

Latino Education and the Future of the United States
National Association of Latino Elected and Appointed Officials
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Slide 1: Latino Education and the Future of the United States

- I'm pleased to be invited to speak you today and I'm honored to be on a panel with George Boggs and Mildred Garcia. I have the deepest respect for both of them.
- They say a picture is worth a 1,000 words. I have almost 30 pictures I'd like to show you and not much time to do it, so I'll try to say just a few words about each one.

Slide 2: Differences in College Attainment between Younger & Older Adults – U.S. & OECD Countries, 2006

- Where are we in terms of global competition in higher education?
- For the first time in our history, the current generation is not exceeding the education levels of the previous generation. Our 25-24 years old population is no better educated than the 55-64 years old age bracket.
- We rank tenth in the world in educational attainment of our younger generation.
- Without a well education population, we risk:
 - Losing our economic competitive advantage;
 - Seeing an increased social stratification due to the erosion of our social and economic mobility;
 - And our capacity as an adaptive democracy, which is able to solve problems at home and be a constructive force in the world, will diminish.
- This is why so many of us, including President Obama, are determined to change this picture for the better.

Slide 3: Jobs in the Last Four Decades Increasingly Have Required Postsecondary Education

- Employment trends over the last four and half decades indicate a decreasing percentage of workers with a high school education or less (79% - 41%)
- While at the same time, employment numbers are indicating an increased demand for workers with some postsecondary education.
- Based on jobs lost and projections for job growth, this trend will be magnified during the recovery period (Carnevale).

Slide 4: Education of the U.S. Labor Force, 1973 -2018

- Industrial and employment growth is fueled by advances in technology and industry.
 - Through the 19th and 20th century's advancements like the combustible engine, the cotton gin, interchangeable parts and the assembly line fueled this country's shift from a primarily agrarian economy through the Industrial Revolution into a manufacturing based economy.
 - That shift is happening again as we rapidly progress through the information and technology age to a more skills based and service oriented economy – the knowledge economy.
- We had about 90 million jobs in 1973 and 65.5 million of the workers had a high school education or less.
- By 2009 our workforce had grown to 155 million jobs, but still only 65 million of those were held by people without a postsecondary education.

- During our current economic cycle, the average unemployment rate has disproportionately affected those without a postsecondary education. The Latino population in this country has been faces with a 12.6 percent unemployment rate (Carnevale).
- Over the next decade, the strongest job growth will be in areas requiring some postsecondary education. Economists project that by 2018, 63 percent of jobs will require some type of postsecondary education.
- For high school dropouts, that is approximately 16.6 million jobs by 2018; down from 29.1 million in 1973. A postsecondary education is becoming a the key to a middle class lifestyle (Carnevale)
- In any case, at all education levels, Blacks and Hispanics are more likely to be unemployed than whites and Asians. (Dept. of Labor; Bureau of Labor Statistics)

Slide 5: Challenges: College Participation by Socioeconomic Status

- Troubling statistics pulled together by the Department of Education show that socio-economic status has too great an impact on whether a student attends college.
- The highest achieving students in the lowest income quartile are attending postsecondary education institutions at the same rate as those least academically prepared students in the highest income quartile.
- Academically prepared low-income students are having trouble accessing the postsecondary education that the changing labor market demands, which puts considerable constraint on their ability to get the necessary job training.

Slide 6: Challenges: Degree Attainment by SAT Scores and Socioeconomic Status

- Beyond postsecondary participation data, degree attainment data show similar socio-economic constraints.
- The data presented degree attainment of students with similar SAT scores broken into four income quartiles.
- The group farthest to the left shows considerable variance in degree attainment among our top performing students. Those in the top SES-quartiles are seeing over 80 percent degree attainment while those in the bottom income group are seeing just over 40 percent.

Slide 7: Latinos in a National Context

- Latino enrollment growth has exceeded 80 percent in the last decade, as compared to just over 30 percent total enrollment growth.
- According to the US Census Bureau, by 2010 Latinos will make up almost 25 percent of total 18-24 year old, or “college age” population. Their undergraduate enrollment will increase from 11 percent of the student population to approximately 14 percent.
- Among those 25 years and older, 90 percent of white, black, and Asians had at least a high school diploma compared to 67 percent of Hispanics that completed high school. (Dept. of Labor, BLS)
- Latino students are an incredibly fast growing demographic of undergraduate students and their degree attainment is essential to the postsecondary education goals ahead of us. But there is a clear imbalance between enrollment levels and the percentage of the traditional ‘college-age’ population made up of Latino students.
- The under-representation of Latino students in higher education is something you all are well aware of and I’ll touch on this again shortly.

Slide 8: WICHE Projections of High School Graduates

- The Western Interstate Commission on Higher Education compiled project data for high school graduates to 2022.
- The Latino high school graduate population will grow substantially in the Western and Southern States.
- In both regions, White, Non-Hispanics will shrink to less than half the number of graduating high school seniors.

Slide 9: WICHE Projections of High School Graduates

- Projections in Midwestern and Northeastern states show a growing Latino population, but their makeup of all graduating high school seniors is less than that of the Western and Southern states.

Slide 10: Latino High School Seniors (2008-09)

- The largest increase in Latino student population by state is understandably in California, Texas, Florida and New York.

Slide 11: Out of 100...

- Ed Trust developed an analysis that examines the leaks in our P-20 pipeline. The postsecondary attainment level for all demographics is not where it should be.
- However, the pipeline 'leaks' are most substantial for Latino students. Attainment gaps at every level are not where they need to be for Latino students.

Slide 12: Composition of Total State Expenditures by Function, FY 1987-2008

- Let me shift gears for a moment and talk about money. From 1987 to 2008, total state spending grew from about 400 billion to 1.5 trillion
- Inflation about doubled in the same period of time and over the last 21 years the population has grown by 25 percent.
- This amounts to about a 50 percent increase in 'real spending' per capita in the state.
- Our standard of living and per capita income also grew during those years, so you could pare something off that 50 percent increase in real state spending.
- However, the bottom line is that state spending has grown the last two decades.

Slide 13: State General Fund Expenditures, FY 1990 & 2008

- However, the nature of where we've spent that increase in state spending on paints a very important picture.
- This bar chart shows the percent of total state general fund expenditures in fiscal year 1990 as compared to fiscal year 2008.
- As you can see, states are spending more, as a percent of their general fund, on elementary and secondary education, Medicaid, and corrections.

Slide 14: Projected State and Local Budget Deficits as a Percent of Revenues, 2013

- The economic challenges we've faced together over the last two years have taken a well reported toll on our state budgets.
- David Boyd, of the Rockefeller Institute, projects budget deficits in 49 of the states (Wyoming is not included) ranging from 10.7 percent to 0.5 percent and a national average of 5.7 percent.

Slide 15: Federal Budget – Comptroller General

- Understanding in a general way projections for state deficits, let's turn to projections in federal spending and revenue.

- The Government Accountability Office prepared this analysis in 2005 of federal spending and expense levels going forward. All other spending (discretionary, military, education, security, etc.) are included in the green block, social security, Medicare and Medicaid are the red and yellow blocks and the blue block is interest on federal debt. It does not include the TARP and ARRA programs.
- The black line represents revenue that is based on current tax laws, which include the Bush Administration tax cuts.
- As you can see, the interest on the national debt will grow to approximately the same level as federal revenue by 2040.
- Clearly there needs to be some type of spending and revenue reform in the United States if we hope to continue as one of the world's leading economies.

Slide 16: National Academy of Public Administration

- This is a more up-to-date analysis showing similar concerns displayed by the GAO. The author's of this study provide four economic analyses that would assist the United States in answering these challenges.

Slide 17: Public FTE Enrollment and Education Appropriations per FTE, U.S., FY 1985-2009

- This graph from SHEEO's *State Higher Education Finance* report shows trends for three important higher education variables over the last 25 years: state general fund appropriations in blue, net tuition revenue in green, and the Public FTE enrollment.
- Generally speaking, higher education has held its own in terms of revenue, but you can see the how the dips have been in line with decreased state general fund revenues, which indicates the commonly addressed discretionary funding policies of state legislatures that higher education often sees.

Slide 18: Net Tuition as a Percent of Public Higher Education Total Educational Revenue, U.S., Fiscal 1984-2009

- This graph shows the change in net tuition revenue during the past 25 years and overlays periods of economic recession.

Slide 19: Distribution: \$/FTE and Enrollments

- In higher education, there is a great deal of difference in the funding levels seen by various institutional sectors. The red bars show education and related spending per FTE and the blue bars show enrollment.
- As you can see, funding is higher per FTE in the private sector, especially private research institutions.
- Focusing on the public sector, which posts higher enrollment levels across all three institution types, there are noticeable funding differences between these groups. However, the more poignant matter is that our community colleges, which post the highest enrollment levels of any institution type or sector also receives the lowest funding per FTE.

Slide 20: % Growth in Appropriations per FTE

- There is a wide variance in the percent change in state general fund appropriations over the last 15 years.
- Notice that Vermont just over a 50% decrease in state general fund support in that amount of time – I'll come back to this.

Slide 21: % Change in Total Revenue per FTE

- The second chart, which still shows a lot of variance, includes net tuition revenue in the percent change of total revenue.

- Looking back at Vermont, they've seen an approximate 2 percent increase in total revenue. Considering their 50% decrease in state support – the vast majority of that 2 percent increase was through additional tuition revenue.

Slide 22: Cost per Degree by Carnegie Grouping, 2007 (public institutions)

- The bar chart illustrates the cost per FTE in four Carnegie Classes (Associate's, Baccalaureate/Master's, Research, High Activity, and Research, Very High Activity).
- The blue bar represents the national average, the red is the state of California, and the green is the national average without California.
- Institutions with very high research activity have a healthy stream of funding per FTE.

Slide 23: Cost per FTE by Carnegie Grouping, 2007 (public institutions)

- Using the same method from the previous chart, this illustration shows institutional cost per degree.
- The Associate's institutions are posting much higher cost per degree numbers than the national average. This is in part due to the lower number of Associate's degrees compared to California's higher number of certificate completions, which are not included in this number.

Slide 24: Wrong Ideas about Money

- There are a lot of fiscal challenges to tackle in higher education
- Understanding the different factors that affect higher education and state fiscal management are important in framing the conversation correctly.
- First, there is no "right" amount of money. I've shown multiple datasets that show the variance in funding and the different cost factors affecting institutions. There isn't a perfect amount that can be applied broadly.
- But that isn't the entire picture, because we can't get in to the mantra of "more money = better results."
- We need to think innovatively about operating efficiently and productively in a realistic fiscal environment. There is room for improvement in this area.

Slide 25: Right Questions about Money

- So we need to ask the right questions about where we go from here.
- First, what do we need from higher education, what do our students need, our faculty, administration, legislature, workforce, and citizenry?
- Again, how can we work together on innovative ideas for getting the results we want? Those plans and those results are going to help us justify additional funds down the road.
- An open and honest conversation about what needs to be done and where we need to go is the first step to take as we go forward.

Slide 26: It Takes More than Money

- In that sense, I shouldn't leave your conference without talking about some strategies beyond these fiscal realities.
- Continued state support for the K-12 Common Core State Standards in Math and English are a key to making sure high school graduates are prepared for the rigorous material in college. These state created standards will go a long way in addressing remedial education challenges plaguing our institutions.
- Related to that, retention and attainment needs to improve at our colleges and universities. Degree completion is too important to put to the side. Tony Carnevale's report *Help Wanted* projects that 63 percent of jobs will require some postsecondary education by 2018. We need to meet that demand.

- Refocus student's attention on studying and decrease their burden to find work off-campus by expanding work study and apprenticeships on campus that contribute to their course work.
- I showed information on community college prices in California. In order to serve the student population in their state in the most effective manner, California should support tuition levels in line with the national average to increase resources, while insisting that the state and federal government continue to play an important role in student-aid and streamline the application process.

Slide 27: Contact Information

Additional Labor Statistics (Dept. of Labor; BLS):

- Blacks and Hispanics are less likely to hold management, professional, or other related positions.
- Percent of men in management positions in 2009: White (35 percent), Asian (50 percent), Black (24 percent), Hispanic (16 percent).
- Percent of women in management positions in 2009: White (41 percent), Asian (47 percent), Black (34 percent), Hispanic (25 percent).
- One half of Hispanic men are employed in the following job classifications: Natural resource, construction and maintenance, transportation, material moving.
- In 2009, Hispanics account for 14 percent of the Labor Force, but are disproportionately in construction, housekeeping, and ground maintenance.
- Blacks and Hispanics earn considerably lower wages \$601 and \$541 a week, respectively. Compared to \$757 for whites and \$880 for Asians. This disparity holds for men across all occupational groups.