

Financial Aid as a Perceived Barrier to College for Latino Students

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Introduction

In 2002, the Tomas Rivera Policy Institute (TRPI) released a study that documented the lack of information about college admission among the Latino community.¹ Specifically, the study found that a majority of Latino parents were not familiar with college entrance requirements and college preparation in high school. This was particularly evident in first-generation immigrant, Spanish-speaking, and working-class parents. In the same report, we found that teachers and counselors had a potentially pivotal role in being the purveyors of college information. This report initiated a dialogue about the limitations in arguments, sometimes made by policymakers and educators, which place responsibility for disseminating college information primarily on parents. The report also illustrated how low college-enrollment rates among Latinos may be due to lack of information and not lack of education values, as some have argued in the past.²

Most recently, the Institute has engaged in additional studies that measure Latino parents' and youths' familiarity with financial aid information and their perceptions of access to financial aid. However, the results of these studies have not been widely disseminated and we wish to present some of the more salient findings of one particular study. In this article, we will use the results of a national survey of Latino parents and students to illustrate the lack of financial aid awareness among the Latino community and discuss the implications of this knowledge discrepancy on perceptions of college access. The findings presented in this article are consistent with other surveys published by TRPI³ where we have found that Latino parents and youth are not familiar with college admissions processes and that perceptions of college costs may be forcing some students to forgo a college education.

The study presented here was funded by the Sallie Mae Fund and is based on a national survey of 1,219 Latino parents and 1,210 Latino young adults living in seven large cities. The survey explored the population's knowledge of financial aid options, knowledge of sources of financial aid information, the timing and format of financial aid information delivery, and the extent to which financial aid was a factor in one's decision to attend college. We found that Latino parents and students lacked significant information about financial aid for college and often received information much too late to be able to consider attending college. Although both parents and students expected to receive such information from school personnel, it appears that school personnel were not necessarily an effective conduit for delivering financial aid information.

In addition to presenting the findings of the national survey of Latino parents and students, we will also discuss the policy implications of the results and offer practical recommendations that higher education institutions and policymakers can implement in their communities.

Existing Relevant Research

By most accounts, the burden of paying for higher education has shifted away from institutions and government agencies and towards families in the last two decades.⁴ Throughout this period, grants and government-subsidized aid have covered a decreasing proportion of students' college costs.⁵ Orfield (1992) and Callan (2000) argue that college financing reform has mostly helped middle-class families, leaving a college education out of reach for many working-class families. Oftentimes, the result is that students are forced to accept suboptimal college options to incur less high levels of debt. Additionally, there is evidence that families continue to increasingly rely on loans to finance higher education.⁶ This is an important observation because increased reliance on debt to finance an education presents increased college cost considerations for families and burdens students with more economic risk.⁷ Further, it is important to account for how personal, cultural, and social attitudes towards loan instruments may deter some families from consideration of incurring college costs.

Increased burden in financing a college education has an important influence on how Latino families in the United States, most of whom are working-class families,⁸ approach college-going decisions. Moreover, given the low post-secondary education attainment rate among Latinos,⁹ there is urgency in determin-

ing to what extent financial aid plays a role in determining if and where Latino students enroll in college. From existing research, it is known that class and social factors matter in determining the role that college costs play in decisions about college.¹⁰ In comparing students from different economic classes, Paulsen and St. John (2002) found that less affluent students are more sensitive to college costs. College costs also influenced college completion behavior. In Post's (1990) survey of one senior class in high school, he found that college costs largely determined college plans for children of Spanish-speaking parents. In this same study, he found that children of Spanish-speaking parents most frequently overestimated the costs of attending college. Findings such as these indicate a need for closer inspection to understand how Latino working-class families perceive college costs.

To date, most student-level financial aid research has relied on the National Postsecondary Student Aid Survey (NPSAS). However, 2000 was the last date this survey was conducted, and the survey focuses exclusively on students who are enrolled in college, limiting any inferences one can make about how financial aid influenced decisions to not enroll in college. The Education Resource Institute, Inc. (2005), recently commissioned a series of research reviews to determine "what is known about the impact of financial aid program design, operations, and marketing on the perceptions of lower-income and minority youth and their parents." One of the conclusions confirmed by ten leading education scholars was that there is not sufficient research to understand how Latino parents perceive college costs and financial aid instruments. Mundel and Coles (2004) conclude that research on college financing perceptions is in a "disappointing state."

Timely assessments of Latino parent and student perceptions of financial aid and college costs have never been conducted and are much needed to advance the educational aspirations of Latino families. In the survey we describe below, we consider how policy and higher education institutions can begin to address misperceptions about college accessibility among Latino youth and parents and potentially instill a sense of college opportunity among working-class families who may currently perceive a college education to be beyond their economic reach.

Sample and Analysis

The survey discussed in this article was administered in 2004 in seven cities with high concentrations of Latinos: Los Angeles, New York, Miami, Chicago, San Francisco, Houston, and Dallas. The sampling frame used in the survey was a targeted list of known Latino households in the seven selected cities. These households were randomly dialed and after determining interest and securing consent to participate in the study from the respondents, a 15-minute questionnaire was administered. The survey comprised approximately 35 close-ended questions. Survey interviews were conducted in Spanish, English, or both, depending on the respondents' preference.

For the purpose of this study, respondents who had attended a college were categorized as college achievers, and parent respondents who had a child who had attended college were categorized as parents of college achievers. Student and parent respondents who had not attended college were grouped into a "college potential" category. College achievers were slightly overrepresented (40 percent) in the raw sample. Thus, the sample was weighted to reflect an accurate distribution of college achievers (28 percent) and non-college respondents (72 percent) in accordance with the 2000 U.S. Census.

In total, 1,210 Latino youth (18-24 years) and 1,219 Latino parents (over 18 years) were interviewed. The distribution of respondents reflects actual Latino population distribution among the seven metropolitan areas that were targeted (See Table 1). The margin of error for this survey is +/- 2 percent.

	Percentage Latino Distribution	Young Adults (18 - 24)	Parents
Los Angeles	38 %	458	477
New York	22 %	267	277
Miami	8 %	105	92
Chicago	9 %	111	102
San Francisco	8 %	93	103
Houston	8 %	96	94
Dallas	6 %	80	74
Total	100 %	1210	1219

Descriptive analysis and significance tests comparing college achievers and non-college respondents were completed to understand how financial aid may have influenced decisions to attend college. Additionally, descriptive statistics of the demographic characteristics of the respondents were gathered to understand how this sample is relevant to the predominant Latino student population.

Overall, the sample is fairly representative of Latino residents in the U.S. and reflects the characteristics of students underrepresented in higher education institutions. The majority of the youth respondents was of Mexican origin (57 percent), was born in the U.S. (57 percent), had parents who were foreign-born (74 percent), spoke English fluently (63 percent), and was or would have been first in the family to attend college (53 percent). The median household income among youth respondents was between \$25,000 and \$35,000. Sixty-eight percent of the youth respondents in our sample finished high school or its equivalent. This number is slightly higher than that reported in the general population, but is unlikely to bias the findings of this survey. To the contrary, the skew implies that the findings are even more relevant given that failure to graduate from high school did not present a barrier to college for this particular group of respondents.

Similar to the youth sample, the majority of the parent respondents was of Mexican origin (56 percent), had not finished high school (53 percent), and had children who had finished high school (70 percent). The median household income reported by the parent respondents was between \$25,000 and \$35,000. Unlike youth respondents, parent respondents were more likely to be foreign born (74 percent), although their children were more likely to be born in the United States (57 percent). The median age among parent respondents was 46 years old. Forty-two percent of the parent respondents spoke English fluently.

Key Findings

Value of a College Education

Latinos clearly place a high value on a college education. A large majority of youth respondents (87 percent) indicated that a college education is “very important” and an additional eleven percent indicated that it is “somewhat important.” Parent respondents were even more likely to value a college education, as 94 percent indicated that it is “very important.”

Sources of College Information

Parent and youth respondents were largely in agreement about the sources of information about going to college. Youth respondents indicated that the most frequent sources of information about college were school teachers and counselors (56 percent), followed by their parents (19 percent), and other family members or relatives (10 percent). Parents also indicated that school teachers and counselors (49 percent) were the primary source of information for their children, followed by themselves (26 percent), and other family members or relatives (9 percent).

Age at which Youth Received Information about College

Most youth participants (69 percent) indicated that they had first received information about going to college when they were younger than 15 years old. The importance of the age at which a person first learns about college is highlighted by the finding that most college achiever youth (82 percent) indicated having learned about college by age 16 or younger; only 75 percent of college potential youth indicated the same. Even more striking is the finding that 37 percent of college achiever youth indicated having learned about college by age ten, compared to only 25 percent of college potential youth.

Guidance in Educational Decision-Making

Most youth respondents indicated receiving at least some guidance in their educational decision-making by parents (76 percent) and teachers and counselors (80 percent). Parents were somewhat more likely to feel that they had provided guidance in their child's educational decisions, as 87 percent indicated providing at least some guidance, but they indicated similar perceptions about the level of guidance their child received from teachers and counselors. It is troublesome that a relatively large number—nearly one in five youth—indicated very little or no guidance at all from either parents or teachers and counselors. Nearly one in five parents also felt that their child received little or no guidance from teachers or counselors.

Importance of Parental College Experience

An important finding is that parent education level is directly related to the likelihood that a child will attend college; the higher the parent's level of education, the more likely the child was to go to college. The significance of this is highlighted by the fact that college achiever youth were more likely to indicate that

they received “a great deal” of guidance in their educational decisions from their parents than were college potential youth. Fifty-nine percent of the parents who indicated having graduated from college had a child who was a college achiever, compared to only 41 percent of parents who had not graduated from college.

Familiarity with College Financial Aid

In general, neither youth nor parent respondents felt knowledgeable about college financial aid, but parents were even less likely to feel knowledgeable. A large number of youth respondents indicated that they were either somewhat unfamiliar (18 percent) or not at all familiar (20 percent) with college financial aid. The sources of financial aid of which they did indicate awareness were scholarships (22 percent), grants (20 percent), and loans (11 percent), but thirty-eight percent were unable to name any sources of college financial aid. An even larger number of parent respondents (54 percent) indicated that they were either somewhat or not at all familiar with college financial aid, and 51 percent could not name a single source of college financial aid. Also troubling was the finding that more than one-half of both youth and parent respondents indicated either that a person had to be a U.S. citizen to be eligible for financial aid or that they did not know whether citizenship was a requirement.

Importance of College Financial Aid Information

The lack of awareness about financial aid among respondents can be partially explained by the startling finding that 51 percent of Latino youth and 71 percent of the parents of Latino youth indicated not receiving information or advice about college financial aid while the youth were enrolled in kindergarten through twelfth grade. It is important to note that most college achiever youth (59 percent) indicated having received financial aid information during kindergarten through twelfth-grade enrollment; in comparison, only 41 percent of college potential youth indicated having received information during the same period.

Sources of Information about College Financial Aid

School teachers and counselors were by far the most common sources of information or advice about college financial aid compared to other sources, according to both youth respondents (65 percent) and parent respondents (42 percent). However, indications of preferred sources by youth and parents were more varied. Youth respondents’ preferred sources for providing more information were school teachers and counselors (23 percent), the Internet (16 percent),

college financial aid officers (14 percent), and college representatives or college campus visits (13 percent). Parents' preferred sources were school teachers and counselors (27 percent), college financial aid officers (13 percent), college representatives or college campus visits (11 percent), and the Internet (10 percent).

Learning How to Pay for College

Both parent respondents (39 percent) and youth respondents (37 percent) generally preferred talking to a knowledgeable person as the most useful means of learning how to pay for college. However, youth respondents also indicated a preference for attending workshops or conferences (21 percent), reading brochures or pamphlets (17 percent), or using the Internet (15 percent); similarly, parents preferred attending workshops or conferences (19 percent), reading brochures and pamphlets (17 percent), or using the Internet (12 percent). Not surprisingly, the preferred language format in which to receive information about paying for college was quite different for youth and parents. The majority of youth respondents indicated a preference for receiving information in English (54 percent), but many also preferred both English and Spanish (29 percent), or Spanish only (17 percent). Parent respondents, on the other hand, primarily preferred to receive information in Spanish (54 percent), with lower percentages preferring English (27 percent) or both English and Spanish (19 percent).

Conclusion and Policy Implications

Nearly all national population forecasts have predicted the Latino population will continue to increase at a faster pace than other ethnic groups and will not be concentrated in the "traditional" Southwest. The increasing demographic concentration and wider geographic dispersion of this group garners scrutiny from policymakers, businesses, and politicians, all seeking how best to incorporate Latinos into their social, marketing, and civil participation programs. A clear finding in this scrutiny has been the relatively low levels of formal education that characterize Latinos, in general. This characteristic has been described in a myriad of ways, and multiple explanations are often used to explicate what is a clear liability for Latinos seeking social and economic mobility. Their initial low levels of education among adult immigrants, low wages of entry-level positions in the unskilled labor sector, and access to inferior schools upon arrival are some of the conditions that influence the low educational attainment found among Latinos.

Recent research has illuminated the existing education conditions faced by the children of immigrants, and from this research intervention recommendations have ensued.¹¹ A clear and resounding remedy to the low educational status of Latinos is access to higher education. Our surveys and other large-scale studies attest that Latino parents and students value education as a vehicle to social mobility. In today's U.S. economy, a college education is imperative for social mobility. Fewer and fewer sustainable jobs can be obtained without college education. Thus, the low educational status of Latinos, coupled with their increasing presence, presents a national challenge to provide all residents with equitable education in order to maintain the nation's economic status.

There are many identifiable barriers to college that are faced by working-class Latinos: access to college preparatory coursework, access to schools that nurture college-bound students, immigration status, and the economic realities of living in a low-income household. Financial aid is not the only barrier facing Latinos in their quest for higher education; rather, it is only one factor that shapes their decisions about college. Yet, its significance in college-going decisions must not be underestimated.

In the findings presented in this article, it is clear that there is a dearth of financial aid information among Latino parents and students, and a lack of exposure to financial aid opportunities may enhance the perception among many that a college education is an unreachable luxury. Familiarity with financial aid alone will not cause higher college enrollment rates; rather, familiarity with financial aid opportunities allows students to plan a clear pathway to college and should complement other interventions that encourage academic achievement and career planning. To conclude, we describe three policy recommendations that can be implemented in various communities and higher education institutions.

1) Disseminate, Disseminate, Disseminate

The results of this survey strongly suggest that financial aid information is lacking in the Latino community. It appears that even basic, easy-to-communicate information about the variety of financial aid instruments is not as available as it needs to be. A targeted effort should be made to address this challenge by making financial aid information much more broadly available to Latino parents and students, with counselors and teachers taking the lead as disseminators.

2) Integrate Information in Schooling Practices Early

It is important that information about college, and how to pay for it, should reach target populations as early as possible in school. Information about college going and college life should be incorporated into middle school and high school classes as much as possible. We would argue that a financial aid workshop in the junior year of high school is ineffective for college-planning purposes. Students and parents should begin to receive financial aid information at least in middle school so that college plans can be shaped early by accurate information. Moreover, financial aid information should not be delivered piecemeal in workshops for selected students or only when the students solicit it from the counselors or teachers. Financial aid information should be integrated into the everyday practices and standards of the curriculum. For example, a class dealing with economic issues can discuss college planning as part of the lesson; many other examples can be envisioned. Classroom discussion can fill a significant gap in the experience of students from homes where there is no consistent college planning. In-class conversations about college are useful for all students and vital for students from households where neither parent went to college.

3) Increase Guidance to College Applicants and Their Parents

Most institutional efforts to disseminate financial aid information while students are in middle school or high school are directed to parents rather than students. Nevertheless, our survey indicates that many parents still lack basic information about financial aid instruments. This presents a challenge that continues even after students have been accepted to college, as students and their parents then must make decisions about how to finance a college education. Although parents may be offering encouragement and emotional support for the prospective college student, it is important to recognize that often the student may be navigating the college financial aid process on his or her own. Thus, it is important to target assistance and communication to the entire family, not just the parents, and college representatives must make a concerted effort to guide first-generation students through the financial aid application process. One-on-one student guidance and targeted family workshops should be considered by higher education institutions when recruiting working-class Latino students.

The recommendations we propose here should be integrated into the school culture so that dissemination of college and financial aid information and college guidance become part of daily schooling practices, along with standardized

test preparation and completion of class requirements for graduation. Band-Aid approaches in the form of programmatic additions to the school curriculum are costly and may not reach the majority of students. On the other hand, an initial investment in school leadership training and a shift in organizational college-going expectations may have broader impact for a longer term.

ENDNOTES

¹ Tornatsky, et al., 2002.

² Valencia and Solorzano, 1997; Valencia and Black, 2002.

³ Tornatsky, et al., 2002; Zarate and Pachon, 2006.

⁴ Callan, 2000; Dowd, 2006; Orfield, 1992.

⁵ Callan, 2000; Dowd, 2006; Gladieux and Perna, 2005.

⁶ Dowd, 2006; Gladieux and Perna, 2005.

⁷ Perna, 2006.

⁸ Kochhar, 2005.

⁹ Solorzano, Villalpando, and Oseguera, 2005; Pachon, Tornatzky, and Torres, 2003.

¹⁰ Paulsen and St. John, 2002; Post, 1990.

¹¹ Portes and Rumbaut, 2001; Stanton-Salazar, 2001; Zarate and Pachon, 2006.

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