

## EXECUTIVE SUMMARY

*In the United States, people of color will become the new majority in education and workforce settings in just three decades.* However, systemic barriers and poorly shaped policy have contributed to persistent inequities between racial and ethnic groups from classrooms to boardrooms. Such challenges extend to postsecondary education and are evident in the deep gaps in student success and college attainment that exist. Meanwhile, the labor market increasingly demands quality postsecondary training to ensure economic security for individuals, and economic growth for the nation as a whole. To move forward as a country, an equitable system of higher education is necessary to meet our economic and education goals. We need equity-focused advocacy and policy change to close gaps and reverse these trends.

In this paper, we use national data to explore racial and ethnic disparities in higher education and propose a package of equity-focused federal policy solutions that can help close gaps moving forward. We identify a set of measures that highlight gaps between racial and ethnic groups along three categories: college access and affordability, attainment and success, and repayment and post-collegiate outcomes. Select statistics from the paper that underscore inequities across the postsecondary education system include:

- Even after subtracting all grants and loans, African American and Hispanic families dedicate 22 and 27 percent of their income, respectively, compared to only 16 percent for white families.
- In 2015, 36.2 percent of white adults had completed four years of school. Black and Latinx adults' attainment rate sat at 22.5 and 15.5 percent. These gaps have grown wider in the last thirty years.
- Four years after graduating with a bachelor's degree, Latinx students are twice as likely to have defaulted on their loans, while African American students are three and a half times more likely than white peers. Students of color are also more likely to have payments deferred than their white peers.

Given gaps such as these, we then offer equity-focused solutions that will contribute to closing gaps over time. While focused on low-income students of color, many of the solutions we offer will help all students. The policy solutions we propose include:

### Access & Affordability

- Protect students from predatory colleges
- Improve consumer information
- Federal guidance on transfer policy
- Modernize the Pell Grant
- Reform Federal Work Study
- Second Chance Pell
- Explore New Protections for Undocumented Students
- Expand FAFSA outreach
- Modernize and Simplify the FAFSA

### Attainment & Success

- Invest in affordable campus-based childcare
- Improve Pell flexibility
- Align financial aid and public benefits
- Invest in assessment infrastructure at minority serving institutions
- Hold institutions accountable for student success
- Further evaluate student support services, scale what works

### Repayment & Other Post-Collegiate Outcomes

- Simplify repayment plans
- Redesign repayment interfaces
- Improve data collection and use