and possible explanations*. Retrieved from <http://www.iga.ucdavis.edu/Research/EJS/conferences/spring-conference-2011/reardon%20SIED%20chapter%20jan%2031%202011.pdf>
- Rendón, L.I. (1994). Validating culturally diverse students: Toward a new model of learning and student development. *Innovative Higher Education*, 19(1), 33-50.
- Rendón, L.I., Jalomo, R.E., & Nora, A. (2000). Theoretical considerations in the study of minority student retention in higher education. In J. M. Braxton (ed.). *Reworking the student departure puzzle* (pp. 127-156). Nashville, Vanderbilt University Press.
- Rendón Linares, L.I., & Munoz, S. M. (2011). Revisiting validation theory. Theoretical foundations, applications and extensions. *Enrollment Management Journal*, 5(2), 12-32.

- Rendón, L.I., & Nora, A. (1989). A synthesis and application of research on Hispanic students in community colleges. *Community College Review*, 17(1), 17-24.
- Rendón, L.I., & Nora, A. (1988). Hispanic students: Stopping the leaks in the pipeline. *Educational Record*, 68(4), 79-85.
- Santiago, D., & A. F. Cunningham (2005). How Latino students pay for college: Patterns of financial aid in 2003-2004, *Excelencia in Education* and the Institute for Higher Education Policy.
- Schneider, M., & Yin, L. (2011). The hidden costs of community colleges. Retrieved from [http://www.air.org/files/AIR\\_Hidden\\_Costs\\_of\\_Community\\_Colleges\\_Oct2011.pdf](http://www.air.org/files/AIR_Hidden_Costs_of_Community_Colleges_Oct2011.pdf).
- Singell, D.L. (2004). Come and stay a while: Does financial aid affect retention conditioned on enrollment at three large public universities? *Economics of Education Review*, 23(5), 459-471.
- Soto, E. (2012). *Recruiting the growing minority: Latino enrollment practices in for-profit colleges and universities* [White Paper]. Retrieved from <http://www.chci.org/doclib/20124131129386008-2012HigherEducationGraduateSummit-EnriqueSoto.pdf?trail=2012731184416>
- Sun, W., Barboza, G., & Richman, K. (2007). Preparing for the future: Latinos' financial literacy and retirement planning. *The Business Journal of Hispanic Research*, 1(2), 54-68. <http://www.tgslc.org/finlit/>
- Taylor, P., Kochhar, R., Fry, R., Velasco, G., & Motel, S. (2011). *Wealth gaps rise to record highs between Whites, Blacks and Hispanics*. Retrieved from [http://www.pewsocialtrends.org/files/2011/07/SDT-Wealth-Report\\_7-26-11\\_FINAL.pdf](http://www.pewsocialtrends.org/files/2011/07/SDT-Wealth-Report_7-26-11_FINAL.pdf).
- Texas Coordinating Board. Overview. *Residency and In-State Tuition*. Retrieved from <http://www.thecb.state.tx.us/reports/PDF/1528.PDF>
- Tierney, W.G., & Venegas, K.M. (2007). The cultural ecology of financial aid decision making. *Readings on Equal Education*, 22, 1-36.
- Tierney, W. G., & Venegas, K.M. (2006). Fictive kin and social capital: The role of peer groups in applying and paying for college. *American Behavioral Scientist*, 49(12), 1687-1702.
- Tornatzky, L. G., Cutler, R., & Lee, J. (2002). *College Knowledge: What Latino Parents Need to Know and Why They Don't Know It*. Claremont, The Tomas Rivera Policy Institute.
- Tornatzky, L. G., Lee, J., Mejia, O., & Turant, S. (2003). *College choices among Latinos: Issues of leaving home*. Claremont, The Tomas Rivera Policy Institute.
- Venegas, K. M. (2007). Low-income urban Latinas' student aid decisions: The effect of family ties. (ASHE/Lumina Policy Briefs and Critical Essays No. 1). Ames: Iowa State University, Department of Educational Leadership and Policy Studies.
- Woo, J.H., & Choy, S.P. (2011). Merit aid for undergraduates: Trends from 1995-96 to 2007-08.
- Way, W. & Holdern, K. (2009). *Teachers' Background and Capacity to Teach Personal Finance: Results of a National Study*. Association for Financial Counseling and Planning Education. Retrieved from <http://www.nefe.org/LinkClick.aspx?fileticket=um0xzJt89pE%3D&tabid=246>

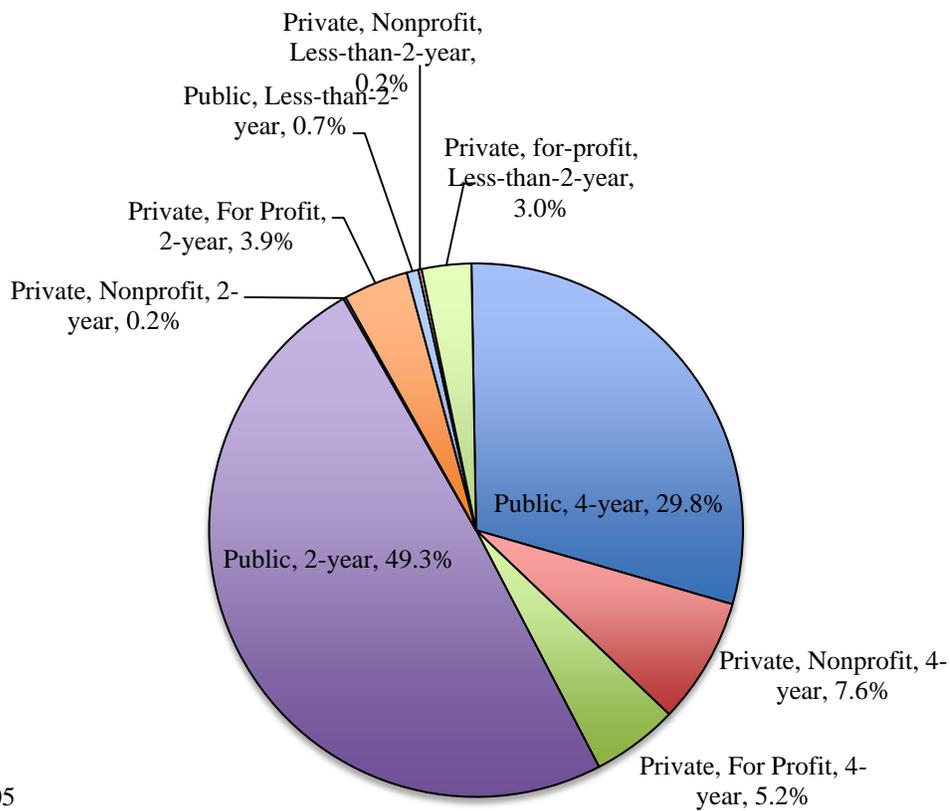
U.S. Census Bureau. (2012). Table 229. *Educational Attainment by race and Hispanic origin: 1970 to 2010*. Retrieved from <http://www.census.gov/compendia/statab/2012/tables/12s0229.pdf>

U.S. Department of Education (2011). *Winning the future: Improving education for the Latino community*. Retrieved from [http://www.whitehouse.gov/sites/default/files/rss\\_viewer/WinningTheFutureImprovingLatinoEducation.pdf](http://www.whitehouse.gov/sites/default/files/rss_viewer/WinningTheFutureImprovingLatinoEducation.pdf).

U.S. Department of Education, National Center for Education Statistics. (2011). *Digest of Education Statistics, 2010* (NCES 2011-015), Chapter 3

## Appendix A

**Figure 1: Percentage of Undergraduate Latinos Enrolled in Each Sector, Fall 2010**

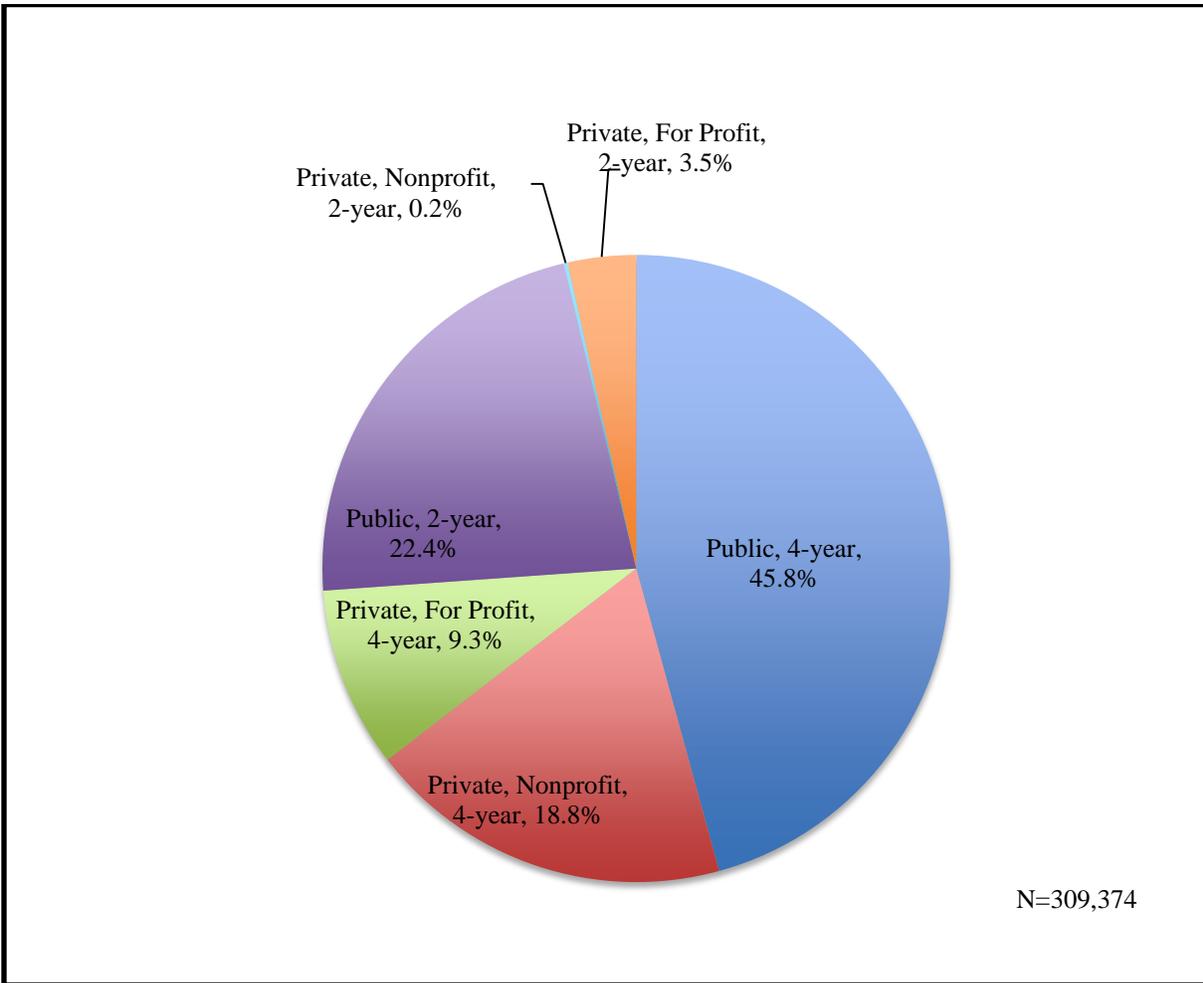


N=2,470,205

Source:

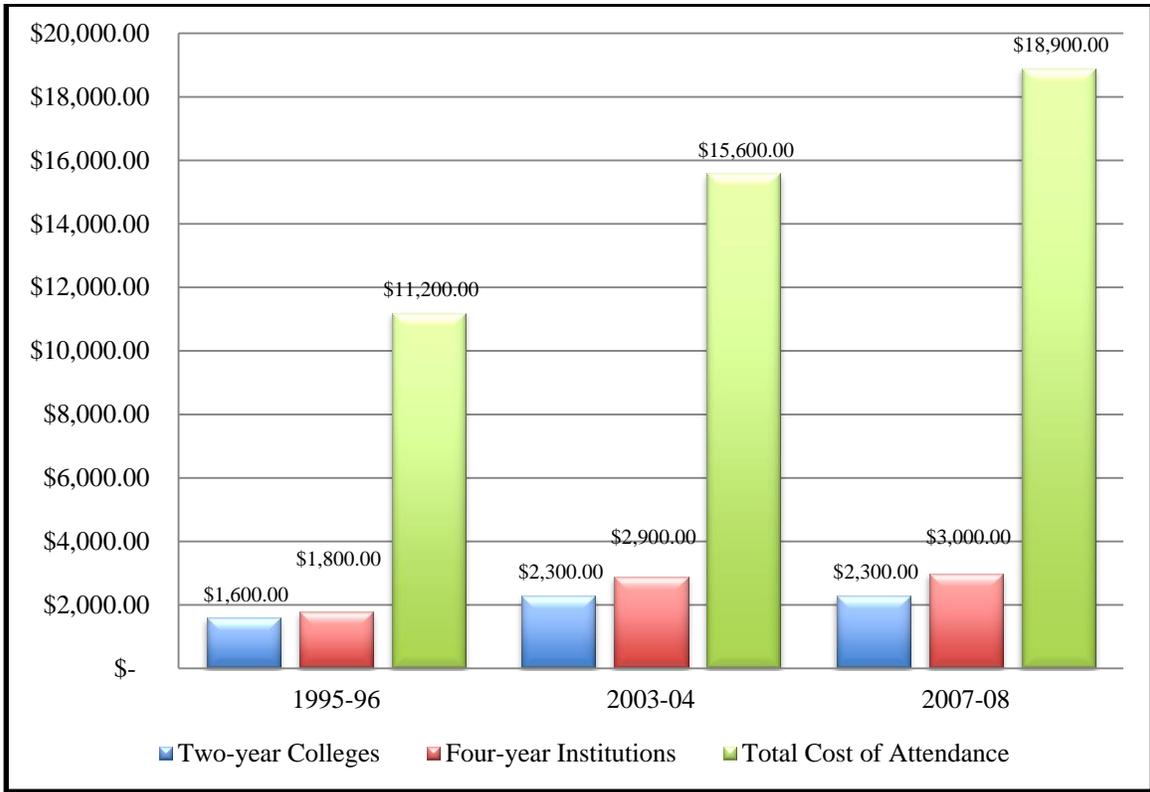
Data obtained from the National Center for Education Statistics, 2012, *Enrollment in Postsecondary Institutions, Fall 2010; Financial Statistics, Fiscal Year 2010; and Graduation Rates, Selected Cohorts, 2002-07.*

**Figure 2: Percentage of undergraduate degrees earned by all Latino students in each sector in 2010-11**

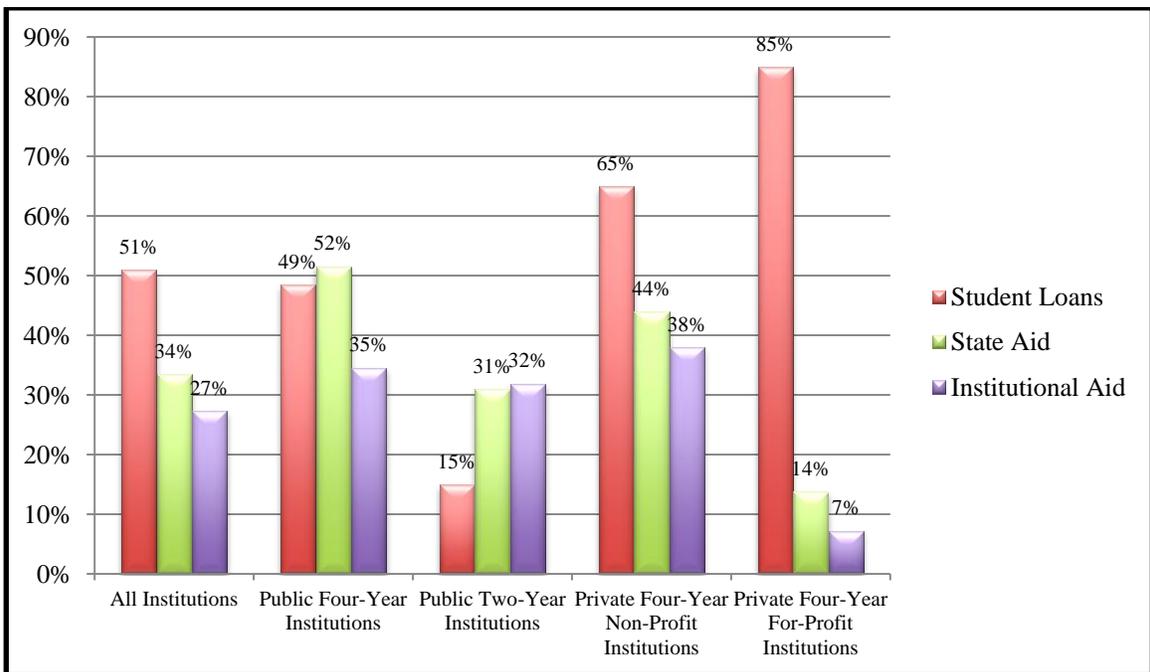


Source: Data obtained from the National Center for Education Statistics, 2012, *Postsecondary Institutions and Price of Attendance in 2011-12*.

**Figure 3. Average Amount of Pell Grant for all Undergraduates by Institutional type compared to Total Cost of Attendance**

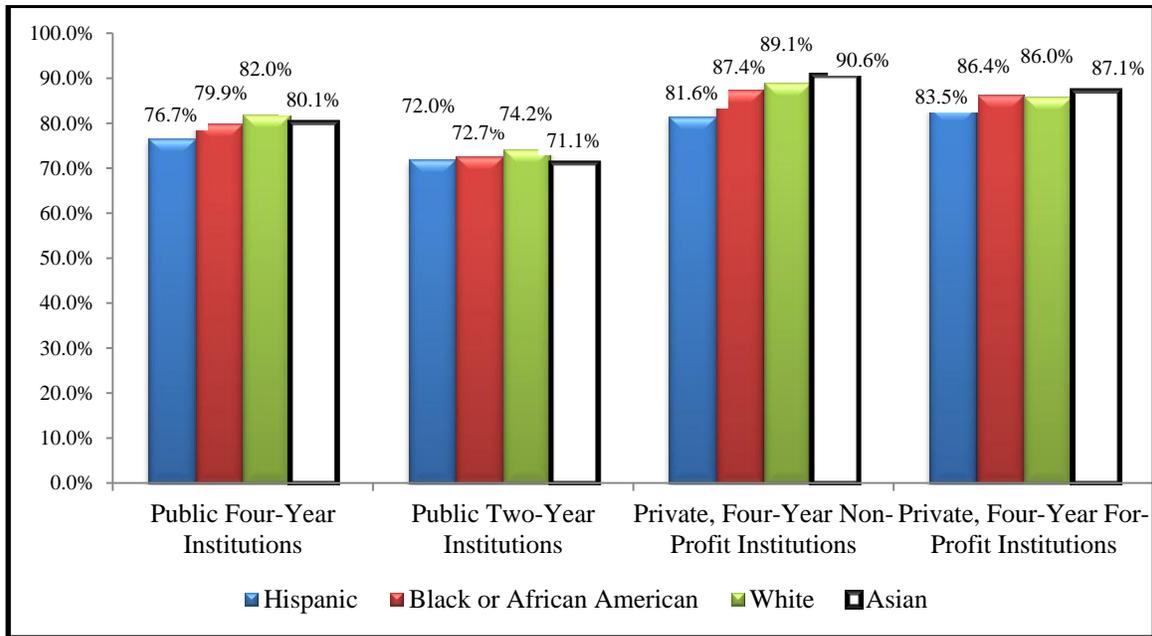


**Figure 4. Percentage of Latino Undergraduates Receiving Financial Aid, by Institutional Type and Source of Aid, 2007-2008**



Source: NPSAS 2007-2008, Author's Calculations Using QuickStats.

**Figure 5. Average Unmet Need among Pell Grant Recipients, by Institutional Type, by Race/Ethnicity, 2007-2008**



Source: NPSAS 2007-2008, Author's Calculations Using *QuickStats*

## **Appendix B**

**Table 1. Educational Attainment by Race and Hispanic Origin: 2010**

In percent. For persons 25 years old and over. Based on data from the Current Population Survey as of March. Persons of Hispanic origin may be of any race.

<i>Level of Education</i>	<i>Total</i>	<i>White</i>	<i>Black</i>	<i>Asian and Pacific Islander</i>	<i>Total Hispanics</i>	<i>Mexican</i>	<i>Puerto Rican</i>	<i>Cuban</i>
High School Graduate or More	<b>87.1</b>	<b>87.6</b>	<b>84.2</b>	<b>88.9</b>	<b>62.9</b>	<b>57.4</b>	<b>74.8</b>	<b>81.4</b>
College Graduate or More	<b>29.9</b>	<b>30.3</b>	<b>19.8</b>	<b>52.4</b>	<b>13.9</b>	<b>10.6</b>	<b>17.5</b>	<b>26.2</b>

U.S. Census Bureau. (2012). Table 229. *Educational Attainment by race and Hispanic origin: 1970 to 2010*. Retrieved from <http://www.census.gov/compendia/statab/2012/tables/12s0229.pdf>

