

LATINO EDUCATION and ECONOMIC PROGRESS

Running Faster but Still Behind

Anthony P. Carnevale and Megan L. Fasules | 2017



GEORGETOWN UNIVERSITY



Center
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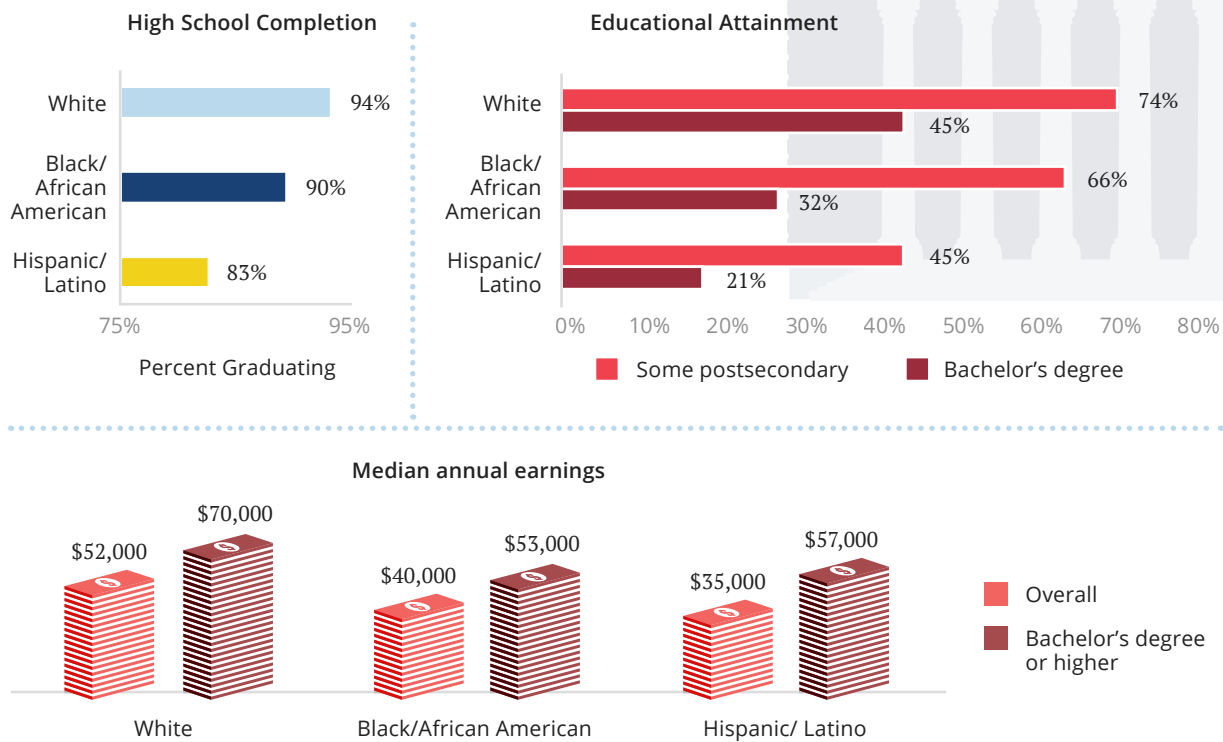
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FIGURE 1. Latinos rank behind Whites and Blacks in educational attainment and overall earnings.



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

One of the reasons it has been difficult for Latinos to make economic progress 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 a third of workers at that time had a college education, and the earnings advantages of college

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

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 either were born or immigrated after 1980, after the United States was an industrial power.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. And Latinos recognize more than other Americans that a college degree is critical: 88 percent of Latinos believe a college degree is 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, which Latino males in particular are increasingly employed in, but they represent no more than 20 percent of all jobs for high school 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. The story differs when comparing Latinos to Whites and Blacks or Latina women to Latino men.

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.

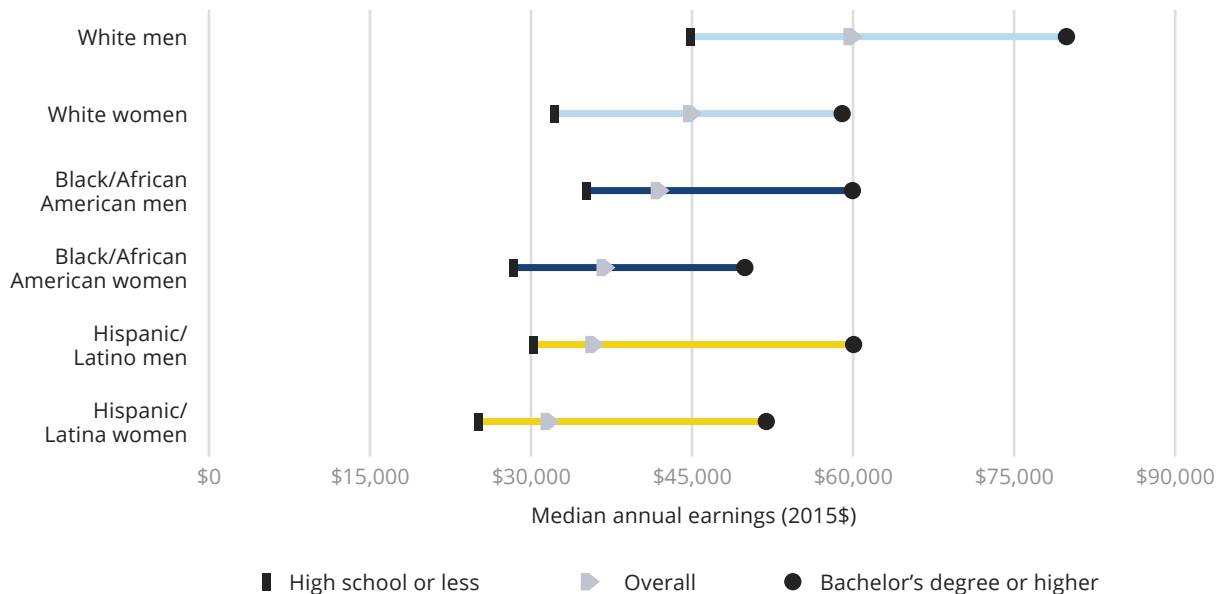
⁹ Carnevale et al., *The Economic Value of College Majors*, 2015.

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

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 with higher 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.¹¹

There are significant differences when we compare Latina women to Latino men and to the population overall. The Latina education and economic story begins with the fact that they end up last in the earnings pecking order in the United States. The highest earners are White men, followed by White women, Black men, Black women, Latino men, and Latina women (Figure 2).

FIGURE 2. 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.

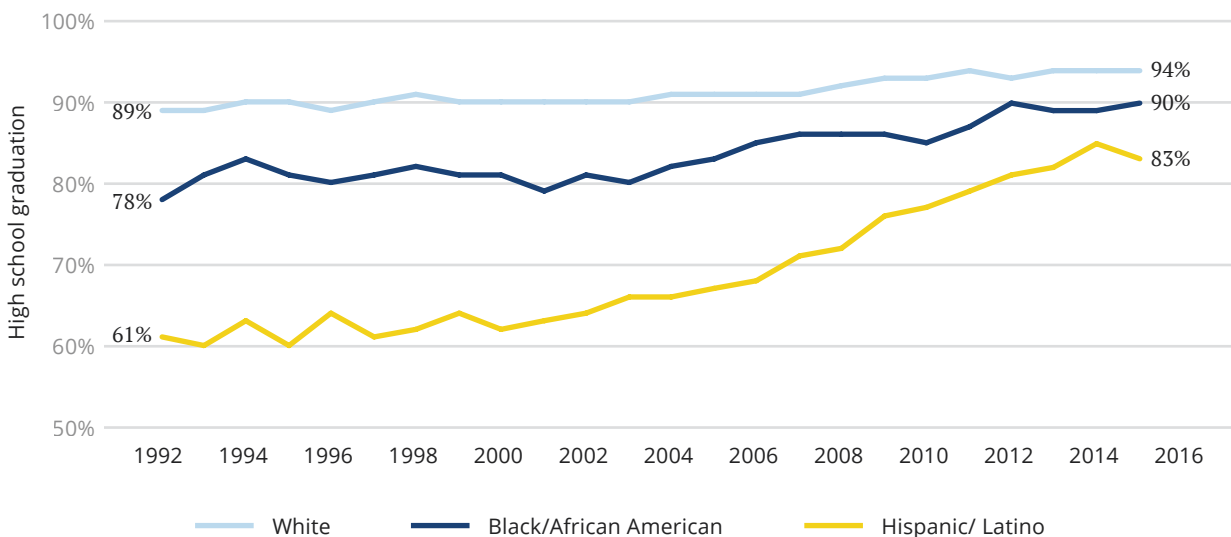
¹¹ Burd-Sharps and Lewis, *Promising Gains, Persistent Gaps*, 2017; Fernandes-Alcantara, *Disconnected Youth*, 2015.

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.

Latinos have good reason to celebrate their efforts to cross the great divide between high school and college jobs.

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 (Figure 3).

FIGURE 3. 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.



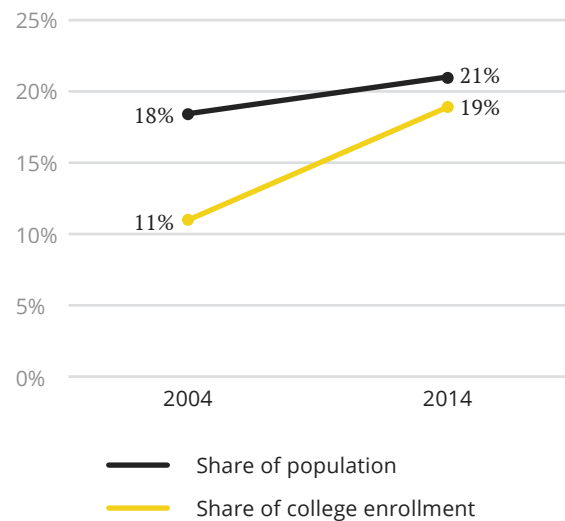
Source: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, *Current Population Survey*, 1992-2015.

Latinos are using this surge in high school graduation rates as their launch pad for their next leap in economic and social mobility. Improvements in high school graduation have become the spring board for Latino college enrollment rates that are increasing faster than their White and Black peers. Latinos are also enrolling in colleges 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 (Figure 4). By way of comparison, White college enrollment share has decreased but is still equivalent to their college-age population share and Black college enrollment share has remained equivalent to their population share.

Latinos have surpassed both Whites and Blacks on the first rung of the higher education ladder. Latinos have the highest completion rate 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.

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.

FIGURE 4. Between 2004 and 2014, Latino college enrollment has almost caught up to their college-age population share.



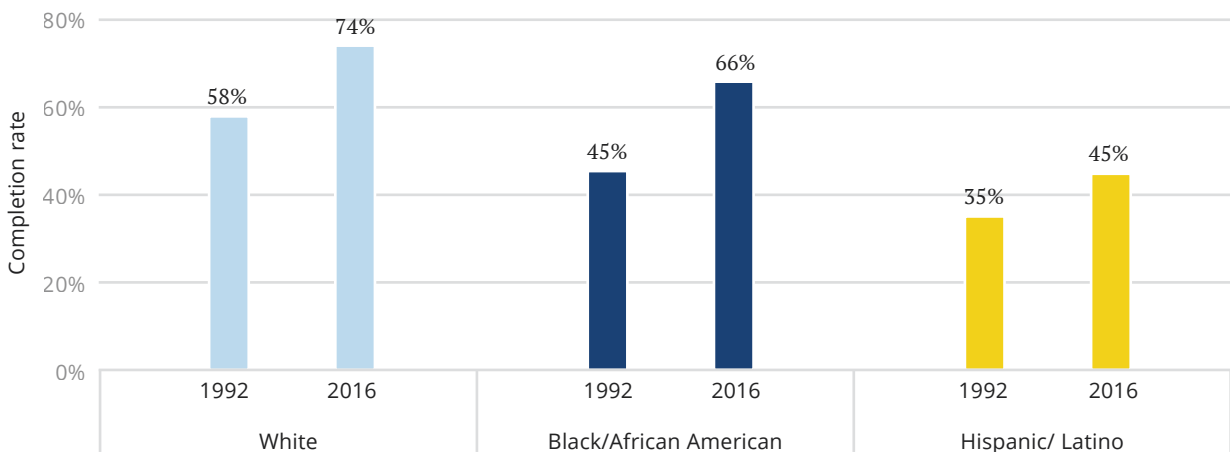
Source: Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau, *American Community Survey*, 2004 and 2014, and the US Department of Education, *Integrated Postsecondary Education Data System (IPEDS)*, 2004 and 2014.

But Latinos crossing from the high school to the college economy, and the full inclusion that comes with it, are still on an unfinished journey. Latinos are running faster in the education race but actually falling further behind Whites and Blacks in many crucial college outcomes.

Latinos are actually increasing their share of a diminishing supply of 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 in postsecondary attainment and 10 percentage points behind Blacks; in 2016, they were 29 percentage points behind Whites and 21 percentage points behind Blacks (Figure 5).

FIGURE 5. While their postsecondary education access is increasing, Latinos are falling further behind Whites and Blacks.



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

At the moment, Latino postsecondary educational progress is caught in the middle, between high school and bachelor's degrees.

Like racial minorities, women, and immigrants before them, Latinos are using education as a primary strategy for upward economic and social mobility. Their high school graduations and access to college are 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.

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 (Figure 5).¹²

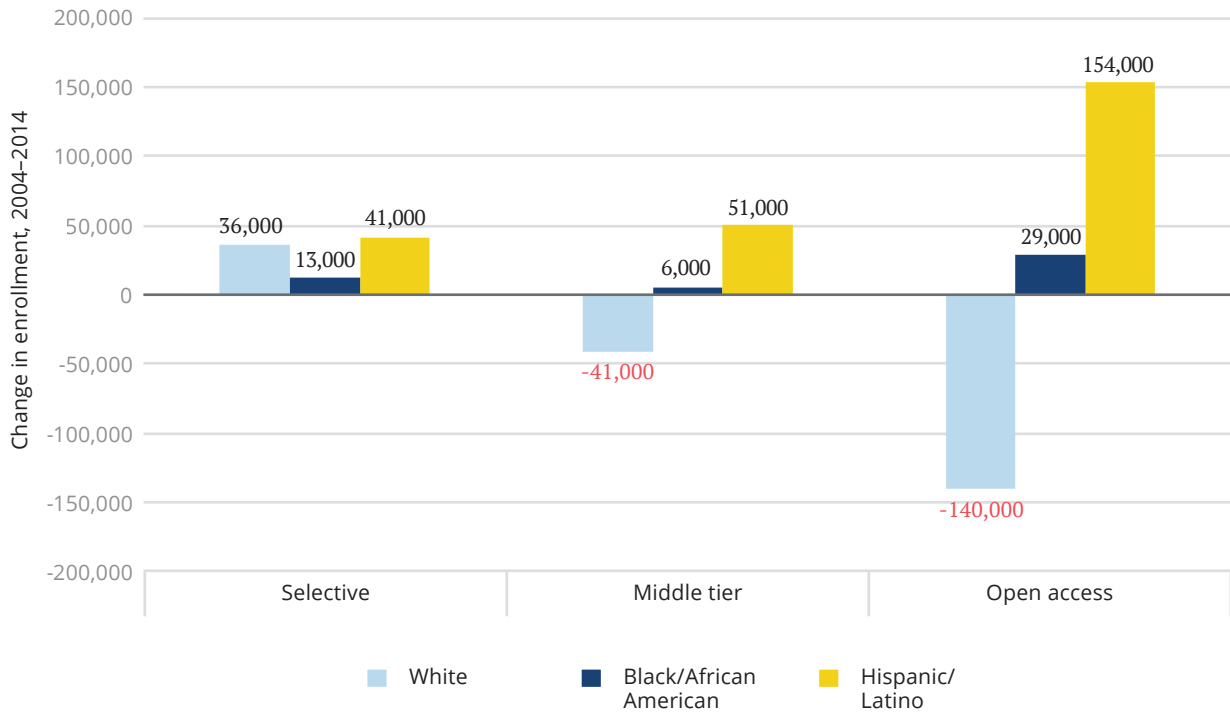
Many Latinos who qualify for selective college don't get to go. Every year, for example, 125,000 Latinos achieve test scores in the top half of the nation's high school students. Of these Latinos, only 26,000 attend one of the nation's 500 selective colleges,¹³ which are associated with an 80 percent 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.¹⁴

¹² 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.

¹³ 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.

¹⁴ Carnevale and Strohl, *Separate and Unequal*, 2013.

FIGURE 6. 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.

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.¹⁵

Bachelor's degree completion rates for Latinos are still behind Whites, with 61 percent of Whites who enroll 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.

¹⁵ Carnevale et al., *Race, Money, and Public Colleges*, forthcoming.

Overcrowding and underfunding in the bottom tiers of selective colleges also reduce completion and successful transfers from two-year to four-year colleges. At the associate's degree level, Latinos are more likely than Blacks and Whites to have 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 enroll in a two-year college are enrolled in a four-year college within six years of initially enrolling, compared to 28 percent of Blacks and 33 percent of Whites. However, 9 percent of Latinos who initially enroll 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.

Because Latinos are caught in the middle tiers of the higher education system, Latinos are also caught in the middle tiers of the labor market.

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 2050.¹⁶ 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.

Latinos' educational progress has left them primarily in the middle tier of educational attainment between high school and bachelor's degrees and, 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 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.¹⁷ Latinos have made the most progress in getting good jobs requiring less than a bachelor's degree, 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

¹⁶ Carnevale and Smith, "America's Future Workforce," 2013.

¹⁷ Carnevale et al., *Good Jobs That Pay without a BA*, 2017.

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 (Figure 7).

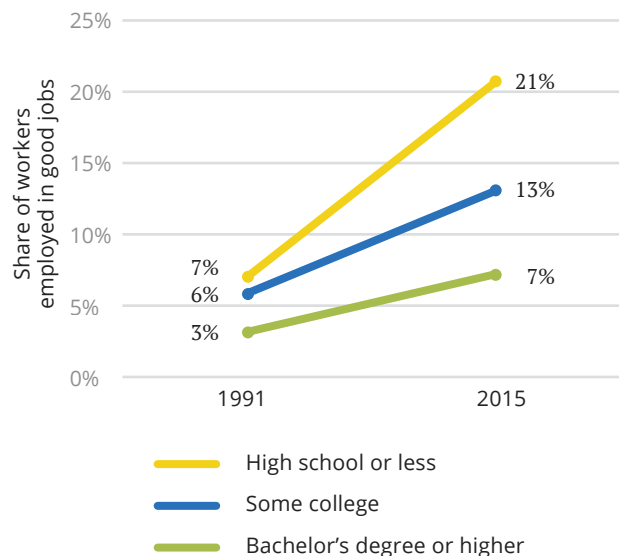
Although Latinos account for 16 percent of the workforce, they comprise a mere 10 percent of jobs that require postsecondary education. In addition, their share of jobs declines with level of education required. For instance, Latinos comprise 20 percent of workers in jobs that require a high school diploma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

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 earn around 18 percent less across education levels compared to Whites. However, for Latinos who earn 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 Blacks with the same education working in similar jobs earn \$76,000 on average.

The worst news for Latinos is that at every education level from high school dropout to PhD, Latinos make less than similarly educated Whites.

Latinos with a bachelor's degree, for example, earn \$51,000 compared to \$65,000 for White workers with the same credential. Latinos with some college but no degree earn \$38,000 compared to \$45,000 for White workers with similar education. Latinos earn similar or slightly

FIGURE 7. 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.

higher wages than Blacks once they attain some postsecondary education. For instance, Latinos with some college but no degree earn \$38,000 compared to \$36,000 for Black workers with similar education.

To some extent, Latino education and labor market outcomes depend on birthplace and English language ability. Only 34 percent of foreign-born Latinos have some postsecondary education. This is higher for foreign-born Latinos who become citizens; 51 percent of foreign-born citizens have some postsecondary education. However, while the postsecondary attainment rate is even higher for native-born Latinos (61%), it is still behind Whites (74%). Latinos who speak only English earn higher wages (\$41,000) than Latinos who speak a language other than English at home, but their wages are still lower than Whites (\$50,000).

Contrary to popular stereotypes of Latinos, English language abilities and education do not explain all the differences in earnings between Latinos and Whites. There is an unexplained residual that can most likely be attributed to race and class differences in opportunity rather than merit.

The best news for Latino families is that with the right information, Latinos are ready for the next push forward in their educational and economic rise.

Latinos' deliberate mass improvement in high school graduation to success at sub-baccalaureate education levels leaves them poised for advances in bachelor's and graduate degree level attainment and the economic and non-economic benefits that come with greater educational attainment.

Latino students and their parents often start at a disadvantage: many of their parents have not gone to college. These students and their families also have difficulty navigating the financial aid process and often do not have access to effective career counseling. Nor do Latino families have the same labor market networks and connections available to more advantaged families. Policymakers need to ensure that Latino students and their families have access to better information to make informed college and career decisions.

All youth—and especially Latino youth—need career exposure beginning in middle school along with workplace internships in high school and college if they are to understand and choose careers and align their educational choices with career pathways. With the right information and guidance, Latinos can keep running faster and achieve full inclusion in the diverse American family.

Latino Education and Economic Progress: Running Faster but Still Behind can be accessed online at cew.georgetown.edu/LatinosWorkforce

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