

RIISING TO THE CHALLENGE

Hispanic College Graduation Rates as a National Priority

Executive Summary

President Barack Obama has called for the United States to reclaim its position as the nation with the highest concentration of adults with postsecondary degrees in the world. Given the changing demographics of the United States, this target cannot be achieved without increasing the rate at which Hispanic* students obtain a college degree. In this report, we explore the dimensions of this challenge and identify steps that can be taken to help meet this ambitious national goal.

We show that:

- At the average college or university, 51 percent of Hispanic students complete a bachelor's degree in six years compared to 59 percent of white students at those same schools. Even after accounting for the type of students schools admit, Hispanic students graduate at lower rates than their white peers at all levels of admissions selectivity.
- There is considerable variation in Hispanic graduation rates across schools with similar admissions criteria. Among schools in the “competitive” category, as defined by *Barron's Profiles of American Colleges*, the ten highest-performing schools graduate more than three times as many of their Hispanic students, on average, as the ten lowest-performing schools.
- The gaps between white and Hispanic graduation rates are smaller at Hispanic-Serving Institutions (HSIs). This is not due,

however, to higher Hispanic graduation rates at HSIs but to the tendency of these institutions to have below-average white graduation rates. HSIs do about as well as non-HSIs with similar admissions criteria in graduating their Hispanic students.

- Hispanic women graduate at consistently higher rates than Hispanic men and often graduate at the same rate as white men in their schools.

We explore why some colleges are more successful than others in helping Hispanic students with similar academic backgrounds earn degrees, and we identify some obstacles Hispanic students face in completing a bachelor's degree. Finally, we note specific conditions that seem to affect graduation rates and discuss actions that can be taken to improve them. Among the most important:

A High Level of Institutional Commitment. The most consistent finding of our report is that an institutional focus on and commitment to high levels of retention and completion for *all students* is a crucial prerequisite to maintaining and improving the percentage of Hispanic students who complete a bachelor's degree.

Better Consumer Information. Hispanic students and their families often suffer from a lack of information about the true cost of college, the type of college they are qualified to attend, and college practices and culture. Hispanic students are especially likely to

* We use the term “Hispanic” throughout the report when referring to data from the National Center for Education Statistics and the Census Bureau because that is the term they use to categorize their data.

be “undermatched,” or to enroll at a college that is less selective than they are qualified to attend. Given the relationship between selectivity and graduation rates, undermatched Hispanic students are more likely to leave college without completing their degrees than if they had attended more selective schools. Reforms that help to disseminate information about which schools are within students’ reach, both financially and academically, and which schools have a successful track record with Hispanic students could lead to a better match between the qualifications of Hispanic students and colleges and universities. This would in turn increase graduation rates. Better counseling about available financial aid also would likely lower the rate at which Hispanic students drop out of college for financial reasons.

A Focus on Retention and Graduation Rates.

Improving consumer information is unlikely to promote college completion in the absence of incentives for schools to focus on retention and graduation rates. The undermatch argument largely ignores the role institutions play in ensuring that their students remain enrolled, engaged, and moving toward a degree. Put simply, all students should be encouraged to go to more selective schools if they are qualified, and schools *must* do a better job with the students they enroll.

Incentives for Institutional Improvement. Government aid to colleges and universities should be tied to whether schools meet meaningful performance

metrics. At the federal level, the criteria that designate a college or university as an HSI should be augmented. Fulfilling the criteria to become an HSI makes schools eligible to compete for federal Title V funding and marks the institution as being at the forefront of Hispanic higher education. At present, the HSI designation does not reflect an institution’s performance on outcomes, such as student retention, graduation, and labor-market success. Rather, becoming an HSI is entirely a function of enrollment. Thus, there are incentives to enroll more Hispanic students but few incentives to ensure that those students successfully complete a bachelor’s degree. We believe the HSI designation should be more tightly coupled to performance. At the state level, funding formulas should be revised to reward institutional performance rather than enrollment. Were state policymakers to structure funding formulas in a way that rewarded schools for successfully retaining and graduating their students, and provided extra benefits to those schools that serve underrepresented or at-risk individuals, institutions would have incentives to improve their completion rates.

Without higher retention and graduation rates on the part of Hispanic students—who will make up an increasing share of the college-age population in the years to come—the country will be hard-pressed to reach the goals set out by Obama. And without recognizing the conditions that foster high completion rates for Hispanic students and implementing the reforms outlined above, increasing Hispanic graduation rates will be difficult, if not impossible.