Groups At Risk in Pursuit of Higher Education

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November 28, 2016
African Americans and Hispanics too often take separate paths through postsecondary education from whites.

Between 1995 and 2009, 82 percent of new white freshman enrollments were at the 468 most selective four-year colleges, compared to 13 percent for Hispanics and 9 percent for African Americans; 68 percent of new African-American freshman enrollments and 72 percent of new Hispanic freshman enrollments were at open-access two- and four-year colleges, compared to no growth for whites.
Young socioeconomically disadvantaged working learners are less likely to enroll in selective 4-year institutions, and more likely to enroll in 2-year (or less) schools.

Source: Georgetown University Center on Education and the Workforce analysis of National Postsecondary Student Aid Study (NPSAS), 2012.

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These Separate Paths Lead to Unequal Outcomes
Majors play a larger role in determining earnings than the decision to go to college.

The difference between the lifetime wages of college and high school graduates is $1 million; the difference between the highest- and lowest-paying college majors is $3.4 million.

Lifetime wage premium (in millions of 2013$)

Source: Georgetown University Center on Education and the Workforce, *Hispanics: Earnings and Majors*, 2016.
African Americans are Over-represented in Lower-Paying Majors

Bachelor's degree holders refer to adults between the ages of 21 and 59 with a Bachelor's degree but no graduate degree. Earnings data are reported for workers employed full-time, full-year. Source: Georgetown University Center on Education and the Workforce analysis of U.S. Census Bureau, American Community Survey microdata, 2010-2014.
Hispanics Too Often Choose Majors That Lead to Lower Earnings

Concentrations of Hispanic Bachelor’s degree holders among major groupings:

- 11.2% Law and Public Policy
- 9.5% Psychology and Social Work
- 8.7% Architecture and Engineering
- 8.3% Education
- 7.8% Business
- 7.4% Computers, Statistics, and Mathematics
- 6.5% Health

Majors play a large part in earnings, with salaries in STEM fields often 60 percent more than the median earnings in Education and Liberal Arts and Humanities.

Occupations with the highest median earnings for Hispanics, by major:
- $62,000 Architecture and Engineering
- $61,000 Computers, Statistics, and Mathematics
- $58,000 Health
- $52,000 Business

Occupations with the lowest median earnings for Hispanics, by major:
- $43,000 Education
- $43,000 Psychology and Social Work
- $45,000 Arts

Source: Georgetown University Center on Education and the Workforce analysis of U.S. Census Bureau, American Community Survey data, 2009-2013.
Poorly-informed Postsecondary Education Decisions Lead to Negative Consequences

• 30% of Bachelor’s degree graduates formally change majors
  – Major changers attempt 16 more credits than non-changers
  – Major changers have higher cumulative loans, lower earnings, lower satisfaction with undergraduate major

• A year after graduation:
  – 14% of Bachelor degree graduates are unsatisfied with their major
  – 24% of Bachelor degree graduates say their education was not worth financial cost

Source: Georgetown University Center on Education and the Workforce analysis of U.S. Department of Education, National Center for Education Statistics, 2008/12 Baccalaureate and Beyond Longitudinal Study (B&B:08/12).
15% of borrowers who attend for-Profit colleges default on their loans.

Institution Type Impacts Size of the Loan, Incidence of Loan Default, and Future Salary

<table>
<thead>
<tr>
<th>Type of institution</th>
<th>Cumulative amount borrowed for education as of 2012 ($)</th>
<th>Incidence of Loan default (%)</th>
<th>Average salary 10 years after enrollment ($)</th>
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</thead>
<tbody>
<tr>
<td>Public 2 year</td>
<td>8,970</td>
<td>18.5</td>
<td>33,070</td>
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<tr>
<td>Public 4 year</td>
<td>19,330</td>
<td>7.3</td>
<td>47,200</td>
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<tr>
<td>Private not-for-profit 2 year</td>
<td>14,790</td>
<td>15.3</td>
<td>39,470</td>
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<tr>
<td>Private not-for-profit 4 year or above</td>
<td>26,000</td>
<td>6.5</td>
<td>47,630</td>
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<tr>
<td>For-profit 2 year</td>
<td>13,960</td>
<td>16.8</td>
<td>29,200</td>
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<tr>
<td>For-profit 4 year or above</td>
<td>22,300</td>
<td>14</td>
<td>39,520</td>
</tr>
</tbody>
</table>


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African Americans and Hispanics Account for Larger Share of Enrollments at For-Profit Institutions than at Public and Non-profit Institutions

- For-profit:
  - African Americans: 25%
  - Hispanics: 19%

- Public:
  - African Americans: 13%
  - Hispanics: 18%

- Nonprofit:
  - African Americans: 13%
  - Hispanics: 13%

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