

*Onda Nueva?*  
**Hispanics in Higher Education**

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The U.S. Census Bureau announced in 2003 that Hispanics surpassed blacks as the largest minority population, and today, one of every two people added to the U.S. population are Hispanic (U.S. Census Bureau, 2006a). Subsumed under the pan-ethnic label “Hispanics” are 20 different nationalities, descendants of early Spanish settlers in the Southwest, multiple cohorts of immigrants from Latin America, and, importantly, the children and grandchildren of recent and prior immigrants. Besides their rapid growth and diversification by national origins and generational status, Hispanics differ from African Americans and contemporary Asian immigrants in that they share a common language; in their youthful age structure; in their large share undocumented among the foreign-born; and, notably in their low average education levels. None of these attributes are distinguishing by themselves, but collectively they define a profile that differs from that of most ethnic and immigrant minority groups today.

Because increasingly college attainment is mandatory for labor market success and achieving meaningful civic engagement, in this chapter I review Hispanics’ post-secondary educational prospects in light of recent social trends and demographic projections. To frame the educational challenges—and promises—of Hispanics’ demographic narrative, I emphasize features that bear directly on the demand for education. Following a brief overview of recent educational trends and differentials, I discuss the significance of Hispanics’ generational transition for higher education in light of two important demographic trends, namely population aging and an unprecedented immigrant geographic dispersal. In the interest of parsimony, I do not dwell on differences among Hispanic national origin groups, emphasizing instead comparisons by nativity because these are the most salient for the contours of educational inequality.

## **A Demographic Retrospective<sup>1</sup>**

Between 1967 and 2006, the U.S. population grew by 100 million; Hispanics—both immigrants and their offspring—account for over one-third of the net increase (Pew Hispanic Center, 2006a). Less than five percent of the U.S. population was Hispanic in 1960 (Bean and Tienda, 1987) versus approximately 14 percent in 2006 (U.S. Census Bureau, 2006b). Notably, less than 20 percent of the Hispanic population was foreign-born circa 1967 (U.S. Bureau of the Census, 1973: Table 5), but by 2006, over 40 percent of Hispanics were born abroad (Pew Hispanic Center, 2006b).<sup>2</sup> Of these, approximately two in five are undocumented. The significance of these trends stems from their coincidence with a period of rising socioeconomic inequality and aging of the numerically dominant nonHispanic white population (Tienda and Mitchell, 2006). I claim that youthful Hispanic population represents an economic opportunity for the nation, provided that appropriate educational investments; to the contrary, the rapid growth of Hispanics can foment inequality in the years ahead as increased numbers are added to the ranks of low-wage workers.

The components of growth are important for understanding the current and future demand for education, and postsecondary schooling in particular. During the 1960s, births outpaced immigrants by about two to one, respectively adding 2.6 and 1.3 million persons over the decade. These growth components equalized during the following decade at about 3 million, but immigration once again eclipsed fertility as the driver of

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<sup>1</sup> This section draws from Tienda and Mitchell, 2006, *Multiple Origins, Uncertain Destinies: Hispanics and the American Future*, pp. 22-24 and 60-64.

<sup>2</sup> The Census Bureau first used the Spanish origin item in the 1970 census; the percent foreign born based on the Spanish Surname population was 15 percent (U.S. Bureau of the Census, 1963: Table 1).

Hispanic population growth during the last two decades of the 20<sup>th</sup> century (Tienda and Mitchell, 2006: Figure 2-1). Although immigration will continue to spur Hispanic demographic growth for the foreseeable future, in the 21<sup>st</sup> century fertility will remain the dominant motor of Hispanic population growth.

Not only is Hispanic fertility higher than that of white and black women, on average, but fertility differentials have also widened over time. In 1980, the TFR for each Hispanic subgroup except Cubans was higher than that of non-Hispanic whites, which had already fallen below replacement. As mass migration from Latin America gained momentum during the 1980s and 1990s, the Mexican TFR rose 13 percent, reaching 3.3 in 2000. Foreign-born women also pushed the TFR of other Hispanic women from 2.1 to 3 during the surge of mass migration from Latin America (Landale, Oropesa and Bradatan, 2006: Table 5-1). Despite a slight up tick during this period, the white TFR remained below replacement levels and black fertility dropped a tad—stabilizing around replacement.

The current age-specific fertility rates imply that Mexican, Puerto Rican, and Other Hispanic women combined can expect to have about one more child than the average non-Hispanic white woman. Thus, even though immigration is expected to reach an all-time high of 15 million in the first decade of the 21<sup>st</sup> century (Meissner, et al., 2006), Hispanic births are projected to exceed numbers added via immigration by 17 percent. Importantly, this trend shows no sign of abating in the foreseeable future. That fertility is now the motor of Hispanic population growth is manifested in two population features that will influence demand for education in the coming years: age structure and generational composition. Age structure is shorthand for the contours of elderly and child

dependency, which will drive future demand for health services and education, respectively; generational diversification signals the potential for inter-generational socioeconomic mobility, as immigrant and U.S.-born children are socialized in the educational system.

**(Figure 1 about here)**

In 1960, as the baby boom tapered off, about 10 percent of the non-Hispanic white population was of retirement age or older, compared to less than 3 percent of Hispanics (Tienda and Mitchell, 2006). At the time over half of Hispanics were under 20, compared with just over one-in-three nonHispanic whites. When Mexican American's comprised over 60 percent of all Hispanics, their high fertility rates contributed to a bottom-heavy age structure. Hispanics comprised less than 4 percent of the U.S. population in 1960; therefore the numbers added to the school-age population were small by comparison to those of nonHispanic whites. Further, Hispanics were residentially concentrated at the time, with Mexicans in the Southwest, Puerto Ricans in the Northeast, and the Cuban U.S. presence barely discernible (Bean and Tienda, 1987).

Forty years later, the large baby boom cohorts nearing retirement age are the main act, echoes of which are playing out in the demand for college today as their offspring compete for slots at the most competitive institutions. The "college squeeze" is particularly acute in rapidly growing states, like Texas and California, which also have large Hispanic populations (Tienda, 2006). Specifically, by 2000 the nonHispanic white population of retirement age or older had grown to 15 percent, but the Hispanic share remained under 5 percent. At the other end of the age spectrum one-quarter of nonHispanic whites were under age 20 compared with about 37 percent of Hispanics.

The youthful Hispanic age structure ensures continued demographic momentum as the young move through their reproductive ages. Even if immigration is lowered in the near future, the compounding of Hispanics through natural increase will continue for the foreseeable future. Population projections indicate that the nearly one-quarter of non-Hispanic whites will be 65 years or older by 2030, but only 10 percent of Hispanics will be of retirement age then. Yet, one-third of Hispanics will be under age 20 in 2030 compared with less than one-in-four nonHispanic whites (Tienda and Mitchell, 2006).

Besides slowing U.S. population aging, Hispanic fertility has set in motion an unprecedented, yet pivotal generational transition whose social significance will depend crucially on educational investments and social integration of the swelling second generation. In 1960 over half of all Hispanics were third generation or higher, but today only about one-third are. By 2030, just under 1 in 3 Hispanics will be second generation, and a comparable share will be third or higher generation. This represents a modest increase since 2000, when just over 1 in 4 Hispanics were second generation; however, the shift is profound for two reasons. First, the numbers involved are significantly higher—26 million by 2030 versus 10 million in 2000. Second, the age structure involved is dramatically different. With a median age under 13, the majority of the second generation is now in school; by 2030, the majority of the second generation will be in the labor force.

### **Figure 2– Generational transition**

The Hispanic age bubble is much smaller than the baby boom, but it represents a potential productivity boost—a “demographic dividend”—not available to other industrialized countries that are experiencing population declines (Tienda, 2006).

Education investments are essential for the “Hispanic demographic dividend” to materialize, which is a formidable challenge because the low educational profile and limited English skills of recent Hispanic immigrants—the parents of the swelling second generation—present barriers to their children’s educational attainments (Schneider, et al., 2006). Recent educational trends provide grounds for optimism and pessimism about the prospects for harnessing the Hispanic demographic dividend.

### **Educational Profile: Opportunities and Risks**

There is much to celebrate in Hispanic educational trends. Although Hispanics have trailed whites, blacks and Asians in average attainment levels since before 1970 (U.S. Census Bureau, 2006c), there are indisputable signs of improvement. Only 32 percent of adult Hispanics were high school graduates in 1970 compared with 57 percent by 2000. Yet, this achievement put them roughly where whites were three decades ago. Although the share of college-educated adult Hispanics doubled since 1970, from 5 to 11 percent of all persons ages 25 and over, Hispanics remained more than three decades behind their white peers in rates of college completion. Moreover, the Hispanic-white gap nearly trebled, from 6 percentage points in 1970 to 17 points in 2000. Furthermore, blacks and Hispanics had roughly comparable rates of college completion in 1970 and 1980, but blacks surpassed Hispanics on this crucial metric by 1990. Given that Hispanics surpassed blacks as the largest minority, this trend is worrisome.

#### **Figure 3 HS & College graduation (ages 25+)**

These average trends, however, conceal large differences between native and foreign-born groups. Because mass migration from Latin America during the 1980s and

1990s largely involved workers with low levels of education, it is important to disaggregate the Hispanic averages by nativity. Failure to do so confounds immigration and underachievement in maintaining educational inequality. In order to minimize the influence of differences in age structure across demographic groups, I focus on a single young cohort, namely persons ages 25-34 who, for the most part, have completed their formal schooling.

Even holding age structure constant by focusing on a single age cohort of young adults, there is evidence of substantial educational progress, albeit more at the secondary compared with the post-secondary levels. Figure 4 shows that the share of young U.S.-born Hispanics with at least a high school diploma rose 16 percentage points in 20 years. The 22 percent point difference between graduation rates of U.S.-born Hispanics and whites in 1980 was nearly halved by 2000, mainly owing to the larger numbers of Hispanics earning high school diplomas. Among foreign-born Hispanics, however, the graduation gap remained unchanged during the same period. Only half of foreign-born Hispanics ages 25 to 34 graduated from high school in 2000, compared with 82 percent of U.S.-born Hispanics, 88 percent of blacks, and 93 percent of nonHispanic whites. Although this represents an improvement since 1980, when only 43 percent of Hispanics born abroad had graduated from high school, the relative gap vis-à-vis whites remained unchanged. Thus, for Hispanics as a group, the apparent stagnation of the high school graduation gap reflects the influx of low-skill immigrants from Latin America during the 1980s and 1990s, including large shares of undocumented.

**Figure 4 Nativity differentials in HS and college graduation, ages 25-34**



Post-secondary trends are also disquieting because gaps between Hispanics and whites appear to be growing or stagnating. Even as Hispanic college enrollment climbs to all time highs, disparities between them and majority whites have either widened or stagnated. Specifically, the 16-17 point Hispanic-white gap in college graduation rates among 25-34 year-olds remained unchanged for the native born, and grew from 17 to 25 points for the foreign-born. As of 2000, white adults were two times as likely as U.S.-born Hispanics to receive a baccalaureate degree, and four times as likely as foreign-born Hispanics. If the arrival of unskilled foreign-born immigrants from Latin America explains the widening gap between foreign-born Hispanics and nonHispanic whites, it can not account for the persisting disparities for the U.S.-born.

An alternative perspective of educational progress is afforded by examining change across “synthetic” generations, namely the foreign-born (1<sup>st</sup> generation), native-born Hispanics with foreign parents (2<sup>nd</sup> generation), and native-born with native-born parents (3<sup>rd</sup> generation). Using this crude proxy for true longitudinal generations reveals significant intergenerational gains in educational attainment. Figure 5 shows that for Hispanic youth ages 16-24, high school graduation rates rose from 56 to 80 percent between the first and second generation, but appear to stagnate thereafter. College graduation rates double between the first and second generation. That educational progress appears to reverse thereafter is most likely an artifact of the measurement of generation, and the likelihood that the most successful Hispanics “opt out” of Hispanic ethnicity. Thus, the apparent decline in college graduation rates among the third generation is probably an artifact of selection bias in reporting Hispanic ethnicity (see also Tienda and Mitchell, 2006).

### **Figure 5 About Here Graduation Rates by generation**

Despite significant educational progress among Hispanics over the last quarter of the 20<sup>th</sup> century, persisting gaps are worrisome not only because increasingly college attainment is mandatory for labor market success, but also because Hispanics are projected to be the fastest growing segment of the labor force in the years ahead. U.S. competitiveness on the international scene will be impacted by the progress Hispanics make at all levels of the educational system.

#### **Widening the Pipeline, Narrowing the Gaps**

While instructive about the dimensions of the educational challenges Hispanics face in the years ahead, these trends and differentials say little about the prospects of closing the gaps and positioning Hispanic workers to compete for high-paying jobs in the future. Doing so requires a solid understanding of the factors that have dampened Hispanic participation in higher education, beginning in the early grades and continuing through high school. Although the determinants of educational achievement for Hispanics are not different from those of other groups, several circumstances combined render them particularly vulnerable to underachievement in school. These include the disproportionate shares with parents who lack either college credentials or high school diplomas; the large numbers raised in homes with parents who do not speak English fluently; and the growing numbers attending large, segregated underperforming schools (Swail, et al., 2003; Schneider, et al., 2006). No single factor can account for the persisting educational disparities vis-à-vis whites, but collectively these circumstances

define a profile that renders Hispanic youth especially vulnerable to poor scholastic outcomes that are precursors to under representation among the college-educated.

In a recent survey article about the barriers to Hispanic educational achievement, Schneider and her colleagues (2006) identified numerous factors that place Hispanic youth at unequal starting lines beginning in the early grades. Because low education parents are less likely to read to their children, a substantial share of Hispanic youth has limited opportunity to acquire pre-literacy skills, particularly those reared in Spanish-dominant homes. One manifestation of low parental education is the delayed school enrollment of Hispanic pre-school-age children. Although the share of Hispanic 3 and 4-year olds enrolled in a pre-school program rose slightly between 1980 and 2000, from 28 to 36 percent, the Hispanic-white differential rose, placing larger numbers of Hispanic children at a relative disadvantage during the crucial early years (NCES, 2003a, Table 7). Already in kindergarten, Hispanics trail their classmates in math and reading skills. These gaps are decidedly larger for Mexican origin children, also the fastest growing segment of the elementary school population. To be clear, the lower pre-literacy skills are not due to language spoken at home, but rather to their parents' low educational attainment (Schneider, et al., 2006).

**Figure 6 about here—Enrollment rates of 3&4 year olds**

Not only do accumulating deficits in basic reading and numeracy skills carry over to other subjects, but the growing concentration Hispanic students in large urban schools at the middle and secondary levels also undermines their scholastic success. Schneider and her associates (2006) report Hispanic students' have weaker relations with middle school teachers than their white or black counterparts, which diminishes their motivation

for academic work and lowers their post-secondary aspirations. Although the transition from middle to high school is difficult under optimal circumstances, alienation from teachers and academic work renders the transition even more difficult; poverty only compounds these difficulties.

School segregation and concentrated poverty also pose formidable barriers to academic success, hence the rising levels of Hispanic school segregation since districts were allowed to end their court-ordered segregation plans bodes ill for Hispanic students (Logan, Stowell, and Oakely, 2002). In 2000, for example, Hispanic students attended segregated schools where upwards of two-thirds of students were low income (Orfield and Lee, 2004); moreover, nearly 40 percent of Hispanic students attend high schools where less than 60 percent of entering freshmen graduate in four years (Carnavale, 1999).

Although there is considerable disagreement about the measurement of secondary school drop out rates, there is widespread consensus that Hispanics are less likely to graduate from high school than other demographic groups. Despite improvement in their high school graduation rates, in 2001 the status drop-out rate of Hispanics was more than double that of blacks and whites (Schneider, et al., 2006; Figure 6-11). Rising high school enrollment rates of school-age Hispanic youth provide optimistic signs that growing numbers will qualify for college. Between 1980 and 2000 the Hispanic school enrollment rate of 16-17 year olds rose from 82 to 87 percent, but the white-Hispanic gap barely changed because enrollment rates of whites rose almost as fast (NCES, 2003a, Chapter 1: Table 2). Comparable rates for whites were 89 to 94 percent over the period, while the black enrollment rate remained stable, hovering around 92 percent.

Weak guidance in secondary school further exacerbates Hispanics' lower rates of completing advanced math and science courses, both of which are important predictors of college attendance (Bellessa-Frost, 2006). The Pew Hispanic Center (2005) reported that in 2000 only 31 percent of Hispanic high school graduates had completed calculus, trigonometry, or other advanced math courses, while 56 percent completed advanced science courses. By 47 and 64 percent of nonHispanic white diploma recipients had completed advanced math and science courses, respectively. Taking advanced math and science courses is a powerful predictor of college enrollment (Schneider, et al., 2006). Not surprisingly, the 25-point white-Hispanic gap in advance math taking is mirrored by college aspirations.

A survey of Texas high school seniors bears out the significance of weak counseling to orient students toward college from an early age.<sup>3</sup> In response to a question about when they began thinking about college, Hispanic youth were significantly more likely than white, black and Asian youth to report that they only began thinking about college during high school (see Figure 7). Approximately 70 percent of white and Asian seniors indicated that they began thinking about college during primary school compared with just over half of Hispanic seniors. Less than 20 percent of black, Asian or white seniors reported that they did not consider college until high school, compared with 27 percent of Hispanic seniors. While not always foreclosing the prospect of post-secondary education, failure to take the required courses, particularly sequenced math and science classes, ultimately constrains college options.

**Figure 7 about Here**

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<sup>3</sup> Texas Higher Education Opportunity Project (THEOP). See <http://theop.princeton.edu>

## **Raising Hispanic College Participation, Securing the Future**

Raising high school graduation rates is a necessary, albeit insufficient condition to raising Hispanic participation in higher education. Inadequate information about college options continues to weaken the transition from high school to college even for high achieving students. For example, research on the Texas top 10% law, which guarantees admission to students who graduate in the top 10% of their high school class, indicates that minority students who qualify for the admission guarantee are disproportionately less likely to enroll in a post secondary institution upon graduating from high school (Niu, Sullivan and Tienda, 2006; Tienda and Niu, 2006).

Table 1 shows that even among high school graduates, the college enrollment gap has been widening. In 1980, 30 percent of Hispanic high school graduates ages 18-24 were enrolled in college, compared with 28 percent of white and 28 percent of black diploma recipients. Twenty years later, the Hispanic college enrollment rate among high school graduates rose to 36 percent, while the comparable rates for blacks and whites were 39 and 44 percent, respectively. Thus, not only were Hispanics surpassed by blacks in their college-going rates, conditional on graduating from high school, but the enrollment rate disparity vis-à-vis whites widened from two to eight points. That Hispanics are less likely to graduate from high school only exacerbates contributes to the growing average disparities, as the upper panel of Table 1 illustrates.

### **Table 1 about Here**

These average rates conceal variation in postsecondary enrollment by nativity and citizenships status. Hispanic youth born in the U.S. are more likely than their foreign-born

counterparts to attend college. In fact, NCES (2003b: 94) reports that in 2000 Hispanic U.S. citizens who graduated from high school enrolled in college at rates comparable to those of white high school graduates. In 1980, less than 5 percent of all students enrolled in colleges and universities were Hispanic, compared with 10 percent by 2000 (NCES, 2003b, 97). Both population growth and rising postsecondary participation rates are responsible for Hispanics' increased college enrollment rates. That most future growth in the Hispanic college-age population involves US-born children bodes well for raising post-secondary participation in the years ahead, but this mechanism is contingent on completion of high school, which remains a significant obstacle for Hispanics' college enrollment.

Even as Hispanic participation in higher education continues to rise, three circumstances taken together differentiate them from their white peers, namely their high likelihood of graduating without qualifications needed to succeed in college; their high propensity to attend two-year institutions; and their possession of several risk factors that undermine college success, including low parental education, limited financial resources, and access to information about college. Each has direct implications for the likelihood of completing the baccalaureate degree.

Swail and associates (2003) provide a rather grim overview of Hispanics' pathways to college. Importantly, they develop an index that approximates college admission criteria and stratify high school graduates into three groups according to their college readiness: not qualified; minimally qualified; and qualified.<sup>4</sup> Only 25 percent of Hispanic high school graduates were classified as qualified for college level study,

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<sup>4</sup> This index is based on criteria such as GPA, class rank, standardized test scores, etc. Institutions with open admissions not only are most likely to admit students who are not qualified for college level work, but they also feature the lowest graduation rates.

compared with 56 percent of Asian, 46 percent of white, and 22 percent of black diploma recipients. College readiness levels not only influenced students choice of postsecondary institution, but also the likelihood of completion. Only about one in three Hispanics and white students classified as unqualified for college work eventually completed a baccalaureate degree. College graduation prospects were especially dim for Hispanic diploma recipients who enrolled in two-year colleges: only one in twenty completed a 4-year program successfully—roughly half the share of similarly situated white students.

Among high school graduates who are qualified for college study, college prospects are more promising, yet Swail et al. (2003) show that outcomes for Hispanics and whites are noticeably different. For every 10 college-qualified white high school graduates there are seven Hispanics with similar credentials. From this pool, moreover, 73 percent of white students enroll in 4-year colleges compared with only 62 percent of similarly qualified Hispanic students. About one in three Hispanic high school graduates who are suitably qualified for college work enroll at 2-year institutions versus less than one-quarter of similarly qualified white students. Their most disturbing finding is that 80 percent of qualified white students complete a BA, but only 57 percent of Hispanics achieve the baccalaureate degree. Given that these are college-qualified students, failure to achieve any post-secondary credential represents a formidable loss of talent—43 percent of Hispanic diploma recipients versus 20 percent of their white counterparts. Differential propensity to attend 2- versus 4-year colleges contributes to Hispanic's underachievement of BA degrees.

Despite their intentions to receive a college degree, students who begin their college careers at 2-year institutions are far less likely to achieve this goal (Schneider, et



al., 2006; Fry, 2002; Velez, 1985). Both in 1980 and 2000, college-bound Hispanics are twice as likely to attend a 2-year as compared with a 4-year institution. As Table 2 shows, 6 percent of students enrolled at 2-year colleges were Hispanic in 1980, compared with only 3 percent at 4-year institutions. Over the next 20 years the Hispanic share of total college enrollment rose, to 14 and 7 percent, respectively, at 2- and 4-year institutions. By contrast, representation of black students at 2- and 4-year institutions equalized over time, around 11-12 percent as of 2000. While attendance at two-year colleges permits cost-savings from living at home, often this arrangement proves sub-optimal for academic success, particularly for students from low income homes that often lack convenient places to study. Hispanic students have notoriously low transfer rates from 2-year to 4-year institutions means that large numbers fail to complete baccalaureate degrees (Fry, 2002; Velez, 1985; Swail, et al., 2003).

### **Table 2 about Here**

On a more optimistic note, Hispanics have improved their representation at selective 4-year institutions. Although the share of students enrolled at the more competitive institutions remains low, between 1982 and 1992, the share of Hispanic college students enrolled at more competitive colleges and universities more than doubled, rising from 3 to over 7 percent (Alon and Tienda, 2005).<sup>5</sup> Nevertheless, the Hispanic-white gap grew because whites also increased their representation at the most selective institutions by a larger amount. This development is highly significant because graduation prospects are appreciably better for students who attend selective institutions (Alon and Tienda, 2006).

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<sup>5</sup> Alon and Tienda (2005) report that based on the 1650 institutions listed in the 2003 Barron's Guide, only 64 institutions, or 3.9 percent, are classified as "most competitive."

Finally, in addition to their higher tendency to graduate from underperforming high schools that do not adequately prepare them for college-level work and their disproportionate representation among students attending 2-year postsecondary institutions, Hispanics face formidable personal obstacles to completing a degree because notably they are disproportionately represented among first generation college goers and they are more likely to combine work and school, often also assuming family responsibilities while enrolled. According to Swail and associates (2003:47), “At almost every level fathomable, [Hispanic] youth face an upward struggle” that suppresses their postsecondary educational achievement.

In summary, recent trends in Hispanic postsecondary enrollment and graduation are both encouraging and worrisome. On the one hand, Hispanic college enrollment rates have been on the rise since the 1970s, most especially for students who are U.S.-born. On the other hand, large gaps remain vis-à-vis white students. The National Center for Public Policy and Higher Education (2005) aptly summarized Hispanics’ educational pipeline. Of every 100 ninth graders, 53 percent graduate from high school within four years, and only 27 attend college immediately after high school. Of this original cohort, 10 graduate within six years of beginning college. This is less than half the number of non-Hispanic whites. Juxtaposed on recent demographic trends, these outcomes are not consistent with maintaining U.S. competitiveness in a globalized world.

### **Figure 8 about Here**

### **Conclusion**

Looking forward, population diversification is projected to continue well into the current century. By 2030, about 40 percent of the total population is expected to be

minority, with Hispanics comprising over half of that total—signaling a sea change since 1970. Moreover, Hispanics’ projected age structure indicates that demand for college is likely to rise, especially in states that experienced high immigration for a protracted period, but also including the new Hispanic destination states like North Carolina, Nevada, Georgia, and a growing number of others. No longer confined to traditional settlement regions, Hispanics are dispersing across the nation, transforming their old and new destinations even as they become Americanized.

The rising demand for college by a rapidly growing Hispanic college-age population presumes an adequate supply of college slots. As the college squeeze intensifies, at least two states with rapidly growing Hispanic populations—Texas and California—have under invested in higher education such that demand exceeds the number of available slots. Texas is further distinct in that compared to other states with large Hispanic populations, since 1995 most post-secondary enrollment growth occurred in 2-year institutions (Tienda, 2006). These two states are facing a college squeeze that may pose formidable barriers for expanding Hispanic college access, particularly at the most competitive of the state institutions.

Whether the unprecedented geographic scattering of the Hispanic population energizes economic growth of the new destination states depends crucially on educational investments made today. There is mounting evidence documenting enormous economic costs of educational underinvestment (National Center for Public Policy and Higher Education, 2005). For example, the 2-year average education gap between all Hispanics and whites cost about \$100 billion in lost earnings (Tienda and Mitchell, 2006, p. 125).

Given the Hispanic generational shift now underway, lost earnings due to educational underinvestment could double by 2030, rising to over \$212 in current dollars.

The temporal coincidence of a large Hispanic second generation and an aging white majority represents an opportunity to attenuate the consequences of rising old age dependency for the common good. As growing numbers of young Hispanics replace white retirees in the labor force, they can help attenuate the labor shortages currently experienced by our industrialized peers. That Hispanics are coming of age in an aging society also poses significant risks if educational expenditures are viewed as “costs” rather than “investments” by elderly voters. Realizing the Hispanic demographic dividend to enhance national productivity and global competitiveness will require significant educational investments today in order to position young Hispanic workers to compete for high-paying jobs. These goals are achievable, but timing is crucial.

Today, more than ever before, higher education is necessary to harness the demographic dividend afforded by the continued infusion of young Hispanics into an aging population. The burgeoning second generation can deliver on that promise if states move quickly and act decisively to close education gaps at all levels. Given political will, in the richest country in the world, this is an achievable goal. With fertility declining throughout the world, including the large immigrant sending nations, the window of opportunity to capitalize the Hispanic demographic bonus is time-bound. We risk our own future by not reaping the potential dividends of the Hispanic second generation.

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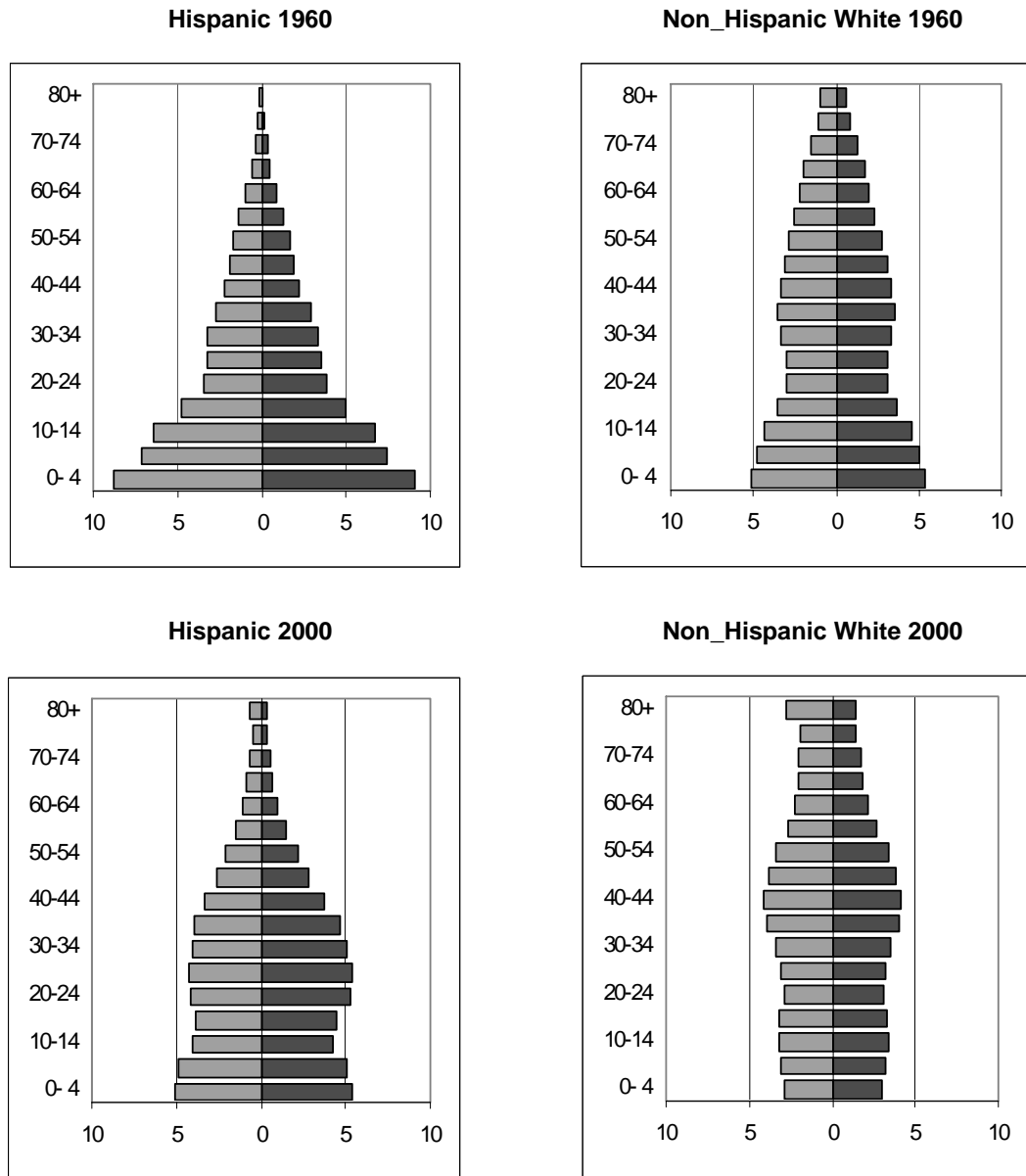
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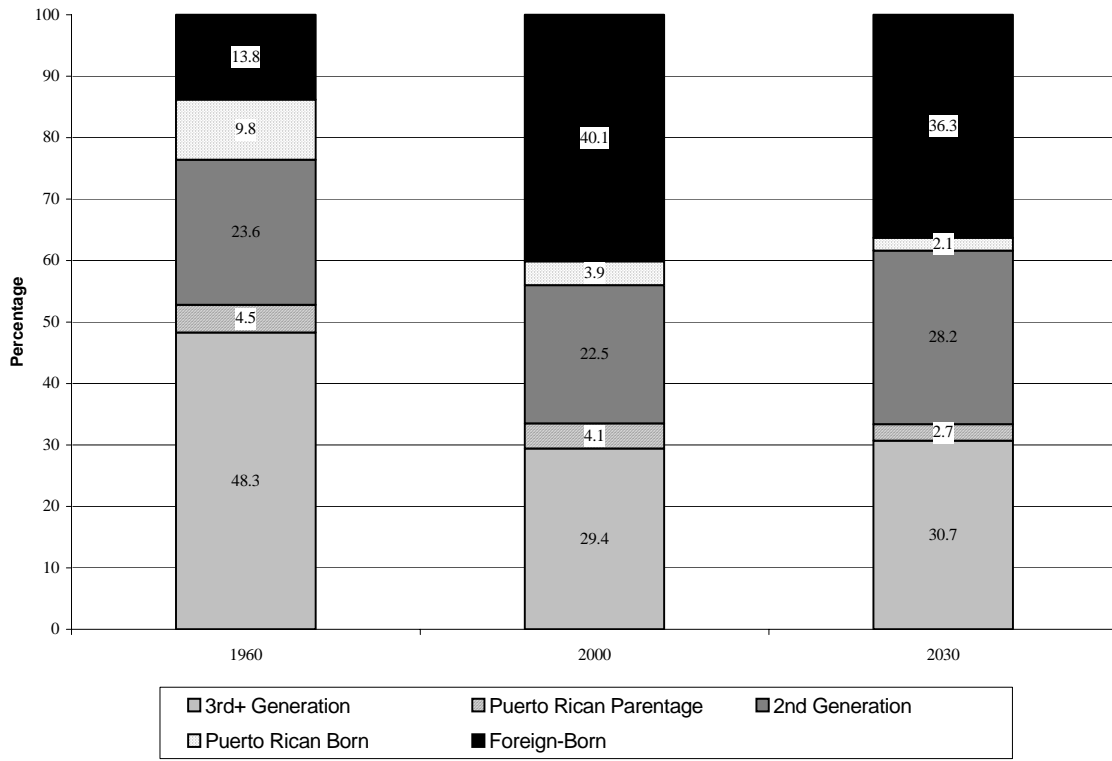
**Figure 1. Age Pyramids for Hispanic and Non-Hispanic White Populations**



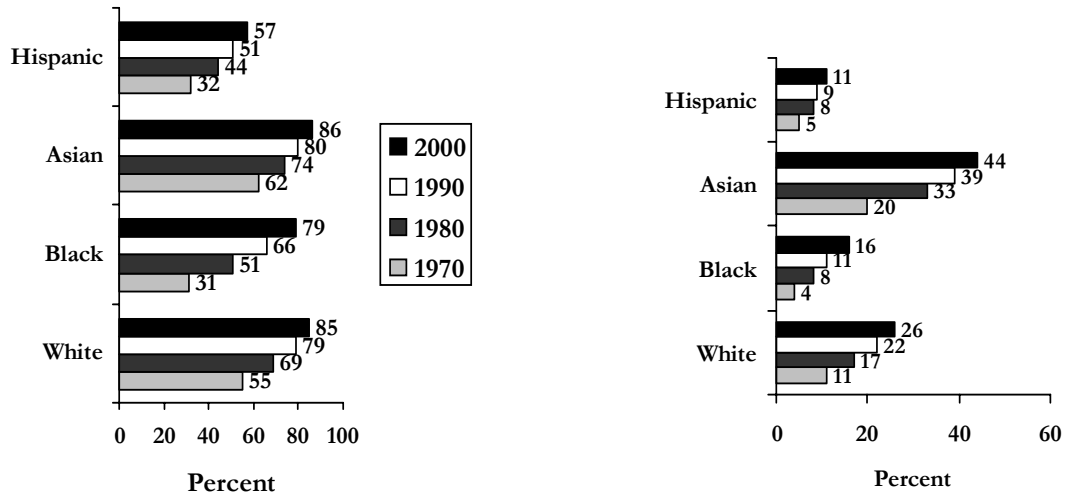
Source: Adapted from Figure 4-3, Tienda & Mitchell, Multiple Origins, Uncertain Destinies



**Figure 2. Generational Transition of Hispanic Population: 1960, 2000, and 2030**

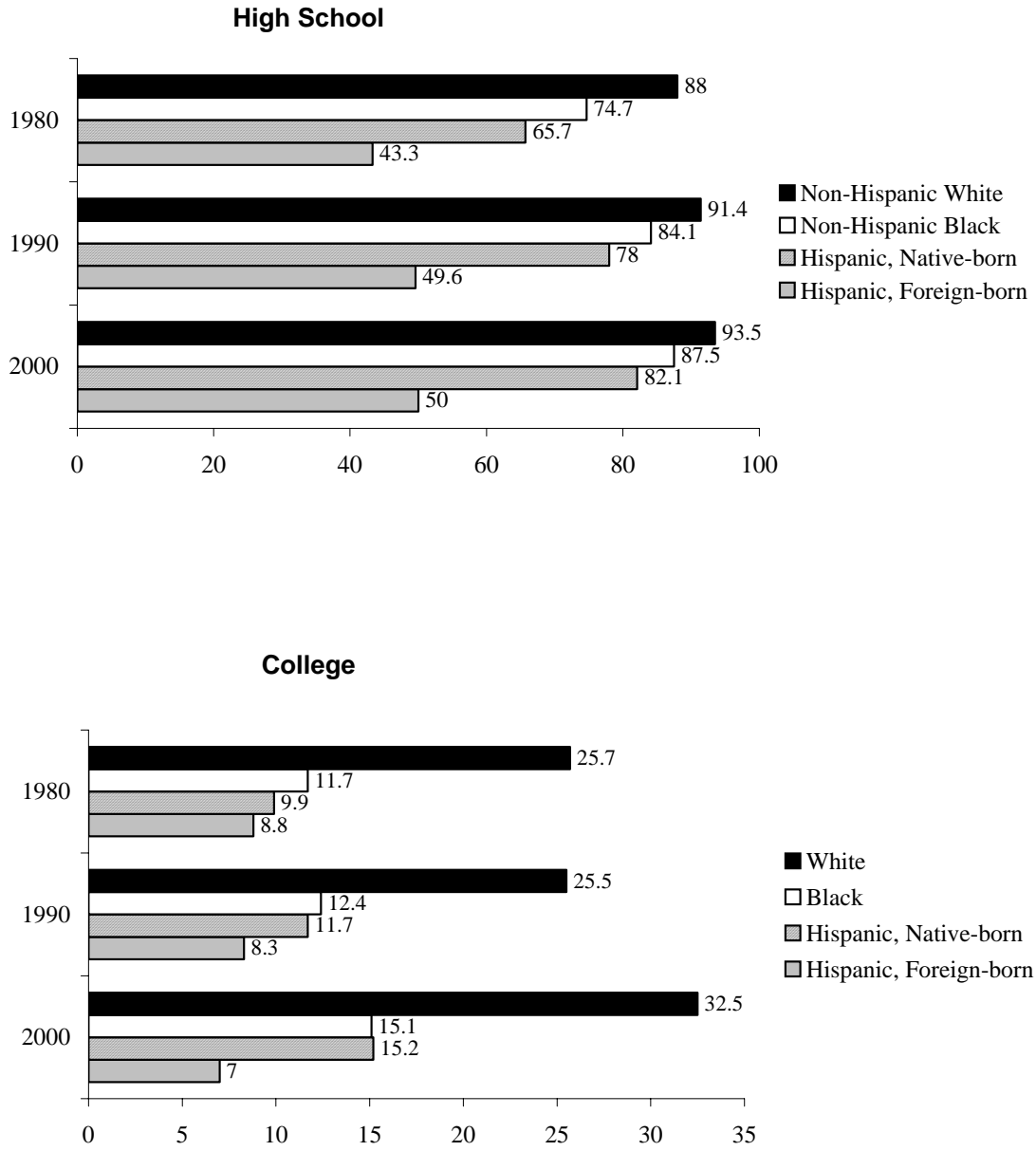


**Figure 3. High School & College Graduation Rates by Race/Ethnicity for Persons 25+ : 1970-2000**

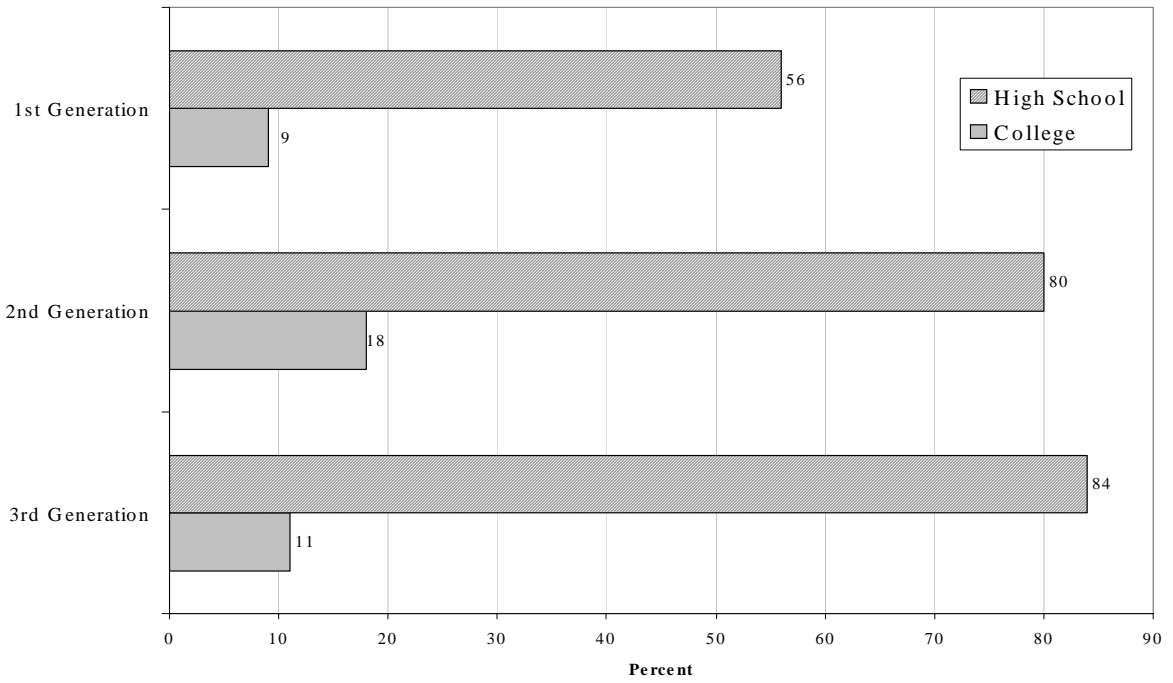


Source: Statistical Abstract of the United States, 2006. Table 214, p 147.

**Figure 4. Graduation Rates by Nativity for Persons Ages 25-34: 1980-2000**

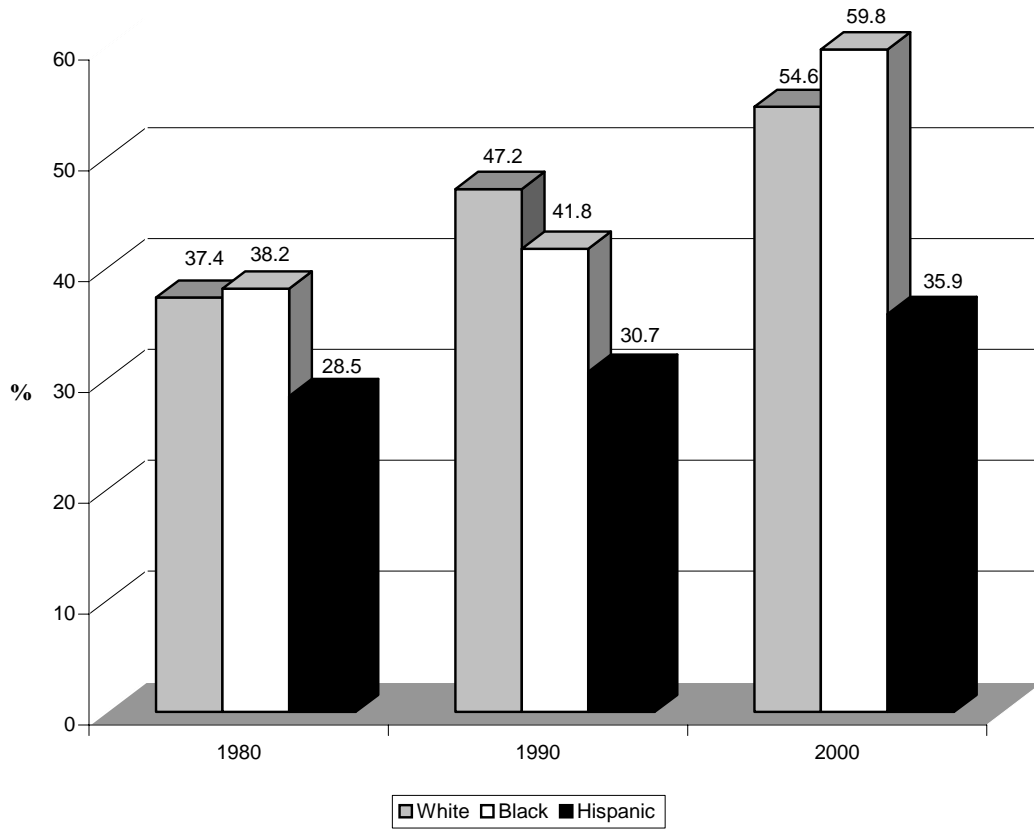


**Figure 5. High School and College Graduation Rates by Immigrant Generation: Hispanic Youth Ages 16-24**



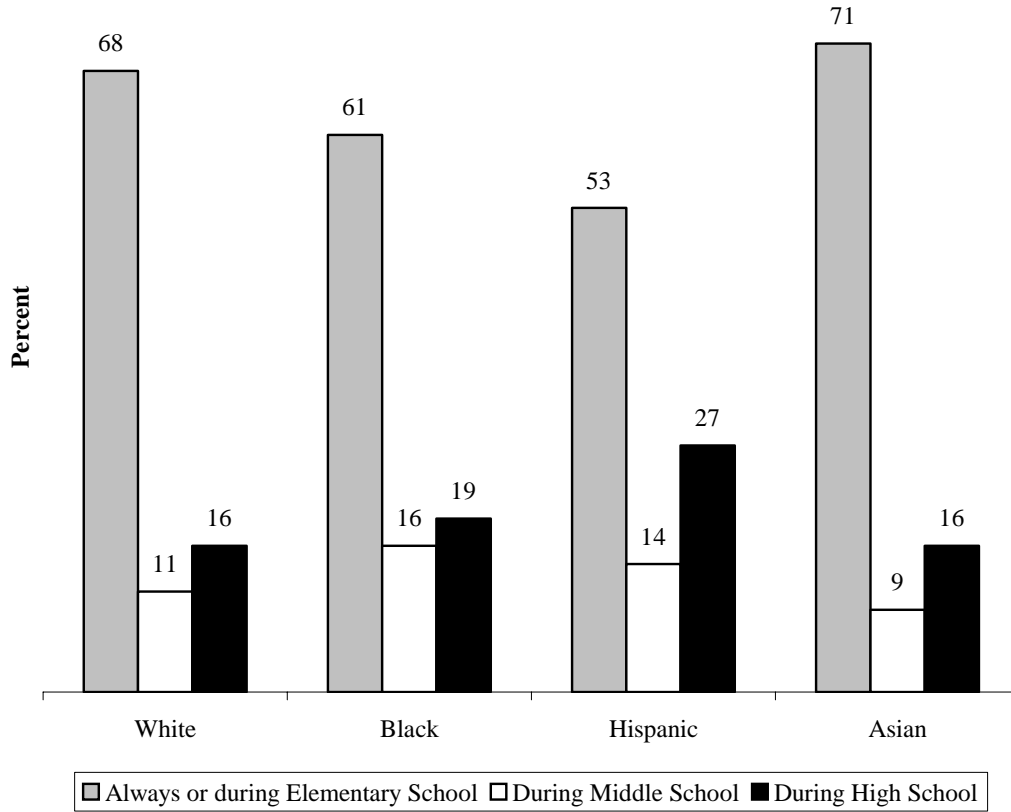
Source: Educational Attainment in the U.S. (update) CPS, P20-536, Table 10.

**Figure 6. Enrollment Rate of 3-4 year olds by Race/Ethnicity: 1980-2000**



Source: Digest of Education Statistics, 2002, Chapter 1, Table 7

**Figure 7. When Did You First Think About Going To College?**



Source: Texas Higher Education Opportunity Project

**Table 1. College Enrollment Rates of 18-24 year olds  
by Race and Hispanic Origin, 1980 and 2000**

	1980	2000
All 18-24 year olds		
White	27	39
Black	19	31
Hispanic	16	22
High School Graduates, 18-24		
White	32	44
Black	28	39
Hispanic	30	36

Source: NCES, 2003b, Status and Trends in The Education of Hispanics, Pg 95.

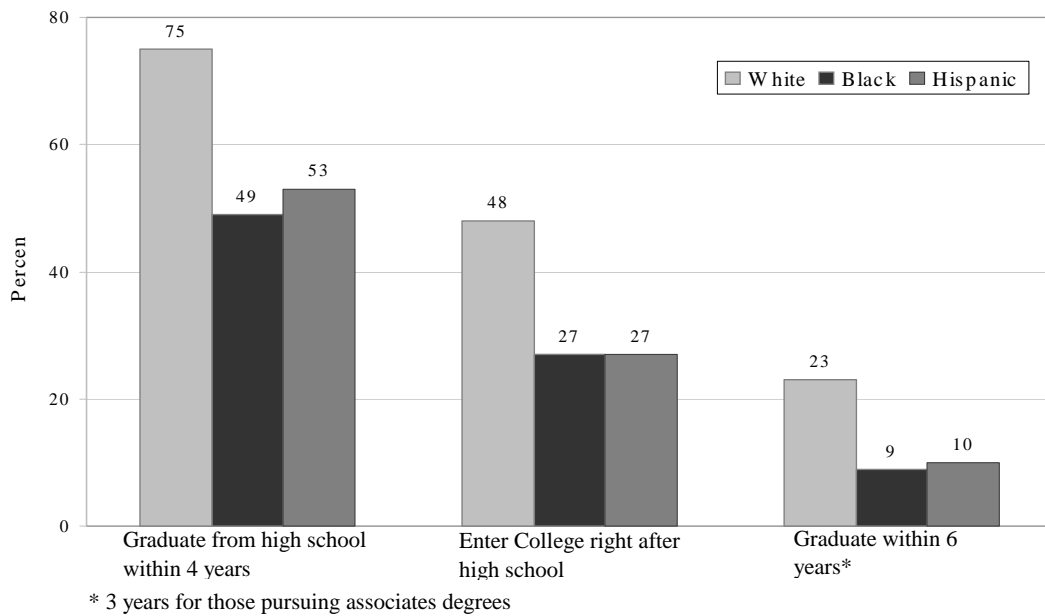
**Table 2. Race and Ethnic Distribution  
of College Enrollment: 1980 and 2000**  
(in percent)

	1980		2000	
	2-year	4-year	2-year	4-year
White	79	83	64	71
Black	10	8	12	11
Hispanic	6	3	14	7
Average	5	5	9	12
Total	100	100	100	100

Source: NCES, 2003b, Status and Trends in  
The Education of Hispanics, Pg 7.



**Figure 8. U.S. Educational Pipeline by Race and Ethnicity**



Source: National Center for Public Policy and Higher Education, 2005. Policy Alert November, Figure 6.