



The Tomás Rivera
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**LATINO STUDENTS AND PARENTS HAMPERED BY LACK OF FINANCIAL AID
AWARENESS**

National Study Finds Initiatives Planned To Expand Access And Awareness

RESTON, Va., March 31, 2004 – Awareness of financial aid options is critically lacking in the Latino community, and that lack of awareness has a direct impact on college attendance. That is one of the key findings from a new survey conducted by the Tomás Rivera Policy Institute at the University of Southern California and commissioned by The Sallie Mae Fund.

The survey findings corroborate results from a Harris Poll[®], commissioned by The Sallie Mae Fund in 2002, which revealed that knowledge about financial aid is a key predictor in determining the likelihood of college attendance among various ethnic groups.

The new study looked specifically at four populations:

- "College Achievers"— Latino young adults who are currently enrolled in either a two year or four-year college as full- or part-time students or had graduated from college
- "College Potentials" — Latino young adults who have never attended college or have dropped out of college (note: college potentials include high school graduates, high school drop-outs, college drop-outs, and those who never attended high school)
- Parents of College Achievers
- Parents of College Potentials

The research found that there was a direct correlation between awareness of financial aid and college attendance. In fact, 75 percent of College Potentials indicated that they would have been more likely to attend if they had better information on financial aid. In addition, 77 percent of College Achievers were at least familiar with some financial aid options, compared to only 50 percent of College Potentials.

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"College aspiration is high within the Latino community, but financial aid knowledge is the missing link," said Harry Pachon, Ph.D., president of the Tomás Rivera Policy Institute. "The Sallie Mae Fund's initiative is most welcome at this critical time."

According to the study, many Latino families are not adequately planning for college prior to the end of high school. More than two thirds of Latino parents did not receive any financial aid while their child was in K-12 and more than half (56 percent) of the young adults who were not attending college indicated that they had not received any financial aid information in K-12.

Of those who did receive some financial aid information, more than 30 percent wanted to receive it at least two years earlier.

Nearly 65 percent of Latino families prefer to learn about financial aid from face-to-face interactions (for example, workshops or meetings with high school or college personnel).

The survey also found that most Latino parents (51 percent) would prefer to learn about financial aid in Spanish, while most Latino young adults (62 percent) would prefer English as a communication medium.

"While Latinos represent the fastest growing population in America, their rate of enrollment in higher education lags far behind that of other population groups," said Susan Corsini, chair of The Sallie Mae Fund. "These results demonstrate that awareness of financial aid is a key factor in the path toward college for Latinos. This feeds into The Sallie Mae Fund's mission of increasing access for America's lower-income and minority families, and helped us tailor new programs to help close the access gap."

More strikingly, 43 percent of all Latino young adults and more than half (51 percent) of Latino parents reported that they were not aware of even a single source of college financial aid. A comparison with the Harris Poll findings (18 percent for all young adults and 19 percent for all parents), indicates that Latinos are considerably less aware of financial aid than the population at large.

Sallie Mae Fund Responds

The survey findings affirm the direction of The Sallie Mae Fund's outreach initiatives launched in 2003. These existing initiatives have been expanded to help raise awareness of financial aid and tailor financial assistance toward educational access for Latinos.

The Sallie Mae Fund will host 40 of its 135 "Paying for College" workshops in Spanish in the fall of 2004. In support of this nationwide tour, the Fund will launch a 20-city bus tour, targeting major Latino population centers, and will conduct various community outreach initiatives in addition to these workshops.

The Fund will develop regional public awareness campaigns in Spanish and English to raise awareness about the availability of financial aid.

The Fund will distribute free educational materials on financial aid, in English and Spanish, to middle and high school guidance counselors and teachers across the country, as well as college financial aid officers.

In partnership with the Hispanic College Fund, The Sallie Mae Fund has allocated \$500,000 in scholarships for Latinos who are the first in their family to pursue postsecondary education.

In addition to these initiatives, The Sallie Mae Fund provides a toll-free number (1-866-858-7166) and Web site, <http://www.thesalliemae.org>, for students and parents to order free financial aid guides in English and Spanish.

Recent U.S. census estimates project that by 2050, one in four people in the United States will be of Latino origin. Latinos currently represent more than 13 percent of the U.S. population but, relative to non-Hispanic whites and African Americans, the percentage of Latinos enrolled in institutions of higher education is low. For undergraduates (age 18 to 24), for example, 37 percent of non-Hispanic whites, 28 percent of African Americans and 20 percent of Latinos are currently enrolled. Additionally, in comparison with other ethnic groups, Latino students have a higher dropout rate in K-12 grades and lower college graduation rates. Encouragingly, nearly 90 percent of survey respondents indicated that a college education is "very important" for success in today's world, as compared to 65 percent of all young adults, according to the Harris Poll.

Key findings for the study are available online at <http://www.thesalliemae.org> and at <http://www.trpi.org>.

(Methodology)

"Caught in the Financial Aid Information Divide," was designed to determine the level of access to information about paying for college and how that information affects decisions about attending college in the Latino community. The study was conducted for The Sallie Mae Fund by the Tomás Rivera Policy Institute by telephone within the United States between December 9, 2003 and January 6, 2004, and surveyed 1,222 parents of college-age adults (age 18-24) and 1,204 college-age adults (age 18-24). Samples were drawn from seven metropolitan areas with over one million Latino residents – Los Angeles, New York, Miami, Chicago, San Francisco, Houston and Dallas. Given that approximately one-half of the nation's Latino population resides in, and almost all Latino national origin groups are fairly represented in, the seven metropolitan areas, the samples present a national picture of the issues under consideration concerning the Latino community. The survey used two types of samples – samples drawn from directory-listed households with Spanish surnames and age-targeted samples for the young adult population. The sample was weighted to match data from the March 2003 Current Population Survey

(CPS) with regard to college going, nativity, and gender of Latino young adults such that the resulting weighted sample is representative of the study population.

Key Findings of "Caught in the Financial Aid Information Divide"

Background: The Tomás Rivera Policy Institute at the University of Southern California conducted a telephone survey of 1,222 parents of 18 to 24 year-olds and 1,204 young adults aged 18 to 24, during the period December 9, 2003 to January 6, 2004, to ascertain their level of awareness of financial aid and to understand how that information affects decisions about attending college. Several of the key findings are summarized below.

*(Parenthetical information indicates results from the Harris Interactive survey—commissioned by The Sallie Mae Fund in 2002--for comparison purposes. This survey investigated financial aid awareness among lower-income and minority populations in general, without specifically focusing on Latinos.)

- Information about financial aid is critical. The more Latino young adults know about financial aid, the more likely they are to attend college.

- Nearly two-thirds of Latino parents and 40% of Latino young adults could not name a single source of college financial aid. (By contrast, only 19% of all parents and 18% of all college-bound young adults could not name a single source of college financial aid.*)

- 73% of Latino parents (58% of all parents*) and 70% of Latino young adults (72% of all young adults planning to attend college*) did not name scholarships as a source of financial aid.

- 86% of Latino parents (62% of all parents*) and 70% of Latino young adults (65% of young adults planning to attend college*) did not name grants as a source of financial aid.

- 80% of Latino parents (64% of all parents*) and 74% of Latino young adults (71% of young adults planning to attend college*) did not name loans as a source of financial aid.

- Two-thirds of Latino parents did not receive any financial aid information before their children left high school.

- o 50% of young adults said that they did not receive any financial aid information while they were in K-12. (By contrast, only 25% of all parents and all young adults reported that they were 18 years of age or older when they received financial aid information, if it was received at all.*)

- More than 30% of Latino young adults and 22% of Latino parents who felt they were not receiving financial aid information early enough would like to receive this information two years sooner than they are currently receiving it.

- More than two-thirds of Latino families believe that getting financial aid information before leaving high school was very important to their decision to attend college.

- 70% of parents and 69% of young adults who are currently attending or recently graduated from college (or their children) said that getting financial aid information in K-12 was very important to the decision to attend college.

- Three out of four young adults NOT currently in college would have been more likely to attend college if they had had better information about financial aid.

- o 46% of parents and 43% of young adults not currently in college said that better information about financial aid would have made them very likely to attend college.

- Most Latino parents and young adults want to receive financial aid information from an in-person meeting (as opposed to more anonymous sources such as the Internet and printed materials).

- o 38% of parents and young adults want to talk to a knowledgeable person to get financial aid information.

- o 19% of parents and 21% of young adults want to attend a seminar or workshop to learn about financial aid.

- o By contrast, only 13% of parents and 15% of young adults want to learn about financial aid from the Internet.

- o School teachers, counselors, college financial aid officials and other college representatives are the preferred choices for Latino parents and young adults to receive financial aid information.

- Most Latino parents (51%) would prefer to learn about financial aid in Spanish while most young adults (62%) prefer English.

- o 28% of parents and 29% of young adults would like financial aid information in both Spanish and English.

(Methodology - Harris Interactive Survey) Financial Aid: The Information Divide, designed to determine the level of Americans' access to information about paying for college and how that information affects decisions about attending college, was conducted for the Sallie Mae Fund by Harris Interactive by telephone within the United States between September 3, 2002 and October 6, 2002, and surveyed 1,090 parents of college-age adults (age 18-24) and 811 college-age adults (age 18-24). Interviewing for parents was conducted using Random Digit Dial (RDD) sample and interviewing for young adults was conducted using targeted age sample for the 18-24 population. The parents' sample was weighted to represent parents of children age 18-24 and the young adults' sample was weighted to represent the 18-24 year old population.

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Founded in 1985, The Tomás Rivera Policy Institute advances critical, insightful thinking on key issues affecting Latino Communities through objective, policy-relevant research, and its implications, for the betterment of the nation.

For more information on this or other studies, contact TRPI at (909) 621-8897. The full report is also available online at www.trpi.org.