

LATINO EDUCATION and ECONOMIC PROGRESS

Running Faster but Still Behind

Anthony P. Carnevale and Megan L. Fasules | 2017



GEORGETOWN UNIVERSITY



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Contents

INTRODUCTION	1
PART 1 High School Completion and Postsecondary Enrollment: Catching Up but Still Last.....	10
One of the biggest challenges for Latinos has been navigating a polarized postsecondary system with two unequal pathways.....	13
PART 2 Progression through Postsecondary Education: Somewhere in the Middle.....	17
PART 3 Postsecondary Completion: First for Certificates and Tied with Blacks but Behind Whites for Associate's and Bachelor's Degrees.....	19
Latina women are leveraging postsecondary education to make social and economic progress.....	21
Latinos with high test scores are not as likely as similarly prepared Whites to complete college.....	22
Equally qualified students of all races are more likely to complete their postsecondary studies at more selective colleges.....	23
PART 4 Educational Attainment: Running Faster but Falling Further Behind.....	25
Native-born Latinos have more postsecondary education compared to foreign-born Latinos.....	26
English language ability for Latinos increases with educational attainment.....	28

PART 5	Latinos in the Workforce: Coming on Fast but Still Earning Less at Every Education Level.....	31
	Latinos are mainly working in good jobs requiring high school or less, but their wages in these jobs have remained stagnant.....	32
	Occupational segregation leads to Latinos working in less lucrative occupations.....	34
	Country of origin and English language ability are important sources of wage disparity between Whites and Latinos, but they do not fully explain the earnings gaps.....	36
PART 6	Bachelor's Degree Majors: Latina Women Can't Win.....	38
	Latina women, like other women, are typically in low-paying majors and have lower earnings even when they have degrees in high-paying majors.	39
CONCLUSION	41
REFERENCES	43
APPENDIX A.	Data Sources and Methodology.....	47
APPENDIX B.	Major Distribution and Earnings.....	49
APPENDIX C.	Educational Attainment by Race/Ethnicity, 1992 and 2016.....	53
APPENDIX D.	Earnings by Educational Attainment, Race/Ethnicity, and Gender.....	54
APPENDIX E.	Completion Rates by Race/Ethnicity and Gender.....	55

Figures and Tables

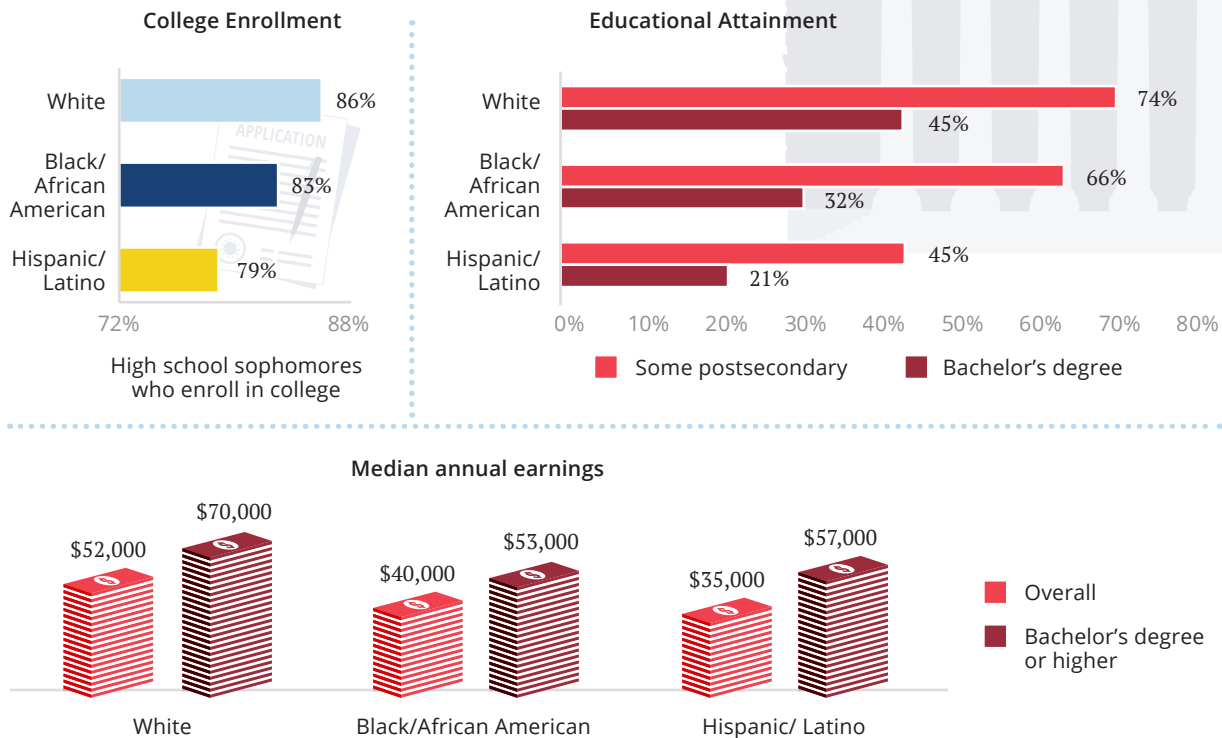
FIGURE 1. Latinos rank behind Whites and Blacks in college enrollment, attainment, and overall earnings.....	2
FIGURE 1.1. Latino high school completion had a higher rate of growth than that of Whites and Blacks, rising from 61 percent in 1992 to 83 percent in 2015.....	10
FIGURE 1.2. Latinos are less likely than Whites and Blacks to graduate high school and enroll in college on time.....	11
FIGURE 1.3. Over the past decade, Latino first-time enrollees at two- and four-year colleges and universities increased by almost 250,000 students, while White enrollment has actually decreased.....	12
FIGURE 1.4. Between 2004 and 2014, Latino college enrollment has almost caught up to their college-age population share.....	13
FIGURE 1.5. In the past decade, Latino first-time enrollment at all selectivity tiers has grown at a faster rate than enrollment for Whites and Blacks. In fact, White enrollment has decreased at middle-tier and open-access colleges.....	14
FIGURE 1.6. Latinos are over-enrolled in open-access colleges, but under-enrolled in selective colleges compared to their college-age population.....	15
FIGURE 3.1. Latino high school sophomores are half as likely as their White counterparts to earn a bachelor's degree, but are as likely to do so as Blacks.....	19
FIGURE 3.2. Latino completion rates for bachelor's and associate's degrees lag behind Whites, but Latinos have much higher certificate completion rates.....	20
FIGURE 3.3. Latina women have higher completion rates compared to Latino men at every level of postsecondary education.....	21
FIGURE 4.1. While their postsecondary education access is increasing, Latinos are still behind Whites and Blacks in postsecondary attainment: 45 percent of Latinos had some postsecondary education in 2016, while 74 percent of Whites and 66 percent of Blacks had some postsecondary education.....	25
FIGURE 4.2. Only 34 percent of foreign-born Latinos have some form of postsecondary education compared to 61 percent of native-born Latinos.....	27

FIGURE 4.3. Native-born South Americans have the highest postsecondary educational attainment, while foreign-born Mexicans have the lowest attainment.....	29
FIGURE 5.1. White men win the earnings race regardless of educational attainment, but Latino wages increase with higher levels of education.....	31
FIGURE 5.2. Latinos have increased their share of good jobs the most in good jobs that require high school or less.....	33
FIGURE 5.3. Latinos are less likely to work in STEM occupations and more likely to work in blue-collar and food and personal services occupations compared to the average worker.....	34
FIGURE 5.4. A majority of foreign-born Latinos (66%) work in blue-collar and food and personal services occupations compared to 37 percent of native-born Latinos.....	35
FIGURE 5.5. Latinos who speak only English earn \$41,000 annually on average, which is lower than Whites' earnings (\$50,000) but higher than Blacks' earnings (\$38,000).....	36
FIGURE C.1. Distribution of Workers by Educational Attainment and Race/Ethnicity, 1992-2016.....	53
TABLE B.1. Distribution of Major Groups by Race/Ethnicity.....	49
TABLE B.2. Distribution of Top 10 Detailed Majors by Race/Ethnicity.....	49
TABLE B.3. Annual Median Earnings for Terminal Bachelor's Degree Holders by Major Group and Race/Ethnicity.....	50
TABLE B.4. Distribution of Major Groups by Gender and Race/Ethnicity.....	51
TABLE B.5. Median Annual Earnings for Terminal Bachelor's Degree Holders by Major Group, Gender, and Race/Ethnicity.....	52
TABLE D.1. Annual Median Earnings for Worker by Educational Attainment, Gender, and Race/Ethnicity.....	54
TABLE E.1. Three-Year Certificate and Six-Year Associate's and Bachelor's Degree Completion Rates by Race/Ethnicity and Gender.....	55

Introduction

Latinos¹ have a long way to go in achieving educational and economic equality. Latinos are improving their high school completion but still lag Blacks and Whites. As a result, Latinos are also last in postsecondary enrollment. However, the number of Latinos who are enrolling in postsecondary education is growing the fastest compared to Whites. Latinos exceed both Blacks and Whites in completion of postsecondary certificates but have the lowest overall educational attainment. Due to their low educational attainment, Latinos have the lowest earnings. However, Latinos tend to earn more than Blacks if they have attained at least some postsecondary education (Figure 1).

¹ In this report, we use the term Latino to refer to people who identify as Hispanic or Latino and the term Black to people who identify as Black or African American. We use single terms—White, Black, and Latino—to alleviate ambiguity and enhance clarity. In charts and tables, we use White, Black/African American, and Hispanic/Latino.

FIGURE 1. Latinos rank behind Whites and Blacks in college enrollment, attainment, and overall earnings.

Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau's *Current Population Survey*, 2016 and *Restricted Use Education Longitudinal Study (ELS)*, 2002/12.

One of the reasons the economic progress of Latinos has been difficult is that today's working Latinos cannot reap the same economic benefits that prior generations enjoyed from having good jobs that only required high school. Instead, they must acquire at least some college in order to enter the middle class.

In the '70s, the most well-traveled pathway to the middle class was high school. Two in three workers had only high school or less, but most of them were in the middle class. Workers with high school or less accounted for 64 percent of workers with above median earnings in 1970 but only accounted for 21 percent of workers with above median earnings in 2016.² Less than

² Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, *Current Population Survey*, 1970 and 2016.

a third of workers at that time had a college education, and the earnings advantages of college over high school were actually declining.³ However, most Latinos did not reap the benefit of this pathway because over 70 percent of the Latino population came after 1980.⁴

Since then, the earnings advantages of a four-year college degree over high school have doubled. Moreover, two-thirds of the growth in earnings inequality since the early '80s—when inequality began its more than 30-year rise—is due to differences in access to postsecondary learning with labor market value.⁵

In the 21st century, the demand for postsecondary education in the United States has increased. In 1992, 56 percent of jobs required some postsecondary education and, by 2020, 65 percent of jobs are projected to require the same.⁶ Profound structural shifts in the economy have made the relationship between education and the economy a new game with new rules. Latinos recognize more than other Americans that a college degree is critical: 88 percent of Latinos believe a college degree important for obtaining financial security compared to 74 percent of all Americans.⁷ However, there are still some good blue-collar jobs for male high school graduates that Latino males in particular are increasingly employed in, but they represent no more than 20 percent of all jobs for high school-educated workers in the economy and are generally unavailable to women, including Latina women.⁸

It is still true that workers with higher levels of postsecondary attainment earn more than workers with lower levels of attainment, but field of study often trumps degree level.⁹ That is why 40 percent of bachelor's degree holders earn more than workers with graduate degrees; almost 30 percent of workers with associate's degrees earn more than the median bachelor's degree holder; and many certificate holders whose program took a year or less earn more than the median associate's degree holder.¹⁰

So how are Latinos doing in the new game between education and the economy? The results are optimistic but mixed. Latinos are actually increasing their share of a diminishing supply of

³ For an historical review of the changing relationship between education and the economy see Carnevale and Rose, *The Undereducated American*, 2011, and Carnevale and Rose, *The Economy Goes to College*, 2015.

⁴ Stepler and Brown, *Statistical Portrait of Hispanics in the United States*, 2016.

⁵ Autor, "Skills, education, and the rise of earnings inequality among the 'other 99 percent,'" 2014.

⁶ Carnevale et al., *Recovery*, 2013.

⁷ Lopez, *Latinos and Education*, 2009.

⁸ Carnevale et al., *Career Clusters*, 2011.

⁹ Carnevale et al., *The Economic Value of College Majors*, 2015.

¹⁰ Carnevale et al., *The College Payoff*, 2011.

good jobs that only require high school. Using increased high school graduation as a launch pad, Latinos are climbing faster up the education pipeline but falling further behind because their population growth is increasing faster than their attainment of postsecondary credentials. Between 1992 and 2016, the Latino population share grew by 9 percentage points, while the share of Latinos with at least some postsecondary education grew by 6 percentage points.

Between 1992 and 2016, the share of Latinos who obtained at least some postsecondary education increased from 35 percent to 45 percent. But even though more Latinos are going to college and are acquiring postsecondary education faster than Whites, the difference between Whites and Latinos is becoming even greater: in 1992, Latinos were 23 percentage points behind Whites and 10 percentage points behind Blacks in postsecondary attainment; in 2016, they were 29 percentage points behind Whites and 21 percentage points behind Blacks.

Latinos' educational progress has left them primarily in the middle tier of educational attainment: between high school and bachelor's degrees. As a result, they are primarily in the middle-skill sub-baccalaureate labor market. However, contrary to popular belief, there are still 30 million good jobs

Latinos are not making as much progress finding good jobs that require bachelor's degrees or higher.

that pay that do not require a bachelor's degree. These middle-skill jobs tend to pay at least \$35,000 in early careers and at least \$45,000 at mid-career, with a median of \$55,000 overall. Whites have lost lots of these good jobs that do not require a bachelor's degree, especially in manufacturing, but Latinos have made real gains, especially in construction.¹¹ Latinos have made the most progress in getting good jobs below a bachelor's degree level in part because of their progress in earning sub-baccalaureate credentials but also, in part, because they continue to gain an outsized share of good jobs that require high school or less at the entry level.

But Latino progress in the sub-baccalaureate labor market comes with caveats. Latinos are not making as much progress finding good jobs that require bachelor's degrees or higher. They have increased their share of good jobs that require a bachelor's degree or higher, but it is not staying on pace with their growing population share. Thus, they are less represented in good jobs that require a bachelor's degree or higher than they were in 1991.

¹¹ Carnevale et al., *Good Jobs That Pay without a BA*, 2017.

In spite of their educational progress, Latinos still tend to work in the bottom educational tiers of the labor market in general, and tend to work in the middle tiers of the growing postsecondary labor market in particular. Latinos are the fastest-growing share of the labor force, projected to increase to 30 percent by 2050.¹² But Latinos tend to be concentrated in occupations that require less education and where wage growth is slowest, oftentimes even when they acquire postsecondary credentials.

Although Latinos account for 16 percent of the workforce, they comprise a mere 10 percent of jobs that require postsecondary education. In addition, their share of jobs declines with level of education required. For instance, Latinos comprise 20 percent of workers in jobs that require a high school diploma but only 7 percent of workers in jobs that require a graduate degree.

Latino economic progress in the context of the massive economic transition is a good news/bad news story. The story differs when comparing Latinos to Whites and Blacks or Latina women to Latino men.

Overall, Whites are doing better than Latinos. Whites complete more degrees, have higher educational

attainment, and earn more than Latinos. However, Latinos have surpassed Whites in certificate completion. The comparison between Blacks and Latinos is more complex. Blacks have higher high school completion rates, lower certificate completion rates, and similar associate's degree and bachelor's degree completion rates compared to Latinos. However, Blacks still have higher overall educational attainment than Latinos. But, Latinos tend to earn more than Blacks once they have attained at least some postsecondary education, and Blacks tend to have a higher percentage of youth between the ages of 16 and 24 who are neither working nor in school.¹³

There are significant differences among Latina women, Latino men, and the population overall. The Latina education and economic story is essentially this: they end up last in the earnings pecking order in the United States. The highest earners are White men, followed by

Although Latinos account for 16 percent of the workforce, they comprise a mere 10 percent of jobs that require postsecondary education.

¹² Carnevale and Smith, "America's Future Workforce," 2013.

¹³ Burd-Sharps and Lewis, *Promising Gains, Persistent Gaps*, 2017; Fernandes-Alcantara, *Disconnected Youth*, 2015.

White women, Black men, Black women, Latino men, and Latina women. Like all minorities, the working class, the poor, as well as women in general, Latina women have used education as their primary strategy to escape patriarchy, as well as class and racial disadvantages. They have higher completion rates at all levels of postsecondary attainment compared to Latino men and, in the case of certificates and associate's degrees, higher completion rates than White men. However, like all women, Latina women tend to major in lower-paying fields of study and, even when they major in high-paying fields of study, they earn less than Latino men. Even more telling is that Latina women need to earn two additional degrees in order to have similar median earnings to White men.

There is good news for Latinos, although it usually comes with caveats:

- The Latino high school completion rate is behind White and Black completion rates but is growing the fastest, gradually narrowing race-based completion gaps. Latinos are improving the most in their high school completion rates and becoming more and more qualified in the race for college credentials.
- Latinos are the least likely to enter college directly after high school (51%) compared to Blacks (56%) or Whites (69%) but do close the enrollment gap over time. Within four years after being a high school sophomore, 79 percent of Latinos have enrolled in postsecondary institutions compared with 83 percent of Blacks and 86 percent of Whites. But this later enrollment among Latinos could add to lower completion rates compared to Whites, with the exception of certificates where Latinos lead over Blacks and Whites.
- While Latinos lag behind in postsecondary attainment, they are enrolling in colleges at a faster rate than Whites and Blacks, and faster than their college-age population share is growing. As a result, the overall college enrollment share of Latinos is closer than ever to their growing population share: Latinos account for 21 percent of the college-age population and 19 percent of college enrollment. By way of comparison, Whites and Blacks have college enrollment shares equivalent to their population shares.
- The likelihood of completing a degree or credential increases with higher SAT/ACT test scores among Latinos: 44 percent of Latinos who enroll in college with test scores in the bottom quartile complete a degree, while 65 percent of Latinos who enroll in college with test scores in the top quartile complete a college credential. However, similarly qualified Whites still have higher completion rates: 52 percent of Whites who enroll in college with test scores in the bottom quartile and 81 percent of Whites who enroll in college with test scores in the top quartile complete their degree or award.

- Latinos have the highest completion rates for certificates, compared to Blacks and Whites: 60 percent of Latinos who initially enroll in a certificate program complete their award at their first institution compared to 47 percent of Whites and 37 percent of Blacks.
- There are plenty of good jobs for Latinos in the sub-baccalaureate labor market, but the bachelor's degree is still the educational gold standard for reducing earnings inequality between Latinos and Whites. Latinos typically earn around 18 percent less at every education level compared to Whites. However, once they get a bachelor's degree or higher and successfully find employment in a high-paying occupation, such as STEM (science, technology, engineering, and mathematics), the earnings gap between them and Whites with the same level of education all but disappears. Moreover, these Latinos tend to make more than similarly educated Blacks. Both Whites and Latinos with bachelor's degrees or higher working in STEM occupations earn \$85,000 on average, while similarly educated Blacks earn \$76,000 on average.
- Latinos have great potential to increase their postsecondary degree completion. Many Latinos who qualify for selective colleges don't get to go. Every year, for example, 125,000 Latinos achieve test scores in the top half of the nation's high school students. Of these Latinos, only 26,000 attend one of the nation's 500 selective colleges,¹⁴ which is associated with an 80 percent chance of graduating. Eight years after high school graduation, more than 60,000 of these Latinos with high test scores have yet to earn a college certificate, let alone a two- or four-year degree.¹⁵
- The best news is that, with the right support, Latinos are already in place for the next push forward in their educational and economic rise. Latinos' mass improvement in high school graduation to success at sub-baccalaureate education levels leaves them poised to advance to bachelor's and graduate degree level attainment and the economic and non-economic benefits that come with greater educational attainment.

With the right support, Latinos are already in place for the next push forward in their educational and economic rise.

¹⁴ Selective colleges are those in the top three categories of selectivity as determined by *Barron's Profiles of American Colleges*. These colleges admit students who score in the top 35 percent of college-entry exams.

¹⁵ Carnevale and Strohl, *Separate and Unequal*, 2013.

There is also some bad news, especially when it comes to completion and access to bachelor's degrees, graduate degrees, and selective colleges:

- Like minorities, women, and immigrants before them, Latinos are using education as a primary strategy for upward economic and social mobility. High school graduations are up and college access is increasing. But completion rates have been one of the most significant challenges for the Latino population. Even the most prepared Latino students have trouble graduating. While Latinos with high SAT/ACT test scores have similar rates of enrollment as Whites, 63 percent of these Latinos complete a degree or credential compared to 78 percent of Whites with similar test scores.
- To a significant extent, the low Latino completion rate may result from the fact that Latinos start college late and predominantly begin their postsecondary education at open-access colleges. Only 36 percent of Latinos who attend open-access colleges graduate, compared to 68 percent of Latinos who attend selective colleges.¹⁶
- Bachelor's degree completion rates for Latinos are still behind Whites, with 61 percent of Whites who enrolled in a bachelor's degree program completing their bachelor's degree in six years compared to 42 percent of Latinos and 42 percent of Blacks. Similarly, within six years of enrolling in an associate's degree program, 42 percent of Whites complete a degree or certificate compared to 30 percent of Latinos and 29 percent of Blacks.
- At the moment, Latino postsecondary educational attainment is concentrated in the middle between high school and bachelor's degrees. Latinos tend to concentrate their postsecondary enrollment at the sub-baccalaureate level. Almost two-thirds (65%) of Latinos initially enroll in certificate or associate's degree programs, compared to 42 percent of Whites and 52 percent of Blacks. Only 35 percent of Latinos enroll directly in bachelor's degree programs.
- Latinos are not only concentrated in the middle tiers of educational attainment, they are also concentrated in the bottom tiers of postsecondary educational selectivity. Latinos are increasingly enrolling in overcrowded and underfunded open-access two- and four-year colleges: 65 percent of first-year Latino students enroll in open-access colleges compared to 15 percent enrolling in selective colleges. Meanwhile, Whites are leaving the open-access college sector. Since 2004, White enrollment in open-access two- and four-year colleges has declined by 18 percent. Like Latinos, Blacks have also increased their open-access enrollment, but only by 13 percent.¹⁷

¹⁶ Carnevale et al., *Race, Money, and Public Colleges*, forthcoming.

¹⁷ For a national review of the effect of racial and ethnic stratification, see Carnevale and Strohl, *Separate and Unequal*, 2013. For a state by state analysis of racial and ethnic stratification in public colleges see Carnevale et al., *Race, Money, and Public Colleges*, forthcoming.

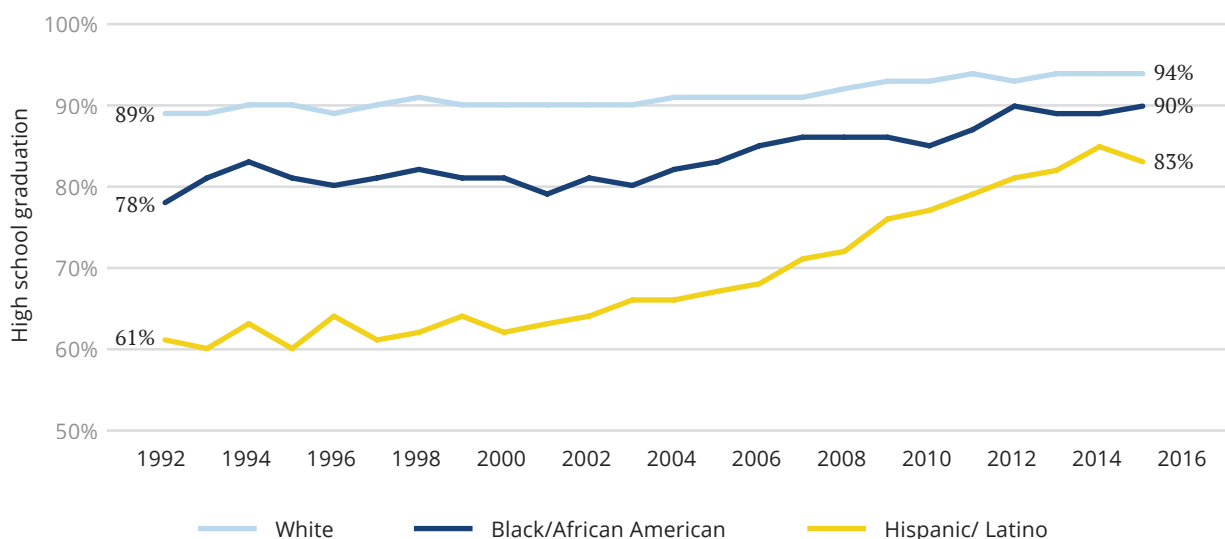
- Overcrowding and underfunding in the bottom tiers of selectivity also reduces completion and successful transfers from two-year to four-year colleges. At the associate's degree level, Latinos are the most likely compared to Blacks and Whites to not have a degree and no longer be enrolled after six years: 51 percent of Latinos compared to 46 percent of Blacks and 41 percent of Whites. Latinos are also the least likely to transfer to a four-year college: 26 percent of Latinos who initially enrolled in a two-year college are enrolled in a four-year college within six years compared to 28 percent of Blacks and 33 percent of Whites. However, 9 percent of Latinos who initially enrolled in an associate's degree program complete a bachelor's degree within six years, which is still lower than the 16 percent of Whites but higher than the 7 percent of Blacks.
- Perhaps the worst news is that differences in birthplaces, English language abilities, and education do not explain all the differences in earnings between Latinos and Whites, leaving an unexplained residual that can most likely be attributed to race and class differences in opportunity rather than merit.

High School Completion and Postsecondary Enrollment: *Catching Up but Still Last*

Overall Latino high school completion is lower than Whites' and Blacks' completion, with 83 percent of Latinos completing high school compared to 94 percent of Whites and 90 percent of Blacks. However, the share of Latinos completing high school has grown the most (22 percentage points) since 1992, narrowing the high school completion gap between Whites and Latinos and the gap between Blacks and Latinos. In the same time period, White high school completion grew by 5 percentage points and that for Blacks increased by 12 percentage points (Figure 1.1).

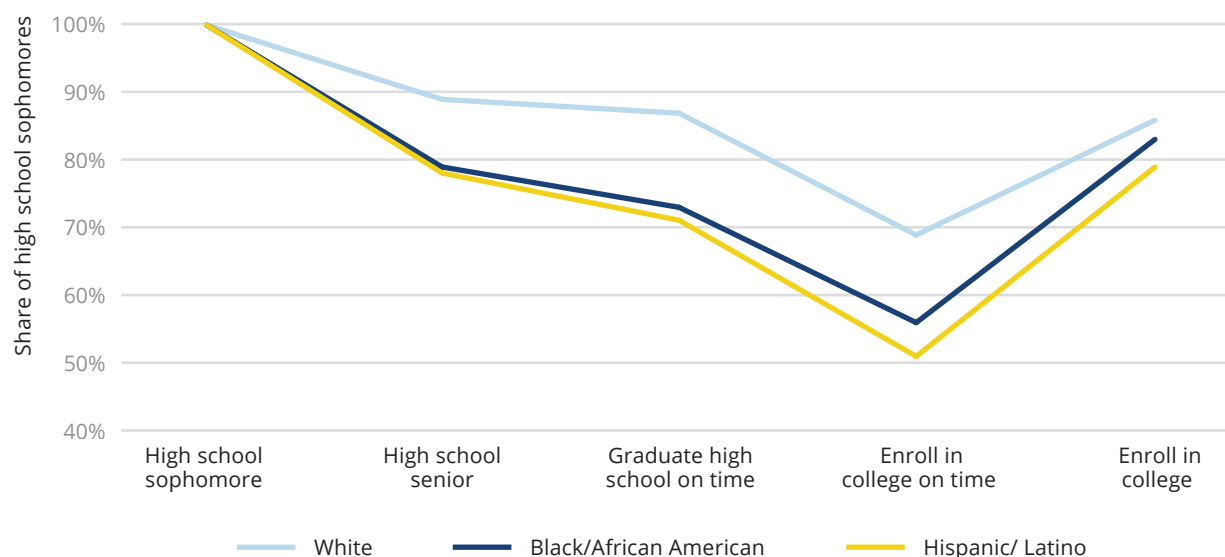
As Latinos travel the traditional education pipeline from high school to college, their pathways diverge further and further away from Whites and, to a lesser degree, from Blacks. Latinos are the least likely to graduate high school and attend college on time. Seventy-eight percent of Latino sophomores make it to their senior year of high school, 71 percent graduate high school

FIGURE 1.1. Latino high school completion had a higher rate of growth than that of Whites and Blacks, rising from 61 percent in 1992 to 83 percent in 2015.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, *Current Population Survey*, 1992-2015.

FIGURE 1.2. Latinos are less likely than Whites and Blacks to graduate high school and enroll in college on time.



Source: Georgetown University Center on Education and the Workforce analysis of data from *Restricted Use Education Longitudinal Study (ELS)*, 2002/12.

on time, and 51 percent enroll in college right after high school (Figure 1.2). Comparatively, 89 percent of White sophomores make it to their senior year, 87 percent graduate high school on time, and 69 percent enroll in college right after high school. Blacks are more similar to Latinos but still more likely to enroll and graduate on time: 79 percent of Black sophomores make it to their senior year of high school, 73 percent graduate high school on time, and 56 percent enroll in college right after high school.

However, while Latinos do not appear to graduate high school or attend college in the normal time, they do eventually narrow the college enrollment gap. Seventy-nine percent of Latino high school sophomores eventually attend college compared to 86 percent of White sophomores and 83 percent of Black sophomores.

Latinos are increasing their college enrollment after graduating from high school faster than Whites and Blacks. They tend to have high postsecondary education aspirations and see college as a necessary pathway to stable employment and economic mobility.¹⁸ Between 2004 and 2014,

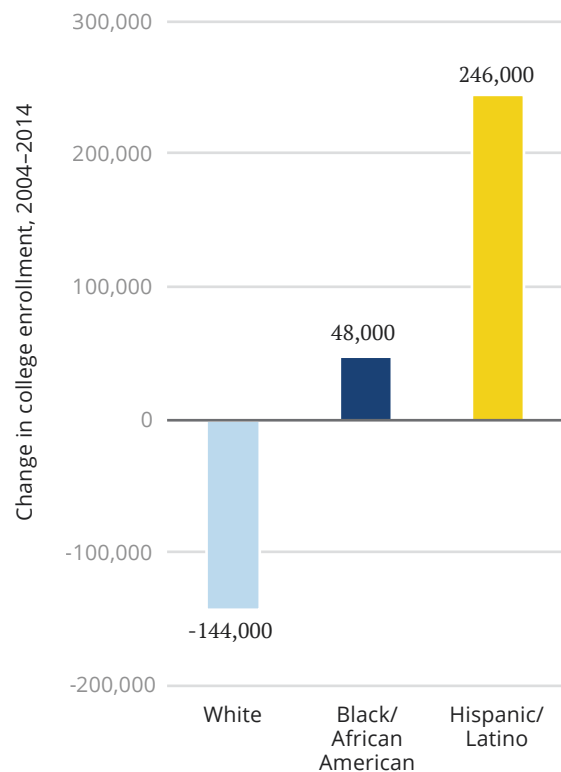
¹⁸ Ovink, "In Today's Society, It's a Necessity," 2017.

Latino first-time college enrollment increased by 93 percent (246,000). In the same period, first-time enrollment for Blacks increased by 14 percent (48,000) and decreased for Whites by 9 percent (144,000) (Figure 1.3).

While Latinos are completing high school and enrolling in college in greater numbers, there is still room for more progress for disconnected Latino youth between the ages of 16 and 24 who are neither in school nor working.¹⁹ Latinos are more likely to be disconnected (14%) than Whites (10%), but less so than Blacks (19%). While the biggest challenge for disconnected Latinos is educational attainment, their disconnection rate is falling faster than Whites and Blacks.²⁰ Moreover, when a stricter definition of disconnection is used,²¹ the disconnection rate among Latinos is much closer to that for Whites: 6 percent compared to 5 percent, respectively. In comparison, Blacks have a disconnection rate of 11 percent using this stricter definition.²² Thus, increases in high school completion and college enrollment have enabled Latinos to have lower disconnection rates than Blacks.

As a result of the growing Latino high school graduation and postsecondary enrollment,

FIGURE 1.3. Over the past decade, Latino first-time enrollees at two- and four-year colleges and universities increased by almost 250,000 students, while White enrollment has actually decreased.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Department of Education, *Integrated Postsecondary Education Data System (IPEDS)*, 2004 and 2014.

¹⁹ Disconnected youth are individuals between the ages of 16 and 24 who are not in school or working. The national average of disconnected youth in the population is 12.3 percent. Burd-Sharps and Lewis, *Promising Gains, Persistent Gaps*, 2017.

²⁰ Burd-Sharps and Lewis, *Promising Gains, Persistent Gaps*, 2017.

²¹ Stricter disconnection rate is the percent of individuals between the ages of 16 and 24 who are not in school or working and did not work or attend school any time during the previous year. Fernandes-Alcantara, *Disconnected Youth*, 2015.

²² Fernandes-Alcantara, *Disconnected Youth*, 2015.

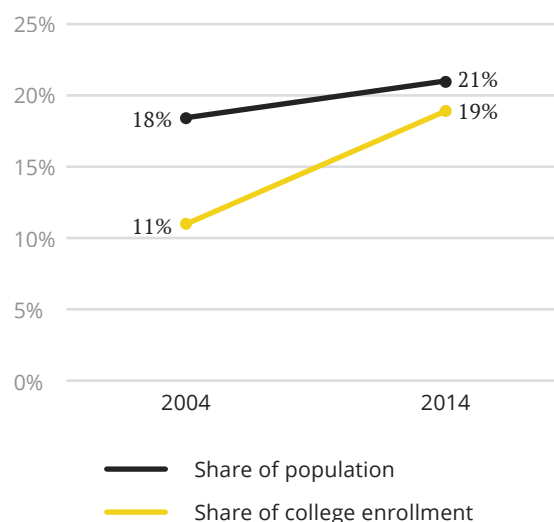
the overall college enrollment share of Latinos is closer than ever to their growing population share. Latinos increased their college enrollment share by 8 percentage points between 2004 and 2014. Similarly, the share of the Latino college-age population²³ increased by 3 percentage points during this same period. Thus, Latinos are enrolling in college faster than their population is growing, thereby narrowing the college enrollment gap and becoming a more represented population in colleges (Figure 1.4).

One of the biggest challenges for Latinos has been navigating a polarized postsecondary system with two unequal pathways.

Latinos have made tremendous progress in gaining access to colleges. In the last decade, Latino college enrollment has more than doubled at selective²⁴ and middle-tier colleges and almost doubled at open-access colleges. At selective colleges, Latino enrollment grew by 41,000, increasing from 35,000 to 76,000. Their enrollment in open-access colleges increased from 181,000 to 335,000 students (Figure 1.5).

But while more and more Latinos are enrolling in postsecondary schools, Latinos often begin their postsecondary studies at under-resourced open-access colleges, where, more often than not, they end up without a postsecondary credential. Latino college enrollment has been primarily in open-access colleges, with 65 percent of first-year Latino students enrolling in

FIGURE 1.4. Between 2004 and 2014, Latino college enrollment almost caught up to their college-age population share.

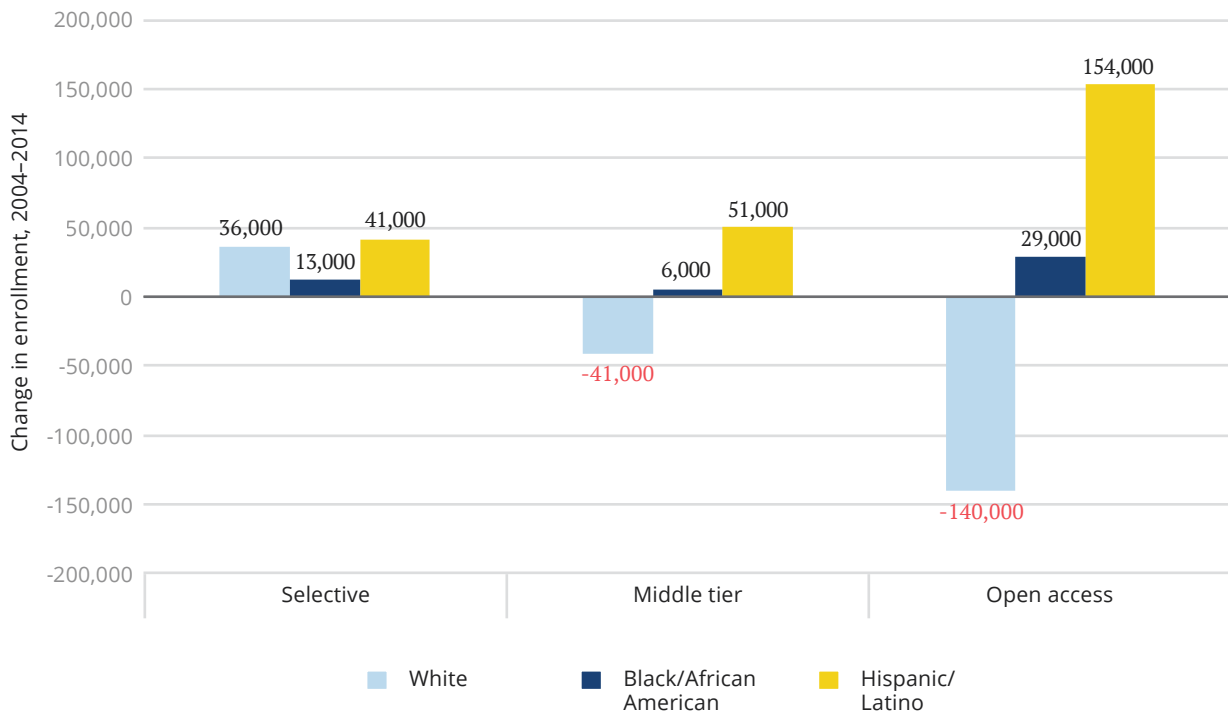


Source: Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau, *American Community Survey*, 2004 and 2014, and the US Department of Education, *Integrated Postsecondary Education Data System* (IPEDS), 2004 and 2014.

²³ College age is defined as individuals between the ages of 18 and 24.

²⁴ Selective colleges are those in the top three categories of selectivity as determined by *Barron's Profiles of American Colleges*. These colleges admit students who score in the top 35 percent of college-entry exams.

FIGURE 1.5. In the past decade, Latino first-time enrollment at all selectivity tiers has grown at a faster rate than enrollment of Whites and Blacks. In fact, White enrollment has decreased at middle-tier and open-access colleges.



Source: Georgetown University Center on Education and the Workforce analysis of data from the *NCES-Barron's Admissions Competitiveness Index Data Files*: 2004 and 2014, and the US Department of Education, *Integrated Postsecondary Education Data System* (IPEDS), 2004 and 2014.

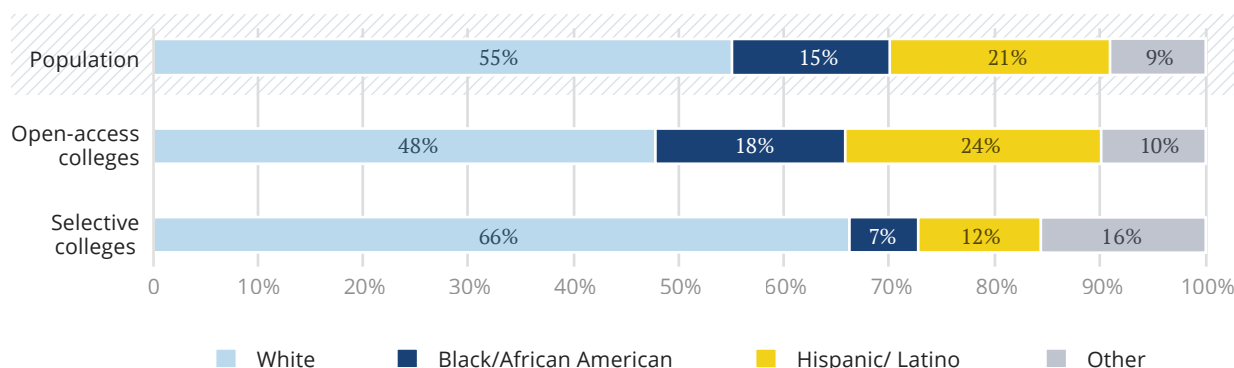
open-access colleges compared to 15 percent enrolling in selective colleges.²⁵ It is not surprising that Latinos enroll primarily in open-access colleges since almost two-thirds of Latinos initially enroll in a certificate or associate's degree program, which are typically offered at open-access colleges. By contrast, less than half of Whites and about half of Blacks (42 percent and 52 percent, respectively) enroll in these programs.²⁶

Latinos face several obstacles compared to Whites that make it more difficult for them to successfully navigate the postsecondary system. Latinos principally rely on their high schools to

²⁵ Georgetown University Center on Education and the Workforce analysis of data from the *NCES-Barron's Admissions Competitiveness Index Data Files*: 2014, and the US Department of Education, *Integrated Postsecondary Education Data System* (IPEDS), 2014.

²⁶ Georgetown University Center on Education and the Workforce analysis of data from *Beginning Postsecondary Students Longitudinal Study* (BPS: 12/14).

FIGURE 1.6. Latinos are over-enrolled in open-access colleges, but under-enrolled in selective colleges compared to their college-age population.



Source: Georgetown University Center on Education and the Workforce analysis of data from the *NCES-Barron's Admissions Competitiveness Index Data Files: 2014*, and US Census Bureau, *American Community Survey, 2014*, and the US Department of Education, *Integrated Postsecondary Education Data System (IPEDS), 2014*.

Note: Stacked bars may not sum to 100% due to rounding.

help them apply to college because their parents are less likely to have attended college.²⁷ This lack of parental knowledge of the college application and enrollment process leads to Latinos—even those with high SAT/ACT scores—applying to fewer colleges, unaware that they are unlikely to pay the sticker price at the most selective colleges.²⁸ In addition, many Latinos desire to remain close to home due to family obligations and responsibilities, which is a major factor that explains differences between Latinos and Whites when they apply to college.²⁹

Access to the better-resourced selective colleges matters because such institutions spend more per student. Open-access colleges tend to be overcrowded because students see them as more affordable options. However, they are also underfunded because they receive far less state funding, which limits their ability to serve large student bodies. They also have fewer full-time instructors and less student support mechanisms.³⁰

Increased college enrollment by Latinos has not yet translated to equal access at the most selective colleges. The most telling metrics of racial polarization in postsecondary education

²⁷ Ovink, "In Today's Society, It's A Necessity," 2017.

²⁸ Hoxby and Turner, "Expanding College Opportunities for High-Achieving, Low Income Students," 2013.

²⁹ Desmond and Turley, "The role of familism in explaining the Hispanic-White college application gap," 2009.

³⁰ Carnevale and Strohl, *Separate and Unequal*, 2013.

are comparisons of White and Latino enrollments to their respective shares of the college-age population. Whites are still taking a disproportionate share of seats in the nation's 500 selective colleges. Latinos account for 21 percent of the college-age population, but they only account for 12 percent of students at selective colleges (Figure 1.6).

Open-access colleges are where we see the most growth in Latino enrollment (10 percentage point increase). This trend unfortunately mimics the racial and ethnic inequality in the K-12 system. It also serves to magnify the inequality that Latino students face in the postsecondary system depending on the major that they select and occupations they apply for once they enter the labor market.

Progression through Postsecondary Education: Somewhere in the Middle

Most Latinos aspire to get a bachelor's degree even if they enrolled in an associate's degree program first. Over 80 percent of Latinos who first enrolled in an associate's degree program expect to get a bachelor's degree, and almost 40 percent expect to eventually get some sort of graduate degree.³¹ However, similar obstacles such as the ones Latinos face entering college can delay and lengthen their progression through college, and even result in Latinos leaving college before earning an award.³² For the most part, Latinos are progressing through college better than Blacks but worse than Whites.

Remedial education commonly serves as a barrier to college completion because students enrolled in remedial courses cannot, in many cases, enroll in credit-bearing courses concurrently. Latinos are less likely than Blacks but more likely than Whites to be enrolled in remedial education—63 percent of Latinos at two-year colleges are enrolled in remedial education compared to 70 percent of Blacks and 53 percent of Whites.³³ Only 20 percent of Latinos placed into remedial education complete the initial credit-bearing math or English courses in two academic years compared to 11 percent of Blacks and 23 percent of Whites.³⁴

Latinos' ability to transfer—from one institution to another, with or without a credential—is another obstacle hindering their progression. Latinos who enroll in certificate or associate's degree programs are slightly less likely to transfer from their original institution than Whites and Blacks. Within six years of enrolling in a certificate program, 12 percent of Latinos transferred compared to 15 percent of Whites and 20 percent of Blacks. Within six years of enrolling in an associate's degree program, 28 percent of Latinos transferred compared to 34 percent of Blacks and 35 percent of Whites.³⁵

³¹ Georgetown University Center on Education and the Workforce analysis of data from *Beginning Postsecondary Students Longitudinal Study* (BPS): 12/14.

³² Ovink, "In Today's Society, It's A Necessity," 2017.

³³ At four-year colleges, 35 percent of Latinos are enrolled in remedial education compared to 44 percent of Blacks and 23 percent of Whites. Vandal, *Remedial Education's Role in Perpetuating Achievement Gaps*, 2016.

³⁴ Vandal, *Remedial Education's Role in Perpetuating Achievement Gaps*, 2016.

³⁵ Georgetown University Center on Education and the Workforce analysis of data from *Beginning Postsecondary Students Longitudinal Study* (BPS): 04/09.

Latinos are the least likely to transfer from a two-year college to a four-year college—26 percent of Latinos who initially enrolled in a two-year college transfer to a four-year college within six years of initial enrollment compared to 28 percent of Blacks and 33 percent of Whites. However, Latinos are more likely than Blacks but less likely than Whites to transfer from a two-year college and complete a bachelor's degree at a four-year college. Overall, 19 percent of Whites, 11 percent of Latinos, and 9 percent of Blacks enrolled in an associate's degree program transfer and complete bachelor's degrees within six years of initial enrollment.³⁶

The award level that students enroll in also affects whether they progress through college. At the certificate level, Latinos are the least likely to not have earned an award after six years (35 percent of Latinos compared to 44 percent of Whites and 57 percent of Blacks). At the associate's degree level, Latinos are the most likely to have dropped out without a degree after six years—51 percent of Latinos compared to 46 percent of Blacks and 41 percent of Whites. At the bachelor's degree level, Latinos are the most likely to still be enrolled without a degree after six years—21 percent of Latinos compared to 17 percent of Blacks and 9 percent of Whites.³⁷

³⁶ Shapiro et al., *A National View of Student Attainment Rates by Race/Ethnicity*, 2017.

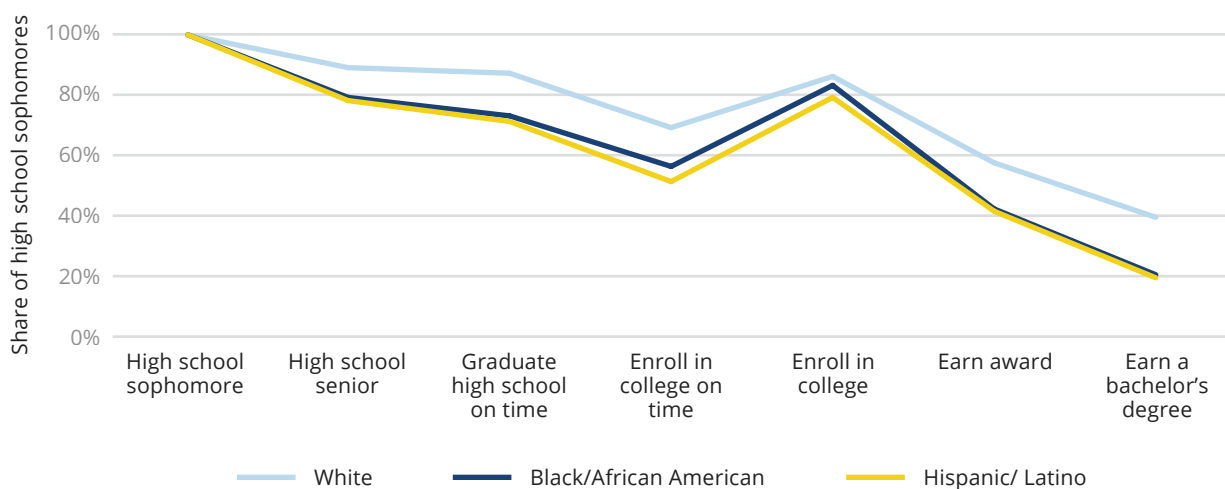
³⁷ Georgetown University Center on Education and the Workforce analysis of data from *Beginning Postsecondary Students Longitudinal Study* (BPS): 04/09.

Postsecondary Completion: First for Certificates and Tied with Blacks but Behind Whites for Associate's and Bachelor's Degrees

As Latino high school sophomores continue through the education pipeline, the boost they received from postsecondary enrollment disappears; Latino sophomores are less likely to complete a bachelor's degree or any postsecondary award³⁸ compared to Whites. Forty-one percent of Latino high school sophomores eventually earn an award compared to 57 percent of Whites. There is an even bigger difference between the percentage of White sophomores who eventually earn a bachelor's degree and the percentage of Latino sophomores: 39 percent compared to 19 percent, respectively. However, Latino and Black sophomores have nearly equivalent completion rates for earning a bachelor's degree or award (Figure 3.1).

Focusing on the students who do enroll in college for the first time, the progress that Latinos have made in postsecondary completion is concentrated at the sub-baccalaureate level. Latinos

FIGURE 3.1. Latino high school sophomores are half as likely as their White counterparts to earn a bachelor's degree, but are as likely to do so as Blacks.



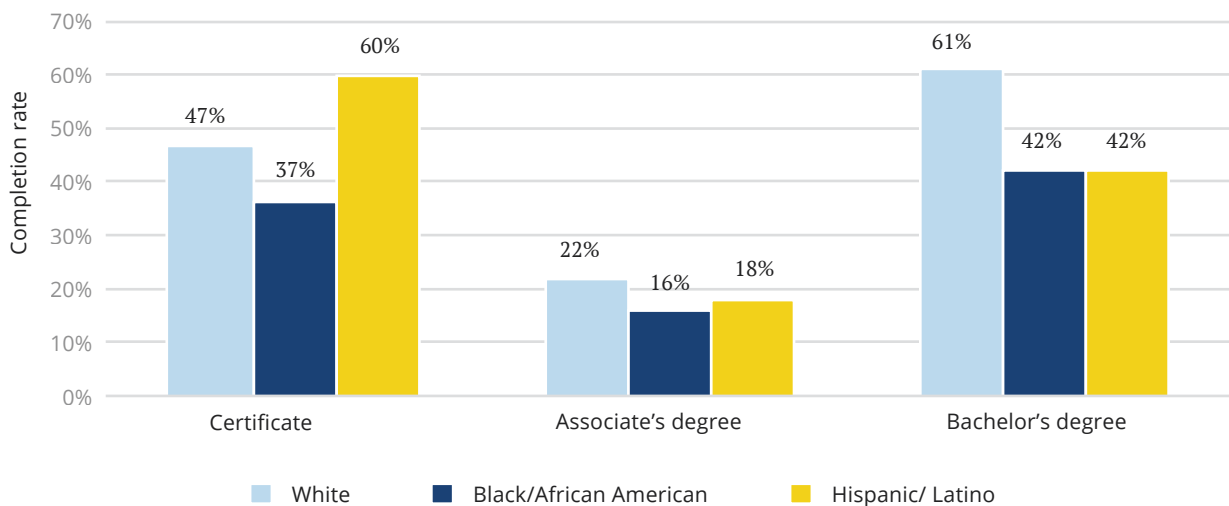
Source: Georgetown University Center on Education and the Workforce analysis of data from *Restricted Use Education Longitudinal Study* (ELS), 2002/12.

³⁸ Awards include certificates, associate's degrees, and bachelor's degrees.

who enroll in certificate programs have the highest completion rates, more so than Whites and Blacks. Sixty percent of Latinos who enroll in certificate programs complete their certificate within three years from their initial institution, compared to 47 percent of Whites and 37 percent of Blacks (Figure 3.2).

Overall, students enrolled in associate's degree programs are less likely to complete than students enrolled in bachelor's degree or certificate programs. Associate's degree completion rates for Whites, Latinos, and Blacks are not so far apart: 22 percent of Whites who enrolled in associate's degree programs complete the degree within six years of enrolling at their initial institution, compared to 18 percent of Latinos and 16 percent of Blacks. Even more telling, overall attainment rates are still low: 30 percent of Latinos who initially enroll in an associate's program complete a college degree or certificate within six years. Comparatively, 42 percent of Whites and 29 percent of Blacks complete a college degree or certificate within six years of enrolling in an associate's degree program.³⁹

FIGURE 3.2. Latino completion rates for bachelor's and associate's degrees lag behind Whites, but Latinos have much higher certificate completion rates.



Source: Georgetown University Center on Education and the Workforce analysis of data from *Beginning Postsecondary Students Longitudinal Study* (BPS): 04/09.

³⁹ Georgetown University Center on Education and the Workforce analysis of data from *Beginning Postsecondary Students Longitudinal Study* (BPS): 04/09.

Latinos and Blacks are tied for bachelor's degree completion rates and both are behind Whites: 42 percent of Latinos and 42 percent of Blacks who enroll in bachelor's degree programs complete a degree within six years from their initial institution, compared to 61 percent of Whites.

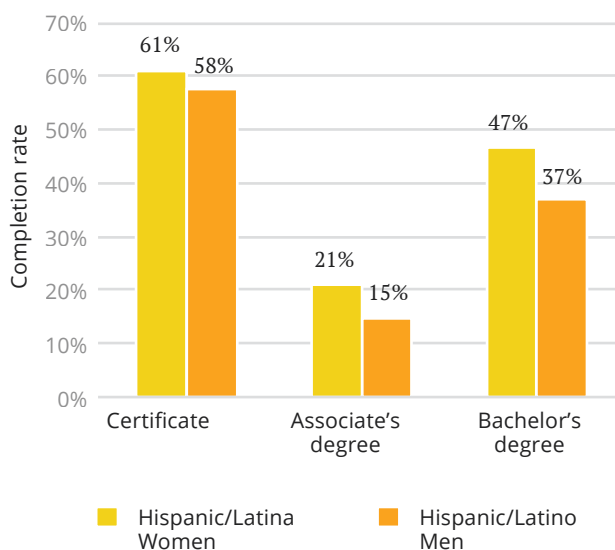
Overall, about 43 percent of Latinos earn some type of postsecondary award within six years of first enrollment in college, compared to 40 percent of Blacks and 68 percent of Whites. However, Whites are more likely to have higher levels of educational attainment than Latinos because they initially enroll in four-year colleges and graduate with a bachelor's degree at higher rates. Forty-three percent of Whites complete their bachelor's degree within six years, compared to 21 percent of Latinos.⁴⁰

Latina women are leveraging postsecondary education to make social and economic progress.

Latina women, and women in general, are leveraging postsecondary education to make social and economic progress. Women outperform men in completion at every level of postsecondary education, which also holds true for Latina women compared to Latino men (Figure 3.3). In fact, Latina women have higher certificate and associate's degree completion rates compared to White men.

Latina women have the highest certificate completion rates followed by Latino men, White women, White men, Black women, and finally Black men. Latina women are second in the race for associate's degree completion behind White women. Latino men, however, are tied for last with Black

FIGURE 3.3. Latina women have higher completion rates than Latino men at every level of postsecondary education.



Source: Georgetown University Center on Education and the Workforce analysis of data from *Beginning Postsecondary Students Longitudinal Study* (BPS); 04/09.

⁴⁰ Georgetown University Center on Education and the Workforce analysis of data from *Beginning Postsecondary Students Longitudinal Study* (BPS); 04/09.

women. White women have the highest bachelor's degree completion rates followed by White men. Latina women and Black women have the third highest bachelor's degree completion rates followed by Latino men and Black men.⁴¹

Whites, overall, have the highest bachelor's degree completion rates: 64 percent of White women and 57 percent of White men who initially enroll in a bachelor's degree program complete their degree within six years of enrolling at their initial institution. Latina women and Black women are tied for third with completion rates of 47 percent.

Latinos with high test scores are not as likely as similarly prepared Whites to complete college.

The unfortunate fact that not every student with high test scores attends and completes college holds especially true for Latinos. Between 2011 and 2015, the number of Latino high school graduates who took the ACT increased by 53 percent.⁴² Latino students with high test scores—those whose SAT/ACT scores are in the top quartile—enroll in college at similar rates as White students with high test scores: 96 percent compared to 97 percent, respectively. However, 37 percent of Latinos with high test scores do not complete any credential compared to 22 percent of Whites with high test scores.⁴³

Part of this is due to the fact that even Latinos with high test scores are more likely to attend middle-tier or open-access colleges. Every year there are 125,000 Latino students who score in the top half of high school students on college admissions tests. Of these Latinos, only 26,000 (20%) attend one of the top 500 selective colleges. This leaves approximately 100,000 Latino students with high test scores attending middle-tier or open-access colleges when they could perform well at the selective colleges. Comparatively, 35 percent of White students with similar test scores attend selective colleges.⁴⁴

Every year there are more than 60,000 Latinos in the top half of their senior high school class who do not earn a certificate or degree within eight years of their high school graduation.⁴⁵ More Latinos are prepared for college than graduate. Approximately 25 percent of Latinos who enroll

⁴¹ See Appendix 5 for full completion rates by race/ethnicity and gender.

⁴² ACT, *The Condition of College and Career Readiness 2015: Hispanic Students*, 2016.

⁴³ Georgetown University Center on Education and the Workforce analysis of data from *Restricted Used Education Longitudinal Study* (ELS), 2002/12.

⁴⁴ Ibid. CEW calculations have been perturbed and rounded.

⁴⁵ Carnevale and Strohl, *Separate and Unequal*, 2013.

in college and are college-ready, according to their National Assessment of Educational Progress (NAEP) scores, do not complete a bachelor's degree.⁴⁶ Thus, while equally qualified Latino students enroll in postsecondary at similar rates as Whites, they are less likely to graduate with any credential.

On the other hand, Latinos are more likely to complete degrees or credentials when they have higher SAT/ACT test scores. Latinos who enroll in college with test scores in the bottom quartile have completion rates of 44 percent, while 65 percent of Latinos who enroll in college with test scores in the top quartile complete their degree.⁴⁷

College readiness is clearly an important factor in explaining low completion rates, but the role of tests and other metrics of college readiness in college completion is greatly overstated. The lack of resources at open-access colleges is one of the main causes of high dropout rates and longer time required for degree completion among less advantaged students, including less advantaged Latino students.⁴⁸ More research is needed to unpack the relationship between Latinos' college readiness, their low postsecondary completion rates, and the vast differences among college resources.

Equally qualified students of all races are more likely to complete their postsecondary studies at more selective colleges.

Latino completion rates increase when Latino students enroll in a selective college. For example, Latino students with above average SAT/ACT test scores have about an 85 percent chance of graduating if they matriculate at a selective college rather than an open-access college.⁴⁹ While open-access colleges are far more plentiful and accessible, students attending these institutions are less likely to progress through their programs and graduate.⁵⁰

Overall, a college credential is much harder to obtain at open-access colleges, with only 33 percent of students graduating within 150 percent of the normal time it takes to get a degree

⁴⁶ Petrilli, "College Readiness, College Completion, and Race," 2016.

⁴⁷ Georgetown University Center on Education and the Workforce analysis of data from *Restricted Use Education Longitudinal Study (ELS)*, 2002/12.

⁴⁸ Bound et al., "Why Have College Completion Rates Declined?," 2010 and Bound and Turner, "Cohort crowding," 2007.

⁴⁹ Carnevale et al., *Race, Money, and Public Colleges*, forthcoming.

⁵⁰ Open-access colleges account for 68 percent of all colleges, while selective colleges—those in the top three categories of selectivity as determined by *Barron's Profiles of American Colleges*—account for 12 percent of all colleges and universities.

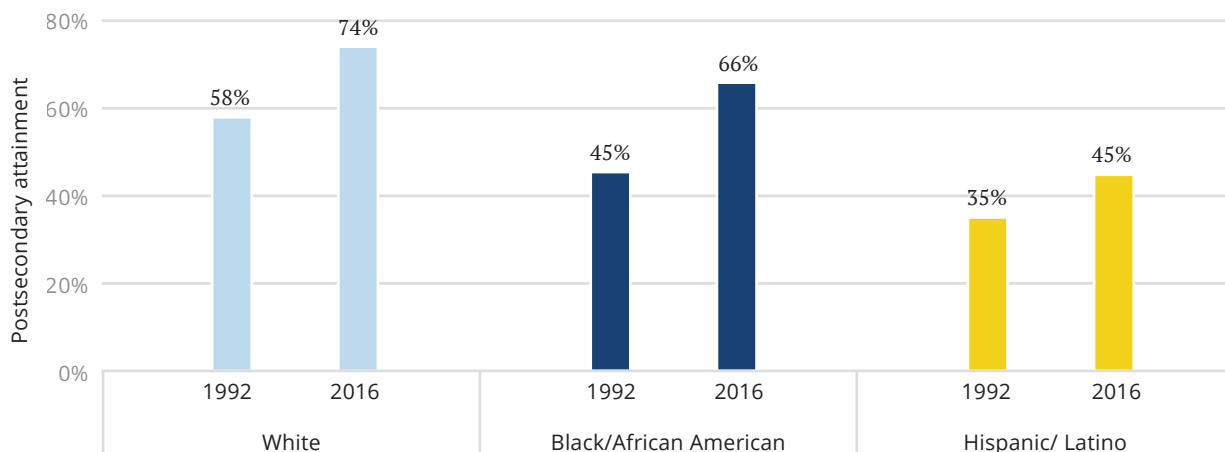
versus 73 percent of students at selective colleges and 49 percent at middle-tier colleges. This same pattern holds for Latinos. The Latino graduation rate at selective colleges is 68 percent compared to 43 percent at middle-tier colleges and 36 percent at open-access colleges. Perhaps most telling is that even Latinos with lower-than-average test scores graduate at higher rates when they are enrolled in a selective college.⁵¹

⁵¹ Carnevale et al., *Race, Money, and Public Colleges*, forthcoming.

Educational Attainment: Running Faster but Falling Further Behind

While Latinos are seeking postsecondary education at greater rates, their low college completion rates mean that they are not increasing their postsecondary educational attainment fast enough. Latino educational attainment is not keeping up with increasing skill requirements on the job. By 2020, 65 percent of all jobs will require some form of postsecondary education.⁵² However, a majority of Latinos (55%) still only have a high school diploma or less, compared to 26 percent of Whites and 34 percent of Blacks. In fact, Latinos are fairly evenly split between those with a high school diploma and those without a high school diploma, while a vast majority of Whites and Blacks have a high school diploma.⁵³

FIGURE 4.1. While their postsecondary education access is increasing, Latinos are still behind Whites and Blacks in postsecondary attainment: 45 percent of Latinos had some postsecondary education in 2016, while 74 percent of Whites and 66 percent of Blacks have some postsecondary education.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, *Current Population Survey*, 1992 and 2016.

⁵² Carnevale et al., *Recovery*, 2013.

⁵³ See Appendix C for complete distribution of educational attainment by race/ethnicity.

Both Whites and Blacks will meet the 65 percent postsecondary education projected demand for the workforce by 2020, but not Latinos. Seventy-four percent of Whites and 66 percent of Blacks have some form of postsecondary education. On the other hand, only 45 percent of Latinos have some form of postsecondary education (Figure 4.1).

Latinos are running faster in the postsecondary attainment race but are still falling further behind when compared to Whites and Blacks. In 1992, Latinos were 23 percentage points behind Whites and 10 percentage points behind Blacks in postsecondary education and as of 2016, they are 29 percentage points behind Whites and 21 percentage points behind Blacks. This is because Latinos are not increasing their postsecondary educational attainment as fast as their population is growing. Between 1992 and 2016, the Latino population share grew by 9 percentage points, while the share of Latinos with some postsecondary education grew by 6 percentage points.

Native-born Latinos have more postsecondary education compared to foreign-born⁵⁴ Latinos.

Latinos' levels of education are as diverse as they are as a group. Thirty-nine percent of foreign-born Latinos do not have a high school diploma compared to 10 percent of Latinos born in the United States. Similarly, Latinos who were not born in the United States receive less postsecondary education compared to their US-born counterparts. The share of foreign-born Latinos with at least some postsecondary education is half the rate of native-born Latinos with at least some college (Figure 4.2). Educational attainment could be lower for foreign-born Latinos due to some immigrants not being able to transfer their training and credentials to the US labor market.⁵⁵

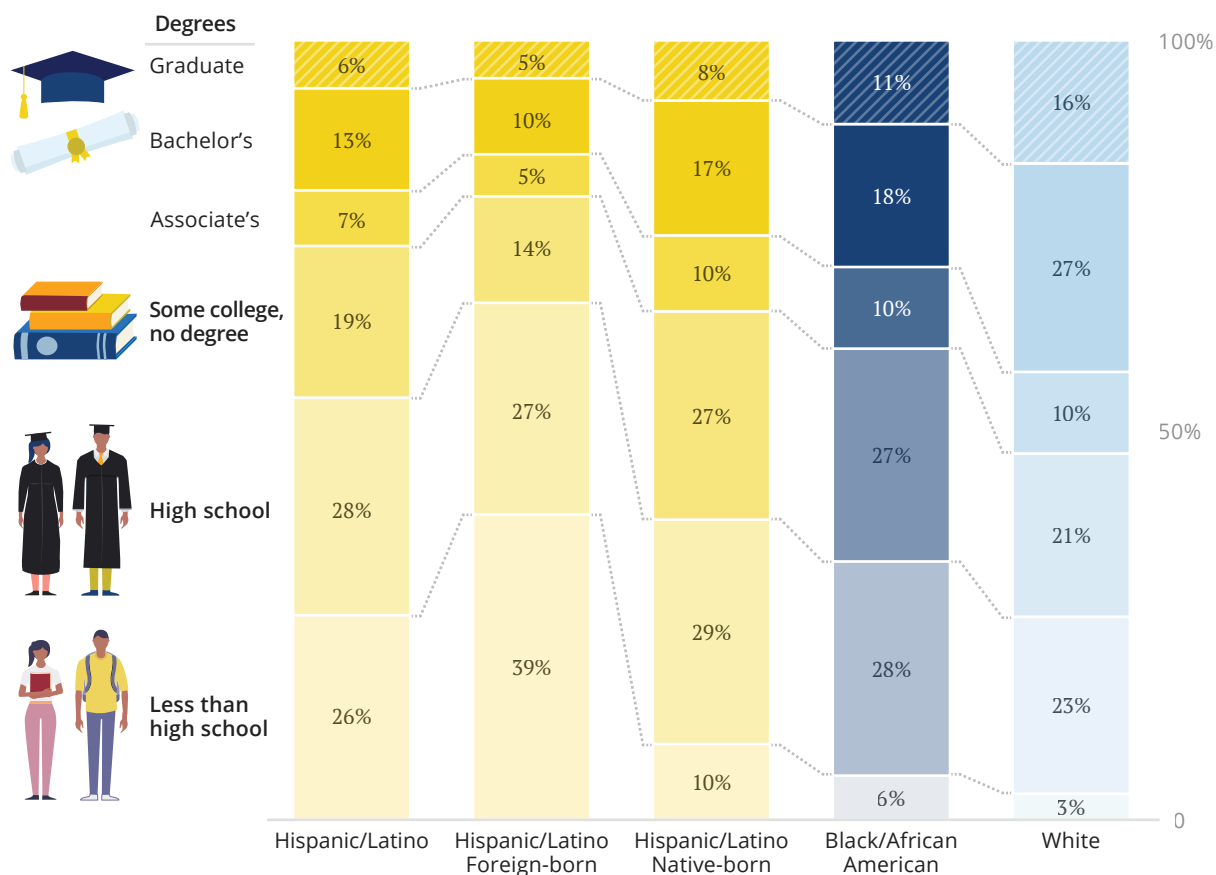
The educational attainment of native-born Latinos more closely mirrors the educational attainment of Blacks but is still lower than the educational attainment of Whites. Of course, this number can vary widely depending on country of origin, but Latinos born in the United States are closer to meeting the postsecondary workforce requirements (65%) than foreign-born Latinos.

The educational attainment story changes slightly when examining foreign-born Latinos

⁵⁴ Foreign-born refers to any Latino who was not born within the United States. While the US Census Bureau does not collect data on the legal status of foreign-born individuals, it can be assumed that some undocumented immigrants are included in this analysis since the US Census Bureau collects data on whoever participates regardless of their legal status. However, there is no way of knowing the proportion of undocumented immigrants in this analysis.

⁵⁵ English, "For Hispanics, Border Wage Gap Reflect Education, English Divide," 2013.

FIGURE 4.2. Only 34 percent of foreign-born Latinos have some form of postsecondary education compared to 61 percent of native-born Latinos.



Note: Numbers might not add up to 100 due to rounding.

Source: Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau, *American Community Survey*, 2015.

who become US citizens and those who do not. While foreign-born citizens still have lower postsecondary educational attainment compared to native-born Latinos (51% compared to 61%, respectively), their postsecondary attainment is higher than foreign-born Latinos who do not become citizens (21%).⁵⁶

⁵⁶ Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau, *American Community Survey*, 2015.

When broken down by Latino heritage,⁵⁷ foreign-born Latinos attain less postsecondary education than native-born Latinos. This is especially true among Mexicans, Guatemalans, Hondurans, Nicaraguans, and Salvadorans. Among the foreign-born, only 23 percent of Mexicans and 27 percent of Guatemalans, Hondurans, Nicaraguans, and Salvadorans living in the United States have postsecondary education. Among the native-born Latinos, 58 percent of Mexicans and 68 percent of Guatemalans, Hondurans, Nicaraguans, and Salvadorans have postsecondary education. Latinos in the Other Central American category also have higher educational attainment: 81 percent of native-born and 62 percent of foreign-born (Figure 4.3).

In general, South Americans have the highest postsecondary educational attainment compared to other Latino heritages. In addition, students of all other Latino heritages, except for Mexicans and Puerto Ricans,⁵⁸ who were born within the 50 states or the District of Columbia exceed the educational attainment requirements of the workforce, and Puerto Ricans come close. Except for South Americans, foreign-born Latinos still have further to go in order to meet workforce demands, but Puerto Ricans and other Central Americans, such as Costa Ricans and Panamanians, are well on their way.

Compared to Whites, several native-born Latinos of different heritages achieve higher rates of postsecondary education, and most have higher rates compared to Blacks. However, no foreign-born Latinos attained more postsecondary education than Whites, while only foreign-born South Americans have attained higher postsecondary education than Blacks. Mexicans have the lowest postsecondary educational attainment not only among all Latinos, but also Whites and Blacks. While native-born Mexicans have educational attainment closer to Whites and Blacks, they still lag behind.

English language ability for Latinos increases with educational attainment.

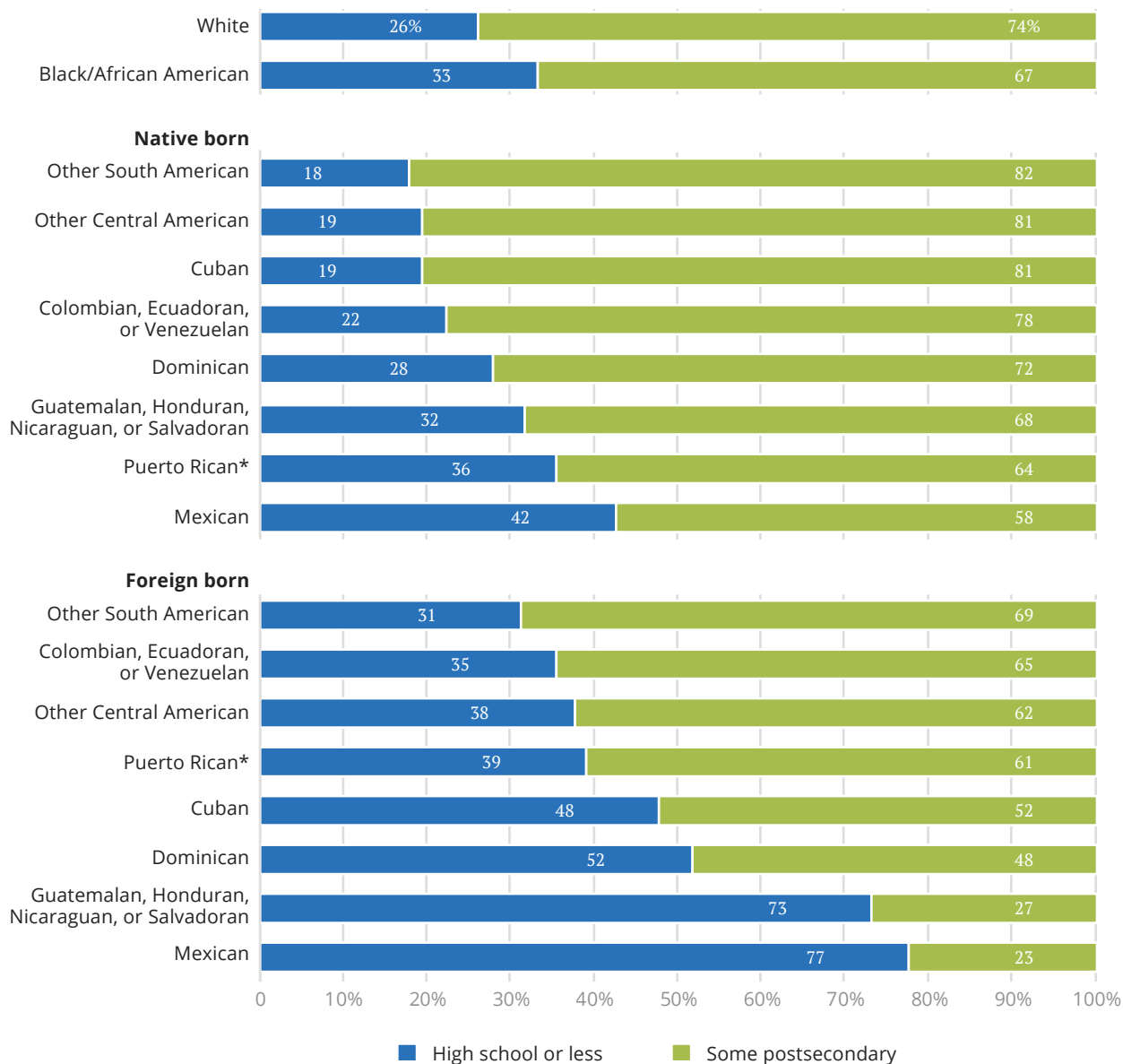
Latino postsecondary attainment differs by their English language ability. Almost all Whites and Blacks speak only English at home compared to 23 percent of Latinos. Another 41 percent of Latinos speak English very well, but this is still lower than Whites and Blacks. Native-born Latinos are much more likely to speak only English (45%) or speak English very well (49%), while 40 percent of foreign-born Latinos speak only English or speak English very well.⁵⁹

⁵⁷ The Latino community encompasses many places of birth, nationalities, ancestries, heritages, and races. For example, in Central and South America, the predominant language in many native communities is something other than Spanish. While it would be ideal to explore all these nuances that exist within the Latino community, we are limited to working with US Census Bureau data on country of origin.

⁵⁸ Native-born Puerto Ricans refer to Puerto Ricans born within the 50 states and the District of Columbia. While Puerto Ricans born in Puerto Rico are US citizens at birth, they are considered foreign-born for the purpose of this analysis.

⁵⁹ Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau, *American Community Survey*, 2015.

FIGURE 4.3. Native-born South Americans have the highest postsecondary educational attainment, while foreign-born Mexicans have the lowest attainment.



Source: Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau, *American Community Survey*, 2015.

*Native-born Puerto Ricans refer to Puerto Ricans born within the 50 states and the District of Columbia. While Puerto Ricans born in Puerto Rico are US citizens at birth, they are considered foreign-born for the purpose of this analysis.

Latinos tend to speak English better when they have more education with 28 percent of Latinos with less than high school only speaking English or speaking English very well compared to 90 percent of Latinos with a graduate degree. The increase in English language ability is even more dramatic for foreign-born Latinos: 18 percent with less than high school speak only English or speak English very well compared to 81 percent with a graduate degree. This difference is greatly muted for native-born Latinos. Among native-born Latinos with less than high school, 83 percent speak only English or speak English very well compared to 96 percent with a graduate degree.⁶⁰

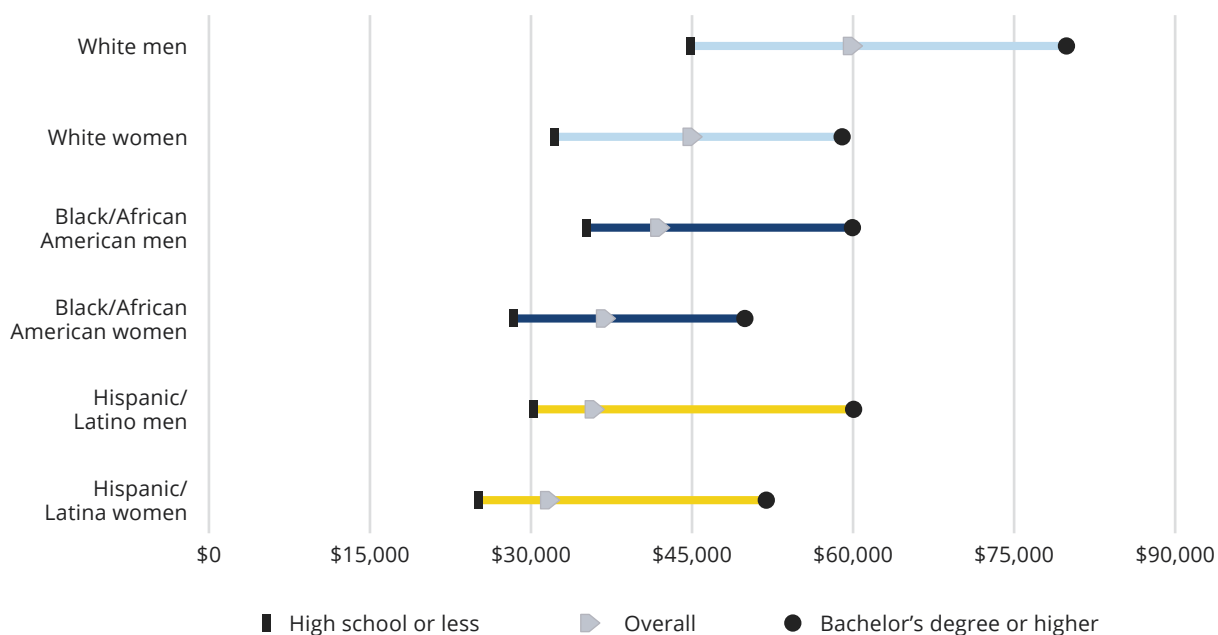
⁶⁰ Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau, *American Community Survey*, 2015.

Latinos in the Workforce: Coming on Fast but Still Earning Less at Every Education Level

The earnings gap by race, ethnicity, and gender persists when examining overall earnings among Latinos, Whites, and Blacks. Latinos earn 67 percent of what Whites earn, on average. Moreover, Latino men and women come in last in the overall earnings race among Whites and Blacks. Looking at all workers, regardless of educational attainment, White men earn the most, followed by White women, Black men, Black women, and finally Latino men and Latina women.

However, when earnings are analyzed by level of educational attainment, the results of the earnings race are not as drastic for Latinos, especially at higher education levels. For example, Latino workers with a bachelor's degree or higher are not last. White men still earn the most,

FIGURE 5.1. White men win the earnings race regardless of educational attainment, but Latino wages increase with higher levels of education.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, *Current Population Survey*, 2016.

but Latino and Black men are tied for second. Furthermore, Latina women have earnings below White women but above Black women (Figure 5.1).⁶¹

Thus, education is one solution to bridging the earnings gaps among different racial and ethnic groups. But, even with the same qualifications and experience, Latinos still experience lower wages. Other research has shown that when education and other characteristics are controlled for, Latino men earn 92 percent of what White men earn, and Latina women earn 97 percent of what White women earn.⁶²

Wages associated with low educational attainment are especially detrimental for all Latinos, but especially for Latina women. In general, Latinos need to attain one more degree in order to earn wages similar to Whites. Overall, women also typically need to attain an additional degree in order to earn wages similar to men but, in the case of Latina women, they must earn two more degrees in order to earn wages similar to White men. For example, White men with an associate's degree earn \$55,000. Latino men need a bachelor's degree and Latina women need a graduate degree in order to earn wages comparable to White men with an associate's degree.

Latinos are mainly working in good jobs requiring high school or less, but their wages in these jobs have remained stagnant.

Workers with bachelor's degrees have gained far more jobs since the Great Recession of 2007–09 than workers with less education, resulting in the share of workers with bachelor's degrees outnumbering the share of workers with a high school diploma for the first time.⁶³ This trend holds for good jobs⁶⁴ as well. The share of good jobs for workers with a bachelor's degree increased from 40 percent in 1991 to 55 percent in 2015, even though good jobs for workers without a bachelor's degree still increased in number.⁶⁵

⁶¹ Earnings for all education levels by race and gender can be found in Appendix 4.

⁶² McCall, "Sources of Racial Wage Inequality in Metropolitan Labor Markets," 2001.

⁶³ Carnevale et al., *America's Divided Recovery*, 2016.

⁶⁴ While there is no universally accepted or official earnings level that defines self-sustaining earnings, in defining a good job, we have chosen \$35,000 (\$17 per hour for a full-time job) as a floor for those under age 45 and \$45,000 (\$22 per hour for a full-time job) for workers age 45 and over. The easiest explanation for this floor is that it is the 30th percentile of the full-time full-year earnings distribution, the bottom of the central four deciles of the earnings distribution (which covers earnings \$35,000–\$65,000). The \$17 per hour wage is a reasonable definition since an adult living in Washington, DC must make \$15.81 per hour and an adult in New York City \$15.50 in order to have a living wage. A \$35,000 salary is roughly \$30,000 after taxes and is three times the poverty level for one person (Carnevale et al., *Good Jobs That Pay without a BA*, 2017).

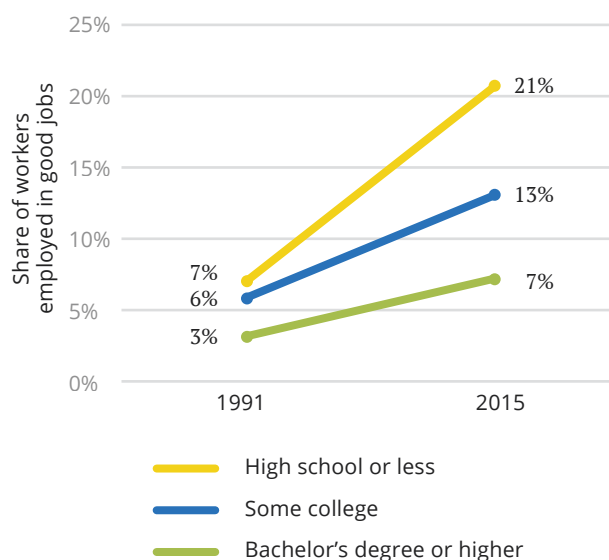
⁶⁵ Carnevale et al., *Good Jobs That Pay without a BA*, 2017.

The long-term decline in blue-collar jobs in the economy can be attributed to the slower growth in good jobs that pay without a bachelor's degree. However, Latinos have experienced the largest growth in these good jobs.⁶⁶ This is mostly due to Latinos working in good jobs for workers with high school or less.

The share of good jobs for workers with high school or less has decreased over the past decade, but the number of Latinos working in these good jobs has increased.⁶⁷ In fact, the share of Latinos in these good jobs is growing faster than their population share, suggesting they are edging Whites out of these jobs. However, while Latinos are more successfully finding good jobs for high school or less, they are making less compared to Whites than they were in 1991. This is due to the fact that Latino wages have stayed the same, while White wages have increased.

Latinos are also increasingly working in good jobs for workers with at least some college (Figure 5.2). But their employment share is increasing slower than their population share, suggesting that Latinos are not making progress in these good jobs fast enough. However, unlike good jobs for workers with high school or less, Latinos' earnings for those with some college or better have increased since 1991, and their wages are closer to that of Whites. Moreover, Latinos in these good jobs make more than Blacks.

FIGURE 5.2. Latinos have increased their share of good jobs the most in good jobs that require high school or less.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, *Current Population Survey*, 1992 and 2016.

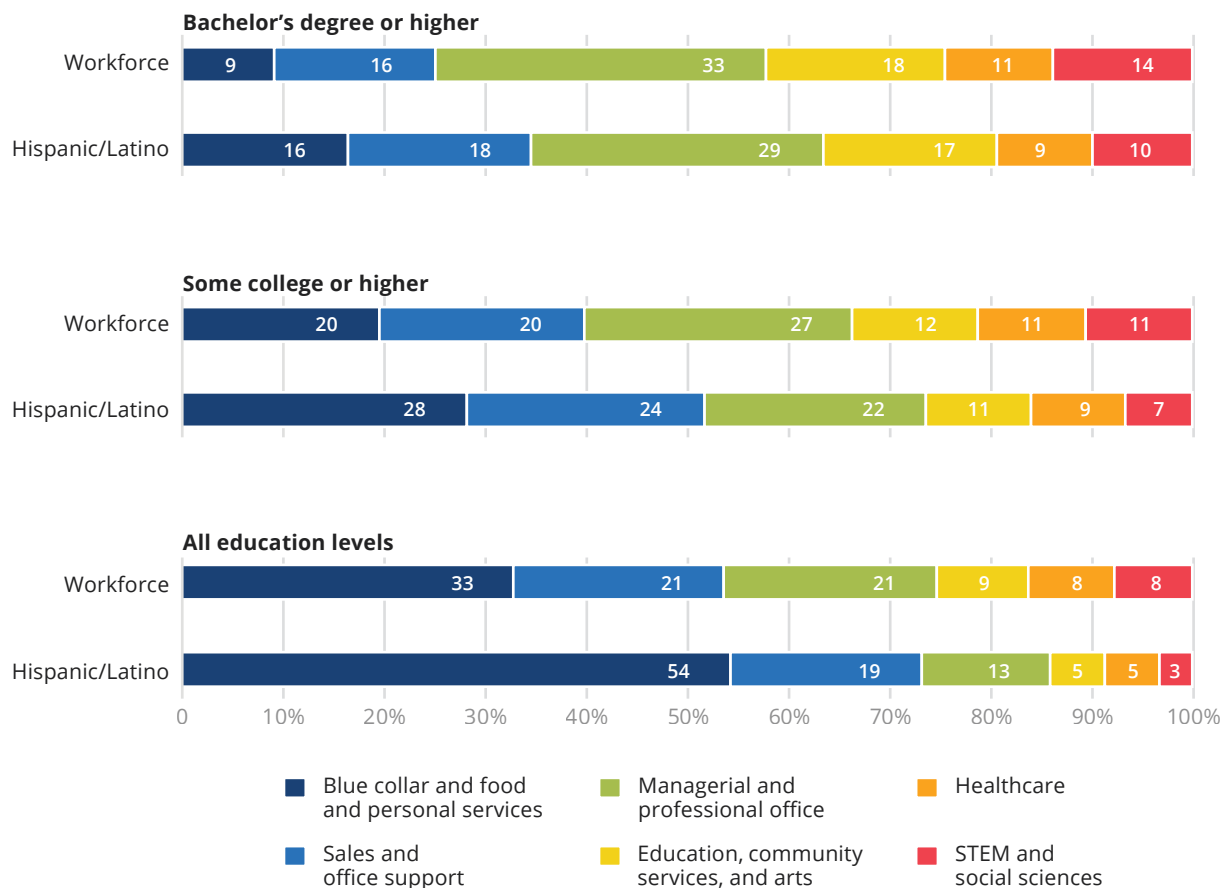
⁶⁶ Ibid.

⁶⁷ Georgetown University Center on Education and the Workforce analysis of US Census Bureau, *Current Population Survey*, 1992 and 2016.

Occupational segregation leads to Latinos working in less lucrative occupations.

The unequal education system along with ongoing discrimination has followed Latinos into the workforce in the form of segregated career pathways with lower wages. Not enough Latinos secure employment in higher-paying jobs that require postsecondary education. Latinos have the highest level of segregation into low-paying occupations compared to any other race or ethnicity. Somewhere between 50 percent and 60 percent of this segregation can be explained

FIGURE 5.3. Latinos are less likely to work in STEM occupations and more likely to work in blue-collar and food and personal services occupations compared to the average worker.



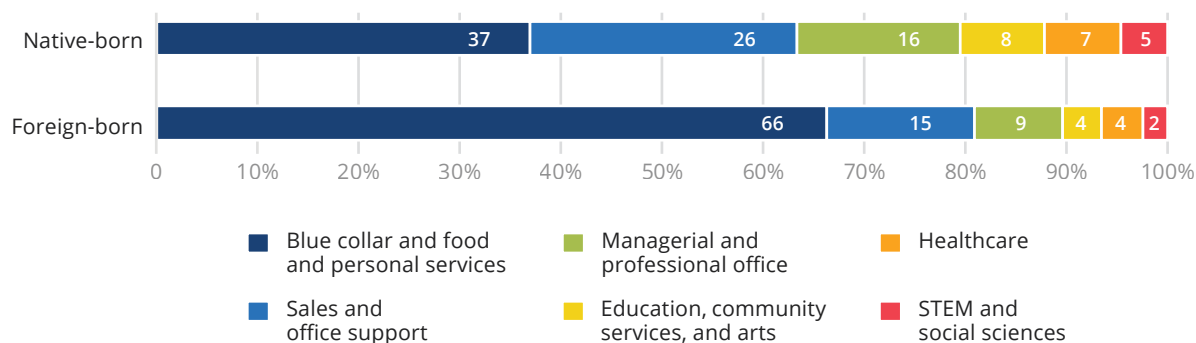
Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, *Current Population Survey*, 2016.

by educational attainment, English proficiency, and immigration status, which means that 40 percent to 50 percent remains unexplained.⁶⁸

Overall, Latinos are disproportionately working in blue-collar and food and personal services occupations. They are less likely to work in managerial and professional office and STEM (science, technology, engineering, and mathematics) occupations. With more postsecondary education, Latinos increase their likelihood of working in higher-paying occupations, but they are still more likely to be working in blue-collar and food and personal services occupations and less likely to be working in STEM occupations compared to all workers (Figure 5.3). The large portion of Latinos in low-skill, low-wage jobs matters because it becomes more difficult for a family to bear the high costs associated with obtaining higher-level degrees.

However, there is good news. When Latinos successfully complete bachelor's degrees or higher and work in high-paying occupations, they earn wages similar to Whites with the same level of education. For example, both Whites and Latinos with bachelor's degrees or higher who work in STEM occupations earn \$85,000 annually on average. On the other extreme, Whites with a bachelor's degree or higher working in blue-collar occupations earn \$52,000 annually on average compared to \$36,000 for Latinos. Thus, while educational attainment and occupational choice

FIGURE 5.4. A majority of foreign-born Latinos (66%) work in blue-collar and food and personal services occupations compared to 37 percent of native-born Latinos.



Source: Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau, *American Community Survey*, 2015.

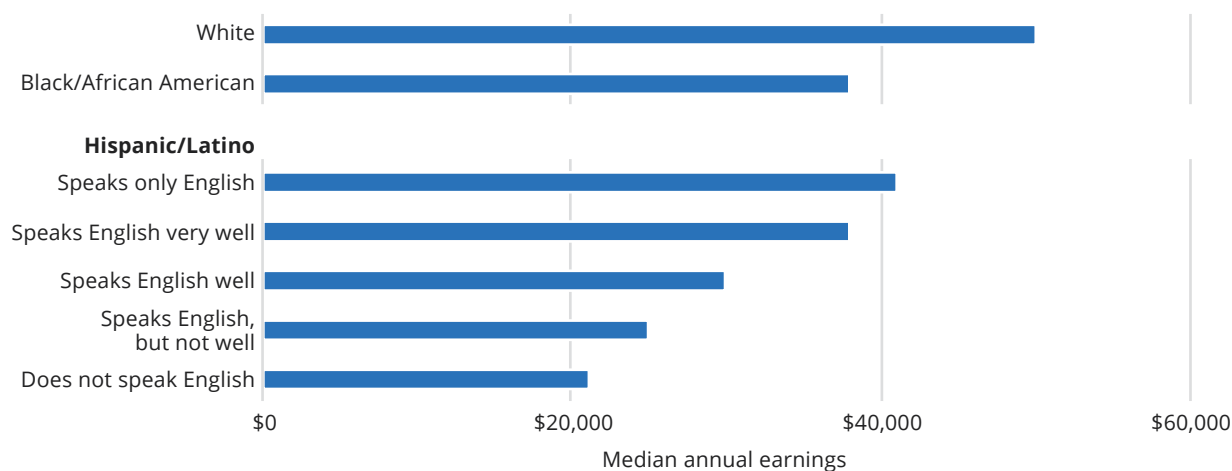
⁶⁸ Grandín, "Conditional occupational segregation of minorities in the US," 2013.

can greatly narrow the wage gap between Whites and Latinos, there still exists some disparity between wages, especially to the extent that Latino college graduates work in occupations that tend to require less education.

Country of origin and English language ability are important sources of wage disparity between Whites and Latinos, but they do not fully explain the earnings gaps.

Similar to educational attainment, foreign-born Latinos and Latinos with less English language ability appear to encounter lower wages in the labor market. They are extremely likely to be working in low-paying occupations: 66 percent of foreign-born Latinos work in blue collar and food and personal services occupations (Figure 5.4). This may be due partly to the dynamic that some immigrants cannot transfer their training and credentials to the US labor market, so they take lower-paying jobs in the United States that require less education and training.⁶⁹ Similarly, 89 percent of all Latinos who do not speak English and

FIGURE 5.5. Latinos who speak only English earn \$41,000 annually on average, which is lower than Whites' earnings (\$50,000) but higher than Blacks' earnings (\$38,000).



Source: Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau, *American Community Survey*, 2015.

⁶⁹ English, "For Hispanics, Border Wage Gap Reflect Education, English Divide," 2013.

85 percent who speak English but not well are working in blue-collar and food and personal services occupations.

While 84–90 percent of the wage gap between Whites and Latinos can be explained for native-born Latinos, only 56–75 percent of this wage gap can be explained for foreign-born Latinos.⁷⁰ Moreover, the wage gap between Whites and Latinos widens in areas where there is high immigration.⁷¹ This suggests that the wage gap is due in part to increased discrimination or stereotyping, especially for foreign-born Latinos.

Latino wages are closer to Whites when controlling only for English language ability, but they still earn 82 percent of what Whites earn. However, Latinos who speak only English have higher median wages than Blacks: \$41,000 compared to \$38,000. Latinos who speak English very well have equivalent wages to Blacks. As English language ability decreases, so do median wages for Latinos (Figure 5.5).

⁷⁰ Rodríguez and Devadoss, “Wage Gap between White Non-Latinos and Latinos by Nativity and Gender in the Pacific Northwest, USA,” 2014.

⁷¹ McCall, “Sources of Racial Wage Inequality in Metropolitan Labor Markets,” 2001.

Bachelor's Degree Majors: Latina Women Can't Win.

A college education has become the gateway to the middle class. While majors do not align perfectly with occupations, they partly determine how much college graduates earn because different majors provide differential access to well-paying occupations. Moreover, the initial economic advantage of particular majors holds up relatively well over entire careers, on average.⁷²

Latinos who complete bachelor's degrees are choosing majors roughly similar to Whites and Blacks. Business is the major group with the most graduates: 25 percent of Blacks, 24 percent of Latinos, and 21 percent of Whites major in business.⁷³ The largest difference in major choice is between Blacks and Latinos in architecture and engineering: 10 percent of Latinos major in architecture and engineering compared to 5 percent of Blacks. The same applies to the top detailed majors: business management and administration is the top major for Whites, Blacks, and Latinos.

However, like all workers, what Latinos make depends on what they take. Even though Latinos are choosing majors similar to everyone else, these similarities do not translate to similar earnings. On average, Latino bachelor's degree holders earn \$51,000, less than White bachelor's degree holders (\$65,000) but a little more than Black bachelor's degree holders (\$50,000).

Like Whites and Blacks, Latinos who major in architecture and engineering earn the highest wages, but only 72 percent of what Whites earn. The earnings gap between Whites and Latinos is greatest in the highest-paying majors. This could be because the range in earnings within the highest-paying majors is greater than the range of earnings within the lowest-paying majors. Regardless, there is no major group where Latinos earn the same as Whites, but Latinos tend to earn more than Blacks in most majors.

A key factor in explaining these earnings differences is the career pathways that bachelor's degree holders follow. In general, workers who major in programs leading to bachelor's degrees tend to work in managerial and professional office occupations. This is true for 44 percent of business majors, 33 percent of social sciences majors, and 31 percent of agriculture and natural

⁷² Carnevale et al., *The Economic Value of College Majors*, 2015.

⁷³ Full distribution and earnings of majors can be found in Appendix 2.

resources majors. Only 29 percent of Latinos, on the other hand, end up in managerial and professional office occupations irrespective of their college majors.

In addition, 27 percent of Latinos who major in agriculture and natural resources work in blue-collar occupations. Moreover, 40 percent of all workers who major in architecture and engineering work in STEM occupations, while 12 percent work in blue-collar occupations. Comparatively, 27 percent of Latinos who major in architecture and engineering work in STEM occupations, while 22 percent work in blue-collar occupations.

Latina women, like other women, typically have degrees in low-paying majors and have lower earnings even when they have degrees in high-paying majors.

Latina women have increased their bachelor's degree attainment more quickly than Latino men. But, in general, men and women choose different majors. While business is the most popular major across gender, men are more likely to major in STEM majors such as architecture and engineering and computers, statistics, and mathematics compared to women, and women are more likely to major in education and health compared to men. This same trend holds true for Latinos as well. Latino men are choosing similar majors to White and Black men, while Latina women are choosing similar majors to White and Black women.

In general, women tend to choose less lucrative majors. A woman who majors in a STEM field would earn \$900,000 more over a lifetime than if she had majored in liberal arts.⁷⁴ However, even when Latina women major in architecture and engineering, they have the lowest earnings. In fact, they earn slightly more than half (56%) of what White men in the same major earn. While architecture and engineering is the highest-paying major for all men and White and Black women, health is the highest-paying major for Latina women. Latina women who major in health, though, still earn 71 percent of what White men earn. This suggests that even when Latina women earn degrees in the highest-paying majors, they earn less.

The occupations that women, Latina women in particular, end up working in could determine some of these earnings differences. Fifty-eight percent of White women, 57 percent of Latina women, and 54 percent of Black women who major in education typically work in education. On the other hand, only 36 percent of White and Latino men and 34 percent of Black men work in education even when they major in education.

⁷⁴ Carnevale et al., *Women Can't Win*, forthcoming.

Moreover, Latina women are the least likely to end up in a STEM occupation even if they major in STEM majors such as architecture and engineering or computers, statistics, and mathematics. Only 24 percent of Latina women who major in architecture and engineering work in STEM occupations compared to 34 percent of White women and 41 percent of White men with the same major. Similarly, 19 percent of Latinos who major in computers, statistics, and mathematics work in STEM occupations compared to 29 percent of White women and 50 percent of White men in the same major.

Conclusion

While more Latinos are completing high school and enrolling in college, they are often coming from families without any previous postsecondary experience. This translates into challenges navigating the postsecondary system, including the decision to attend less selective colleges. Attendance at less selective middle-tier and open-access colleges generally results in low completion rates and low educational attainment for Latinos. While Latinos have been steadily increasing their postsecondary attainment, the gap between them and Whites has grown over time. When Latinos finally make it to the workforce, they are usually working in lower-paying occupations and earning less than Whites with the same level of education.

Not only have Latinos had to work within an education system that diverts them into underfunded and under-resourced colleges where they are less likely to succeed, they also have enrolled in education programs that fail to connect to higher-paying jobs. No one should pursue a major or occupation simply because of its earning potential. Instead, these decisions should be made with full information regarding career opportunities and the qualities of life that these potential careers afford. Latinos have the most to gain from this information, as they have the least experience with the postsecondary system.

Choosing a postsecondary program is the first big investment decision made by young people, especially the majority of students who will finance their postsecondary programs with student loans. They need to understand the risks and rewards associated with their choice of colleges and fields of study. As the cost of particular certificates and degrees grows and the labor market returns shift, prospective students need more information to guide their choices and to ensure high returns on their investments.

Gains for college-educated individuals will continue, but pursuing a postsecondary degree without career planning may translate to high levels of debt and underemployment. It is clear that in order to improve opportunities for all students, including Latinos, and to meet the demands of the rapidly changing workforce, the current postsecondary education system must find new ways of linking particular courses of study to clear and viable career pathways.⁷⁵

In 2015, half of Latino adults said their family income was falling behind the cost of living but saw better economic times ahead after the 2008 recession.⁷⁶ Latino or otherwise, most economically disadvantaged families are not as familiar as economically fortunate ones with

⁷⁵ Carnevale et al., *Career Pathways*, 2017.

⁷⁶ Lopez et al., *Latinos Increasingly Confident in Personal Finances, See Better Economic Times Ahead*, 2016.

securing tax breaks, saving for retirement, or creating college savings plans. They also do not have access to the same knowledge networks as Whites, for example, to adequately plan their careers, or the financial literacy needed to help weigh their options when deciding which postsecondary credential to pursue and how much money they need to finance their education.

Latinos overwhelmingly tend to enroll in open-access colleges instead of selective colleges. Polarization of the postsecondary system matters because resources matter in completion rates, learning, and earning. This polarization translates into racial inequality in the labor market, representing a loss of potential skilled labor for families, employers, and communities. More Latinos need to apply, be accepted into, and complete college at selective colleges than currently do so. If this trend takes hold, then it will alleviate the pressure on under-resourced middle-tier and open-access colleges and allow them to better serve those that come through their doors. In addition, we need to consider increasing the resources available to the middle-tier and open-access colleges, where at least half of low-income students begin their postsecondary education.

Individual interests and values should remain important in selecting schools, majors, and occupations, but differing interests and values are powerful biases that often result in occupational segregation. While the inherent and systematic biases of the labor market will take some time to disappear, Latinos are going to college and earning degrees in greater numbers, and they are more optimistic about the financial future for their children.⁷⁷ If progress can continue, Latinos may eventually achieve educational and occupational equality, which our country needs in order to fully prosper in both economic and moral terms.

⁷⁷ Ibid.

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Data Sources and Methodology

This report analyzed five databases to get a full picture of the different aspects and traits of Latinos in the workforce. However, each database studies different populations. The following is a brief description of each of the databases and the population covered by each.

Current Population Survey

This report uses data from the *Current Population Survey* (CPS) Annual Social and Economic Supplement (ASEC, also known as the March Supplement), 1992-2016, an annual survey administered by the US Census Bureau on behalf of the US Bureau of Labor Statistics (BLS). The CPS obtains data about respondents' educational attainment, income, and other relevant labor market information. The CPS surveys for 1992 and 2016 for full-time, full-year workers aged 25 to 64 are used to estimate overall educational attainment, earnings, occupations, and good jobs by race/ethnicity. The CPS surveys for 1992– 2015 were used to estimate high school completion rates for 18- to 24-year olds not currently enrolled in high school or below. This report uses the 1992 survey as the first year because it is the first time some college can be separately identified from associate's degrees.

The American Community Survey

The American Community Survey (ACS) is an ongoing nationally representative survey conducted by the US Census Bureau that provides information on a yearly basis about the United States and its people. The ACS includes information about respondents' educational attainment, occupation, and hours worked, among other topics. The ACS survey for 2015 for full-time, full-year workers aged 25 to 64 is used to estimate educational attainment, earnings, and occupation by nativity, citizenship, and English language ability. The ACS survey for 2014 is used to analyze the distribution of the college-age population (those 18 to 24) by race/ethnicity. The ACS surveys for 2011–2015 are used to estimate major distribution and earnings by majors for full-time, full-year workers aged 25 to 64.

Integrated Postsecondary Education Data System

The *Integrated Postsecondary Education Data System* (IPEDS) is a store of data that includes information from annual surveys administered to postsecondary institutions. All postsecondary institutions that receive federal aid under Title IV of the Higher Education Act are required to complete these surveys. IPEDS includes information about an institution's sector, the degrees conferred, and geographic and demographic information about its students. IPEDS for 2004 and 2014 along with *Barron's Profiles of American Colleges* are used to look at first-time enrollment trends for students by college selectivity and race/ethnicity. First-time enrollment includes both part-time and full-time undergraduate students. This analysis excludes colleges that do not grant degrees and are not eligible for Title IV funding.

Beginning Postsecondary Students Longitudinal Study

The *Beginning Postsecondary Students Longitudinal Study* (BPS) currently surveys cohorts of first-time beginning college students at three points in time: at the end of their first year, and then three and six years after first starting in postsecondary education. The study collects data on student persistence in and completion of postsecondary education programs, demographic characteristics, and changes over time in their goals, income, and debt, among other indicators. BPS 04/09 is used to estimate progression through college and completion rates based on initial program enrollment. BPS 12/14 is used to look at where students initially enroll (i.e. two-year versus four-year school or associate's versus bachelor's degree programs).

Education Longitudinal Study of 2002

The *Education Longitudinal Study of 2002* (ELS) is a nationally representative, longitudinal study that follows 10th graders through secondary and postsecondary education and into the workforce. ELS is used to estimate the percentage of high school sophomores by race/ethnicity that go on to complete high school and enter and complete college. ELS is also used to estimate the college completion rates of students by SAT/ACT test score quartiles.

Major Distribution and Earnings

TABLE B.1. Distribution of Major Groups by Race/Ethnicity

MAJOR GROUP	WHITE	BLACK/ AFRICAN AMERICAN	HISPANIC/ LATINO
Business	21%	25%	24%
Education	13	11	11
Architecture and engineering	8	5	10
Humanities and liberal arts	10	7	9
Social sciences	8	8	8
Psychology and social work	6	9	7
Health	7	9	6
Computers, statistics, and mathematics	5	5	5
Biology and life sciences	5	4	4
Arts	4	2	4
Communications and journalism	4	5	4
Law and public policy	2	4	3
Physical sciences	3	2	2
Industrial arts, consumer services, and recreation	2	2	2
Agriculture and natural resources	2	1	1
Total	100	100	100

Source: Georgetown University Center on Education and Workforce analysis of data from the US Census Bureau, *American Community Survey*, 2011-2015.

TABLE B.2. Distribution of Top 10 Detailed Majors by Race/Ethnicity

DETAILED MAJOR	WHITE	BLACK/ AFRICAN AMERICAN	HISPANIC/ LATINO
Business management and administration	6%	10%	8%
Psychology	5	6	6
General education	4	4	5
Accounting	4	4	5
General business	5	5	4
Nursing	4	5	3
Biology	3	3	3
Criminal justice and fire protection	2	4	3
Communications	3	3	3
Elementary education	4	2	2

Source: Georgetown University Center on Education and Workforce analysis of data from the US Census Bureau, *American Community Survey*, 2011-2015.

TABLE B.3. Annual Median Earnings for Terminal Bachelor's Degree Holders by Major Group and Race/Ethnicity

MAJOR GROUP	WHITE	BLACK/ AFRICAN AMERICAN	HISPANIC/ LATINO
Architecture and engineering	\$89,600	\$67,100	\$64,100
Computers, statistics, and mathematics	\$82,100	\$61,900	\$61,100
Health	\$65,100	\$61,100	\$56,500
Business	\$70,600	\$52,100	\$52,100
Physical sciences	\$68,500	\$51,600	\$52,100
Law and public policy	\$58,000	\$48,100	\$50,900
Social sciences	\$65,100	\$48,800	\$50,600
Agriculture and natural resources	\$58,700	\$46,500	\$50,100
Biology and life sciences	\$59,000	\$48,100	\$50,100
Communications and journalism	\$58,000	\$48,100	\$50,000
Humanities and liberal arts	\$53,700	\$45,100	\$47,600
Industrial arts, consumer services, and recreation	\$54,100	\$41,300	\$45,700
Arts	\$50,100	\$42,200	\$44,600
Psychology and social work	\$48,900	\$42,200	\$43,000
Education	\$45,700	\$44,400	\$42,200

Source: Georgetown University Center on Education and Workforce analysis of data from the US Census Bureau, *American Community Survey*, 2011-2015.

TABLE B.4. Distribution of Major Groups by Gender and Race/Ethnicity

MAJOR GROUP	WHITE MEN	BLACK/ AFRICAN AMERICAN MEN	HISPANIC/ LATINO MEN	WHITE WOMEN	BLACK/ AFRICAN AMERICAN WOMEN	HISPANIC/ LATINA WOMEN
Business	25%	27%	25%	17%	24%	23%
Architecture and engineering	14	10	17	2	2	4
Social sciences	9	9	8	7	8	7
Humanities and liberal arts	10	8	8	11	7	10
Computers, statistics, and mathematics	7	8	7	3	4	3
Education	6	7	6	19	13	15
Biology and life sciences	5	4	4	5	4	4
Arts	4	3	4	5	2	4
Psychology and social work	4	5	4	8	11	10
Law and public policy	3	5	4	2	4	3
Communications and journalism	4	4	3	5	5	4
Physical sciences	4	3	3	2	2	2
Health	2	3	3	12	12	9
Industrial arts, consumer services, and recreation	2	3	2	3	2	2
Agriculture and natural resources	2	1	1	1	0	1
Total	100	100	100	100	100	100

Source: Georgetown University Center on Education and Workforce analysis of data from the US Census Bureau, *American Community Survey*, 2011-2015.

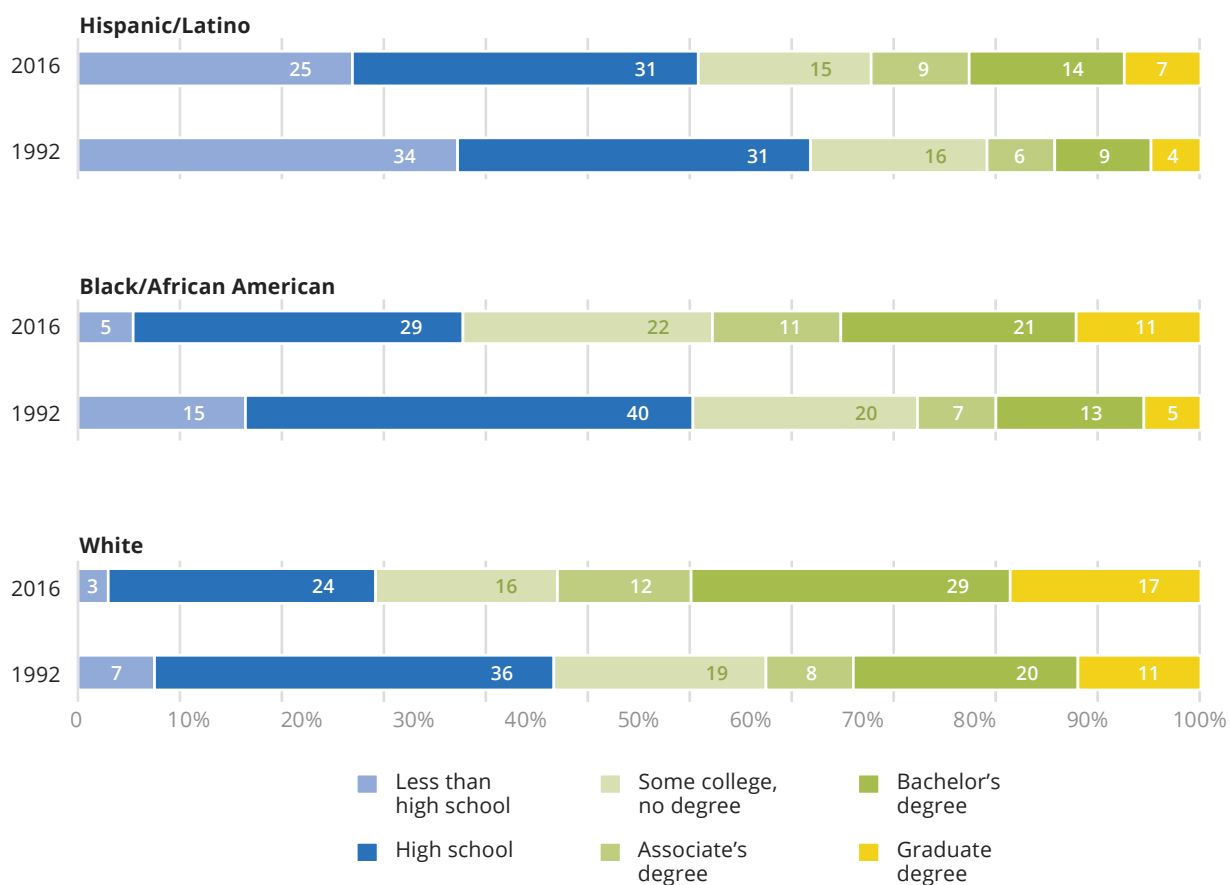
TABLE B.5. Median Annual Earnings for Terminal Bachelor's Degree Holders by Major Group, Gender, and Race/Ethnicity

MAJOR GROUP	WHITE MEN	BLACK/ AFRICAN AMERICAN MEN	HISPANIC/ LATINO MEN	WHITE WOMEN	BLACK/ AFRICAN AMERICAN WOMEN	HISPANIC/ LATINA WOMEN
Architecture and engineering	\$91,600	\$67,100	\$66,100	\$75,100	\$66,100	\$51,600
Computers, statistics, and mathematics	\$85,100	\$66,100	\$65,100	\$70,700	\$55,100	\$51,600
Business	\$79,100	\$55,700	\$58,000	\$59,800	\$50,000	\$47,400
Health	\$77,400	\$59,800	\$61,900	\$63,200	\$61,100	\$55,100
Physical sciences	\$76,300	\$56,000	\$56,800	\$55,400	\$48,000	\$48,500
Social sciences	\$75,100	\$51,100	\$56,800	\$52,700	\$46,100	\$45,100
Biology and life sciences	\$66,100	\$50,100	\$54,400	\$51,600	\$46,500	\$46,500
Law and public policy	\$65,200	\$52,700	\$58,000	\$47,000	\$43,000	\$43,500
Communications and journalism	\$65,100	\$50,900	\$52,200	\$52,700	\$46,500	\$47,500
Agriculture and natural resources	\$63,200	\$46,500	\$51,600	\$46,500	\$46,500	\$43,400
Industrial arts, consumer services, and recreation	\$63,200	\$45,100	\$48,800	\$45,100	\$37,900	\$40,200
Psychology and social work	\$61,100	\$48,100	\$50,100	\$45,100	\$40,700	\$41,200
Humanities and liberal arts	\$59,900	\$45,800	\$50,600	\$49,300	\$44,800	\$45,700
Arts	\$55,900	\$42,200	\$47,400	\$45,700	\$41,300	\$43,000
Education	\$52,700	\$48,400	\$45,300	\$43,400	\$43,500	\$41,300

Source: Georgetown University Center on Education and Workforce analysis of data from the US Census Bureau, *American Community Survey*, 2011-2015.

Educational Attainment by Race/Ethnicity, 1992 and 2016

FIGURE C.1. Distribution of Workers by Educational Attainment and Race/Ethnicity, 1992-2016.



Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, *Current Population Survey*, 1992 and 2016.

Earnings by Educational Attainment, Race/Ethnicity, and Gender

TABLE D.1. Annual Median Earnings for Worker by Educational Attainment, Gender, and Race/Ethnicity.

MAJOR GROUP	WHITE MEN	BLACK/ AFRICAN AMERICAN MEN	HISPANIC/ LATINO MEN	WHITE WOMEN	BLACK/ AFRICAN AMERICAN WOMEN	HISPANIC/ LATINA WOMEN
Less than high school	\$35,000	\$32,000	\$28,000	\$24,000	\$20,000	\$20,000
High school	\$46,000	\$35,000	\$35,000	\$32,000	\$30,000	\$28,428
Some college, no degree	\$51,000	\$42,000	\$42,000	\$36,000	\$34,000	\$35,000
Associate's degree	\$55,000	\$45,000	\$48,000	\$40,000	\$35,500	\$36,000
Bachelor's degree	\$75,000	\$56,000	\$57,600	\$53,000	\$45,000	\$50,000
Graduate degree	\$98,000	\$70,000	\$77,500	\$67,000	\$57,000	\$60,000
Total	\$60,000	\$42,000	\$36,000	\$45,000	\$37,000	\$32,000


Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, *Current Population Survey*, 2016.

Completion Rates by Race/Ethnicity and Gender

TABLE E.1. Three-Year Certificate and Six-Year Associate's and Bachelor's Degree Completion Rates by Race/Ethnicity and Gender

	CERTIFICATE	ASSOCIATE'S DEGREE	BACHELOR'S DEGREE
White men	43%	19%	57%
White women	49%	24%	64%
Black/African American men	32%	16%	35%
Black/African American women	38%	15%	47%
Hispanic/Latino men	58%	15%	37%
Hispanic/Latina women	61%	21%	47%

Source: Georgetown University Center on Education and the Workforce analysis of data from *Beginning Postsecondary Students* (BPS): 04/09.



Latino Education and Economic Progress: Running Faster but Still Behind is composed of a full report, an executive summary, and a state analysis that can be accessed online at cew.georgetown.edu/LatinosWorkforce

The Georgetown University
Center on Education and the Workforce
3300 Whitehaven Street, NW, Suite 3200
Washington, D.C. 20007

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