

# EXECUTIVE SUMMARY

# DREAMS INTERRUPTED:

## A Mixed-Methods Research Project Exploring Latino College Completion

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# Executive Summary



Latino\* students are entering college at record numbers; Today, almost 3.8 million Latinos are enrolled in colleges and universities across the United States. Yet Latino students trail their White and Asian peers in attaining college degrees. The overall completion gap exceeds ten percentage points.

Although scholars and advocates have pointed to several different barriers facing Latino college students, a persistent narrative focuses on Latino students' aversion to taking on student debt.<sup>†</sup> In response, researchers at the University of North Carolina-Chapel Hill and UnidosUS undertook a multi-year mixed-method study to test and interrogate whether and how debt aversion affects Latino college completion. We sought to better understand how the current debt-driven higher education system affects college completion, paying particular attention to the barriers disproportionately affecting Latino students.

## PRIMARY FINDINGS

1. Although Latino students exhibit education debt aversion at higher rates than non-Latinos, that aversion to borrowing is deliberate, deeply connected to a desire to protect their families, and a reasonable response to external barriers to college access and completion. In other words, debt aversion is not an extricable or singular explanation for the college completion gap for Latino students.
2. Transportation is often the single thread holding together a precarious balancing act that allows the student to attend school while juggling multiple other responsibilities. Because transportation cuts across responsibilities related to work, school, and home, when that thread is broken, everything can unravel.

\* This data includes as "Latinos" people who self-identified as Spanish, Hispanic, or Latinx. For purposes of this report, we use "Latino" to refer to the population as a whole. We use the term "Hispanic" to refer to federal data using that terminology and in reference to other literature where "Hispanic" is used. Otherwise, we use "Latino."

<sup>†</sup> "Debt aversion" is "an unwillingness to take a loan to pay for college, even when that loan would likely offer a positive long-term return." Alisa F. Cunningham and Deborah A. Santiago, *Student Aversion to Borrowing: Who Borrows and Who Doesn't*, Institute for Higher Education Policy and Excelencia in Education 28 (December 2008).

## QUANTITATIVE DATA DRIVING QUALITATIVE INQUIRY

We surveyed more than 1500 individuals aged 18–40 who began, but never finished, a college program and were no longer enrolled. Thirty-five percent of our respondents identified as Latino. Using what we learned from the survey data, we interviewed 24 Latino survey respondents to better understand the nuance behind the numbers. We also interviewed 7 program experts working with varied Latino communities on college access, success, and completion.

### Debt Aversion

Our quantitative data offers support to the notion that Latino students are more averse to borrowing to fund their education than non-Latinos. But that does not mean that the decisions about if, how, and how much to borrow are easy or straightforward. The fact that several participants took on debt even in the face of a strong opposition to borrowing shows that students must make difficult choices about if and how to pay for college. Those choices affect more than simply the student's balance sheet: they affect college completion, success in college, and feelings of self-worth and self-efficacy.

Debt aversion is neither a personal failing nor a personal virtue. Rather, debt aversion is a reaction to America's system of debt-financed higher education set in the context of failed borrowing systems throughout our economy and the uncertainty and discrimination in the labor market.

### Paying for College Creates an Impossible Dilemma

We found a generalized and unresolved fear or anxiety about borrowing money. Even so, borrowing often seemed like the only path to a college degree.

### Debt Aversion is Constructed By Experiences and Expectations of Life Before and After College

Data showed that Latinos contemplating debt-financing higher education were affected and discouraged by the realities and expectations of experiences before and after college, including awareness of predatory lending, damaging experiences with debt, and a discriminatory and uncertain labor market.

### What Appears to Be “Debt Aversion” is Often an Aversion to Failing One's Family

Debt aversion is not a singular or narrow type of pressure. Rather, in recognition of the lived experiences of Latino parents and children, avoiding debt is a mechanism to protect the larger family. Much like financial and emotional support in Latino families, the protection is bidirectional, from parent to child and from child to parent.

## Debt Aversion is Intimately Connected to External Pressures and Pulls

It is those pressures and pulls that make it difficult to complete college, exacerbating the completion gap between Latinos and non-Latinos. Debt aversion, while present, is not an extricable or singular explanation for the college completion gap for Latino students.

### The Impossible Dilemma

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#### Our participants described an impossible dilemma:

1. Take on education debt that burdens the student and her family, creates mental health strain, and risks her ability to repay; OR
2. Forego education debt, requiring the student to work longer hours and study less, creates mental health strain, and risks academic disappointment or failure.

*This dilemma puts students in a no-win situation. It creates an untenable cycle of academic and financial insecurity.*

## Transportation

Transportation emerged as a surprising finding in the survey data. Rather than debt aversion, of the more than twenty previously-identified barriers to completion we tested, transportation surfaced as one of the most salient factors driving drop out when comparing the Latinos and non-Latinos in our sample. Our qualitative data helps add nuance and understanding to that finding.

### TRANSPORTATION THEMES

1. Very few of our participants had unfettered access to a reliable car; The primary form of public transportation was the bus.
2. Our sample overwhelmingly agreed that transportation was a barrier to their ability to persist in their education.
3. The range of transportation barriers varied in kind and intensity. We identified four primary kinds of transportation costs: financial, schedule, time, and stress. But transportation concerns cut across those costs; It was impossible to separate one cost from another.

## **The Continuum of Transportation Challenges**

Although our participants revealed a range of transportation barriers, for the great majority of participants, transportation was a problem that had to be solved to continue in college. For many, there was an intersection of family obligations and transportation concerns.

## **Transportation Costs are Interconnected and Varied**

Students' many competing responsibilities required that their lives — and the way they got around to the various parts of their lives — required a carefully fashioned and organized plan. When that plan was disturbed, because of financial pressures, multiple responsibilities, or emotional distress, it often became impossible to continue on the carefully conceived path.

## **Critical Takeaways**

The primary lessons of this data offer important insights for all students but would have a disproportionately positive affect on Latino students striving for a college degree.

1. Messaging and communication about debt aversion must account for its complexities.
2. Latino students deserve and would benefit from targeted, personal, specific, linguistically-appropriate, and culturally-appropriate information about higher education and its financing from trusted intermediaries.
3. Any interventions must recognize and account for the way that barriers to college completion are inextricably intertwined.
4. Interventions, including transportation interventions, must be scaled and delivered at every level: individual, family, institutional, and structural.

Seemingly personal decisions on how to finance higher education and whether one can stay through completion are neither, in fact, personal nor decisions. Rather, they are impossible dilemmas linked to family, institutions, and the structures of America's higher education model. Therefore, interventions should be multi-dimensional, providing support to individual students, engaging the student's family, pushing institutions to support their minority students, and redesigning the structure of a system that puts the entire financial risk of higher education on a student's back.