



NEWS RELEASE

Embargoed, Not For Release Before Wednesday, Aug. 10, 2005

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Latino Students Lag Behind In Financial Aid For College, Report Reveals

***On Average, Latinos Receive Less Aid
Than Any Other Racial or Ethnic Group In U.S.***

WASHINGTON – August 10, 2005 – Although the percentage of Latino students receiving financial aid for college is at an all-time high, Latinos receive the lowest average federal aid awards of any racial or ethnic group, according to a new report released today by *Excelencia* in Education and the Institute for Higher Education Policy.

According to the report, *How Latino Students Pay for College*, Latino students received an average financial aid award of \$6,250 in 2003-04. Asian students received the highest average award of \$7,260, and the national average award was \$6,890. The study, the first of its kind to disaggregate participation rates for Latino students in financial aid programs, found that while Latino participation has increased in the last decade, the disparity in average amounts received has remained unchanged since 1995-96.

“Financial aid is critical for all students but more so for the Latino community, given the percentage of which come from modest financial backgrounds,” said Sarita Brown, president of *Excelencia*. “This report dispels the myth that Hispanic students are getting a free ride.”

“We know that Latino students are not entering and completing college at rates similar to other groups,” said Jamie Merisotis, president of the Institute. “Addressing economic disparities is one of the biggest steps we can take to improve success rates for the Hispanic community.”

Latino students rely heavily on federal aid and on grants in particular, according to the report, given that they are more likely to be first-generation college students (49 percent) and to have relatively low family incomes. Nearly 80 percent of Latino undergraduates applied for aid and 63 percent of those received some form of aid in 2003-04. And while Latinos were more likely to receive federal aid (50 percent) than all groups except African American students (62 percent),

Latinos received the lowest average federal awards. However, only 16 percent of Latinos received state aid, and 17 percent received aid from postsecondary institutions.

At the same time, the report cites the need for further research into factors that may influence the findings, including the relationship between the amount of aid awarded to Latino students and their enrollment patterns. For example, Latino students were more likely to enroll on a part-time basis than any other group (51 percent). Almost half of Latino undergraduates were enrolled at public two-year institutions in 2003-04, according to the report, and only one-quarter of Latino students (25 percent) attended four-year campuses. In addition, 40 percent of Latino students enrolled at institutions with tuition and fees of less than \$1,000, and 36 percent were enrolled at campuses with costs between \$1,000 and \$5,000.

“The results of this study can help lay the groundwork for improving access for this rapidly growing student population,” said Henry Fernandez, executive director of scholarships, outreach and philanthropy at USA Funds, sponsor of the study.

Ideas For Improving Outcomes

While the Latino community in the United States is currently enjoying explosive population growth – by 2050 Hispanics are expected to make up nearly one-quarter of the nation’s population – Hispanic success in higher education has lagged far behind. The report outlines a series of recommendations to improve Latino success, including a call for outreach campaigns at the federal, state and local levels to target information on financial aid options to Latino students and families. In addition, the report calls for the following recommendations by sector:

- **Federal Government**: Increase maximum awards for Pell grants to better align with increased college costs, and create an entitlement-based loan forgiveness program for students who study in areas of national need.
- **States**: Establish a predictable tuition and fee policy.
- **Institutions**: Disaggregate institutional data to identify Latino progress, ensure course availability and strengthen course planning.
- **K-12 Community**: Encourage mentoring by experienced parents and students, and offer courses on paying for college.

Excelencia in Education aims to accelerate higher education success for Latino students by providing data-driven analysis of the educational status of Latino students, and by promoting education policies and institutional practices that support their academic achievement. A 501(c)(3) organization, Excelencia is building a network of results-oriented educators, including university and community-based professionals and policymakers, adding value to their individual efforts with the means and momentum to address the U.S. economy’s need for a highly educated workforce. For more information, visit the organization’s Web site, www.EdExcelencia.org.

The Institute for Higher Education Policy is a nonprofit, non-partisan organization whose mission is to foster access and success in postsecondary education through public policy research and other activities that inform and influence the policymaking process. These activities include policy reports and studies, seminars and meetings, and capacity building activities such as strategic planning. For more information, please visit www.ihep.org.

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