

Do Graduation Rates Improve Once Universities Become Hispanic-Serving Institutions?

An Essay for the Learning Curve by Kaitlyn N. Stormes and Lizzet Rojas
October 2023

College completion rates vary widely for students of different racial and ethnic backgrounds, with Hispanic, Black, and Native American students who are traditionally underrepresented in higher education less likely to persist in college and obtain a postsecondary degree.¹ With US universities becoming increasingly diverse, institutions must address these completion gaps.² Hispanic-serving institutions (HSIs) can play a large role in narrowing these gaps, as they served 66 percent of all undergraduate Hispanic students as of 2020–21, despite accounting for only about 18 percent of postsecondary institutions.³ But we find that despite increases in undergraduate student enrollment and six-year graduation rates⁴ following an HSI designation,⁵ racial and ethnic differences in degree attainment remain.

Hispanic students are one of the fastest-growing populations in higher education, with enrollment numbers almost doubling over the past decade.⁶ Although undergraduate student bodies are becoming more diverse, thanks in part to the growing Hispanic representation, graduation rates among Hispanic students continue to trail behind their white and Asian peers. In part, HSIs seek to rectify this disparity.

¹ “Indicator 23: Postsecondary Graduation Rates,” US Department of Education, Institute of Education Sciences, National Center for Education Statistics, accessed September 20, 2023, https://nces.ed.gov/programs/raceindicators/indicator_red.asp.

² Bill Husar, Jijun Zhang, Sarah Hein, Ke Wang, Ashley Roberts, Jiashan Cui, Mary Smith, Farrah Bullock Mann, Amy Barmer, and Rita Dilig, *The Condition of Education 2020* (Washington, DC: US Department of Education, Institute of Education Sciences, National Center for Education Statistics, 2020); and “Opportunity Gap,” Glossary of Education Reform, last updated September 3, 2013, <https://www.edglossary.org/opportunity-gap/>.

³ Excelencia in Education, “Hispanic-Serving Institutions (HSIs): 2020–21 Fact Sheet” (Washington, DC: Excelencia in Education, n.d.).

⁴ Six-year graduation rates are measured using “150% graduation rates,” which is limited to first-time, full-time undergraduate students. See “Graduation Rates (GR),” Integrated Postsecondary Education Data System, accessed September 27, 2023, <https://nces.ed.gov/ipeds/survey-components/9>.

⁵ Once institutions reach a point where 25 percent of their undergraduates are Hispanic, they become eligible for HSI designation through the US Department of Education, but they must still apply for Title V grant funding.

⁶ “Undergraduate Enrollment,” US Department of Education, Institute of Education Sciences, National Center for Education Statistics, accessed September 20, 2023, <https://nces.ed.gov/programs/coe/indicator/cha>.

Institutions are not automatically granted HSI status. They become eligible once their full-time equivalent (FTE) undergraduate student body meets a 25 percent Hispanic FTE threshold.⁷ Once an institution meets that eligibility requirement, its status is recognized via the US Department of Education and on the list of HSIs from the Hispanic Association of Colleges and Universities (HACU).⁸ But simply having HSI eligibility and designation may not necessarily coincide with institutions receiving federal financial support. Indeed, HSI-eligible institutions must apply for competitive Title V federal grant funding set forth by the Higher Education Act to strengthen their programs and services intended to expand access and opportunities for Hispanic students and other underrepresented populations.⁹

For higher education institutions to truly become “student ready” and help undergraduate students achieve their academic goals, they must establish more tangible support systems that enable students to complete their degrees.¹⁰ These universities must find ways to better support the diverse student bodies they admit, partly because social justice is a democratic mission of our nation’s higher education system and because their funding may be tied to these metrics. More than 30 states use performance-based funding models—where institutions earn funding based on their graduation and retention metrics—instead of enrollment-based funding, meaning improving graduation rates could ensure more funding.¹¹ Additionally, the Biden administration’s American Families Plan will provide minority-serving institutions more funding to improve retention and completion rates.¹²

For this study, we evaluate how well HSIs support Hispanic student success by comparing six-year graduation rates among students from different racial and ethnic backgrounds. We focus on institutions with HSI designations as a by-product of their undergraduate enrollment, regardless of whether they have earned federal aid. We hope the data presented below can inform policymakers and university administrators about future strategic goals and increase institutional accountability measures.

We focused on data from the National Center for Education Statistics’ Integrated Postsecondary Education Data System (IPEDS) and College Scorecard, obtained through Urban Institute’s Education

⁷ “Hispanic-Serving Institution Definitions,” Hispanic Association of Colleges and Universities, accessed September 20, 2023, https://www.hacu.net/hacu/HSI_Definition1.asp. “FTE” is a term derived from the National Center for Education Statistics Integrated Postsecondary Education Data System data glossary. For more information, see “View Glossary,” IPEDS 2023–24 Data Collection System, accessed September 27, 2023, <https://surveys.nces.ed.gov/ipeds/public/glossary>.

⁸ “Hispanic-Serving Institutions Division—Home Page,” US Department of Education, Office of Postsecondary Education, last updated May 17, 2023, <https://www2.ed.gov/about/offices/list/opec/idades/hsidivision.html>; and “Past HACU Lists of HSIs and Emerging HSIs,” Hispanic Association of Colleges and Universities, accessed September 20, 2023, https://www.hacu.net/hacu/Previous_Lists_of_HSIs.asp.

⁹ Higher Education Act of 1965, Pub. L. No. 89-329 (2006), Title 5A; “Developing Hispanic-Serving institutions Program—Title V: Legislation, Regulations, and Guidance,” US Department of Education, last updated April 28, 2023, <https://www2.ed.gov/programs/idadeshsi/legislation.html>; and “Hispanic-Serving Institutions Division—Home Page,” US Department of Education.

¹⁰ Cathy Engstrom and Vincent Tinto, “Access without Support Is Not Opportunity,” *Change* 40, no. 1 (February 2008): 46.

¹¹ Emma Whitford, “How Can State Funding Models Incentivize Equity?” *Inside Higher Ed*, April 1, 2021, <https://www.insidehighered.com/news/2021/04/02/how-can-outcomes-based-funding-colleges-promote-equity>.

¹² “American Families Plan,” White House, accessed September 25, 2023, <https://www.whitehouse.gov/american-families-plan/>.

Data Portal application programming interface, to document the progress of—and opportunities for—HSIs to improve racial and ethnic equity. We analyzed entry cohort and six-year graduation rate data from 38 public four-year HSIs across eight states.¹³ To examine graduation rates over time, we focused on collecting and analyzing cohort and graduation data across HSIs with at least 10 years of data (i.e., five years before their HSI designation, the year they became an HSI, and in the four years following their initial designation year). To identify this date range and to ensure all data were available through Urban’s Data Portal, we obtained the year of HSI designation through web scraping the HACU’s list of HSIs and individual university websites.¹⁴

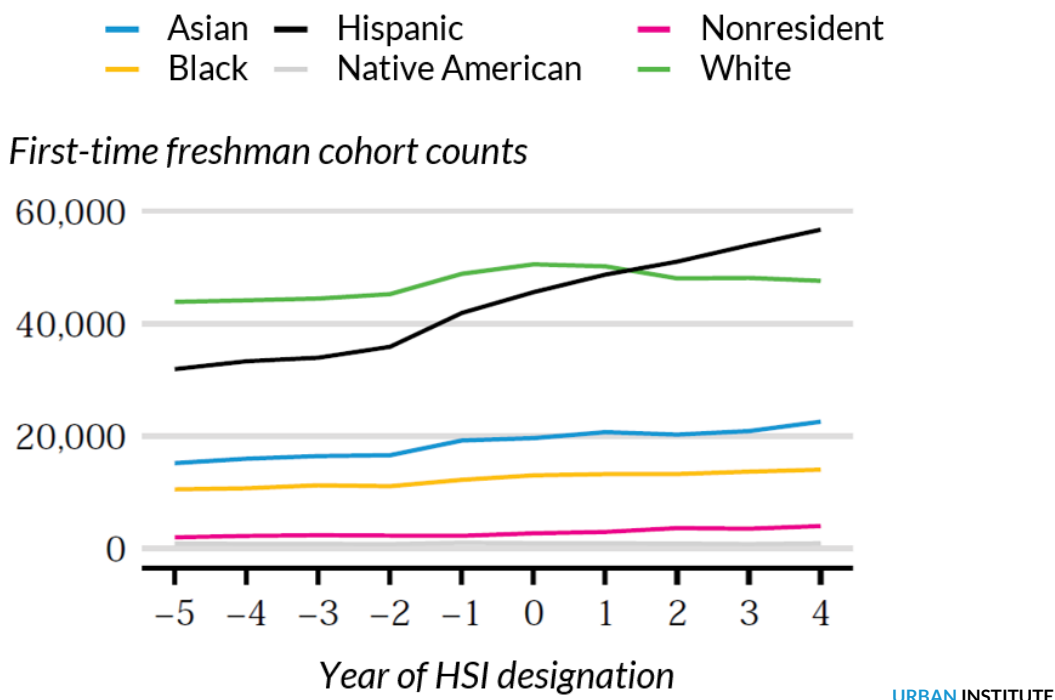
We first examined entry cohorts across different racial and ethnic groups (figure 1). Although enrollment for all groups has increased, Hispanic students had the largest increase. These enrollment trends are expected, as the number of HSIs is growing in response to the increasing rates of Hispanic individuals in the general population and among those enrolled in college.

¹³ To identify our sample of HSIs across the United States, we used National Center for Education Statistics enrollment and degree data from 2019, which included 411 HSIs from 24 states and Puerto Rico (see Digest of Education Statistics, [table 312.40](#)). From that list, we used the College Scorecard to identify which of the institutions were public four-year institutions in US states (excluding Puerto Rico), which included 72 HSIs from 12 states. From that list, we further narrowed the list to 38 HSIs from 8 states, excluding 34 HSIs for which we (1) were unable to locate their year of HSI designation or (2) did not have graduation data available on IPEDS covering the five years before and five years following their HSI designation (including data from 1997 to 2019), which would hinder the comparability of institutions. The following racial and ethnic groups were included in the analyses: Asian, Black, Hispanic, white, American Indian or Alaska Native, and nonresident (international). Native Hawaiian or Alaska Native students were excluded because of a change in IPEDS classification; in addition, “two or more races” and “unknown” were excluded because of ambiguity in interpretability.

¹⁴ “Past HACU Lists of HSIs and Emerging HSIs,” Hispanic Association of Colleges and Universities.

FIGURE 1

HSI Student Cohorts Five Years before and after Their HSI Designation, by Race and Ethnicity (N = 38)



URBAN INSTITUTE

Source: Digest of Education Statistics, the College Scorecard, and the Hispanic Association of Colleges and Universities.

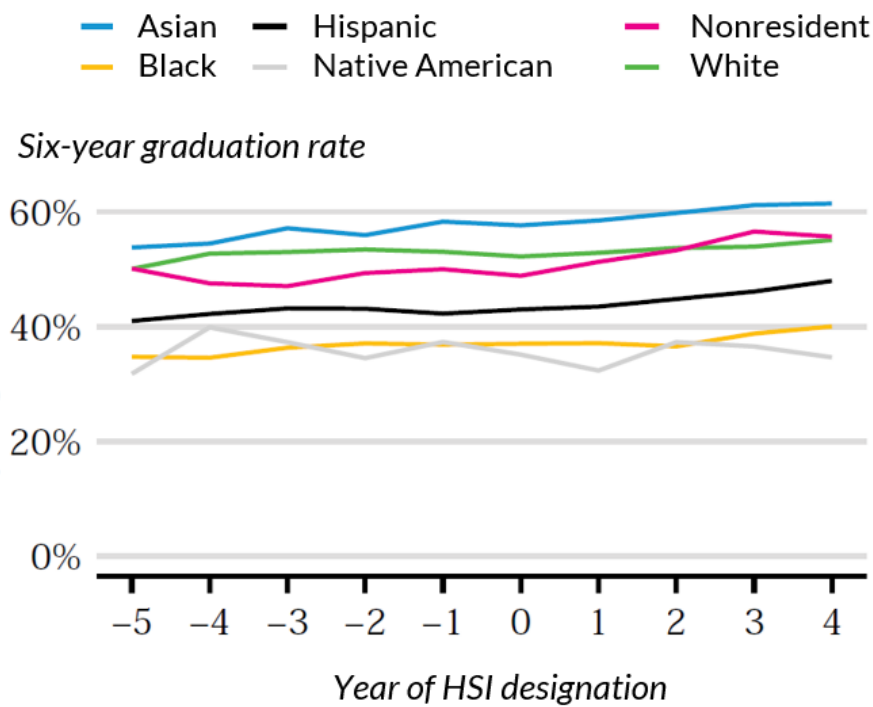
Notes: HSI = Hispanic-serving institution. This figure is also available as an Excel table. See https://github.com/UrbanInstitute/The-Learning-Curve/tree/main/2023_09_28-HSI_grad_rates.

To analyze trends in graduation rates by race and ethnicity, we focused on six-year graduation rates among Native American, Asian, Black, Hispanic, nonresident, and white students across institutions with HSI designations (figure 2).¹⁵ We looked at the graduation rates at these institutions up to five years before their initial designation and five years following their designation, with a particular focus on examining the effects on Hispanic students.¹⁶

¹⁵ We analyzed six-year graduation rates, as institutions must report a 150 percent completion rate to IPEDS annually by race and ethnicity. Given increasing initiatives toward reducing time to degree, a similar analysis of four-year graduation rate trends should be explored as these data become more readily available through national reporting and databases.

¹⁶ Students who entered these institutions before or after HSI designation were included in our analyses, with students who entered in the years prior counted as pre-HSI designation (even if during their enrollment the institution earned the HSI designation) and students who entered in the year of designation or in the years following being counted as an HSI. Thus, a limitation of this analysis is that we do not know what supports were available to students at institutions before they became HSIs and how this might have changed after designation.

FIGURE 2
HSI Six-Year Graduation Rates Five Years before and after Their HSI Designation, by Race and Ethnicity (N = 38)



URBAN INSTITUTE

Source: Digest of Education Statistics, the College Scorecard, and the Hispanic Association of Colleges and Universities.

Notes: HSI = Hispanic-serving institution. This figure is also available as an Excel table. See https://github.com/UrbanInstitute/The-Learning-Curve/tree/main/2023_09_28-HSI_grad_rates.

Figure 2 shows an increase in students completing college and obtaining baccalaureate degrees from these HSI-designated institutions across all races and ethnicities, with the largest increases among Asian and Hispanic students (54 percent to 62 percent and 41 percent to 48 percent, respectively). But even after their HSI designations (i.e., after year “0”), we continue to see lower graduation rates from Hispanic and Black students compared with their Asian and white peers.

Although direct comparisons to US public, for-profit, and nonprofit institutions cannot be made,¹⁷ we found that graduation rates among white, Hispanic, Asian, Native American, and nonresident students at HSIs were higher five years after an HSI designation than the latest national average six-year graduation rates at four-year public institutions and for-profit institutions but were lower than rates at nonprofit institutions.¹⁸ Black students, however, have higher six-year graduation rates at HSIs than their counterparts at four-year public, for-profit, and nonprofit institutions.

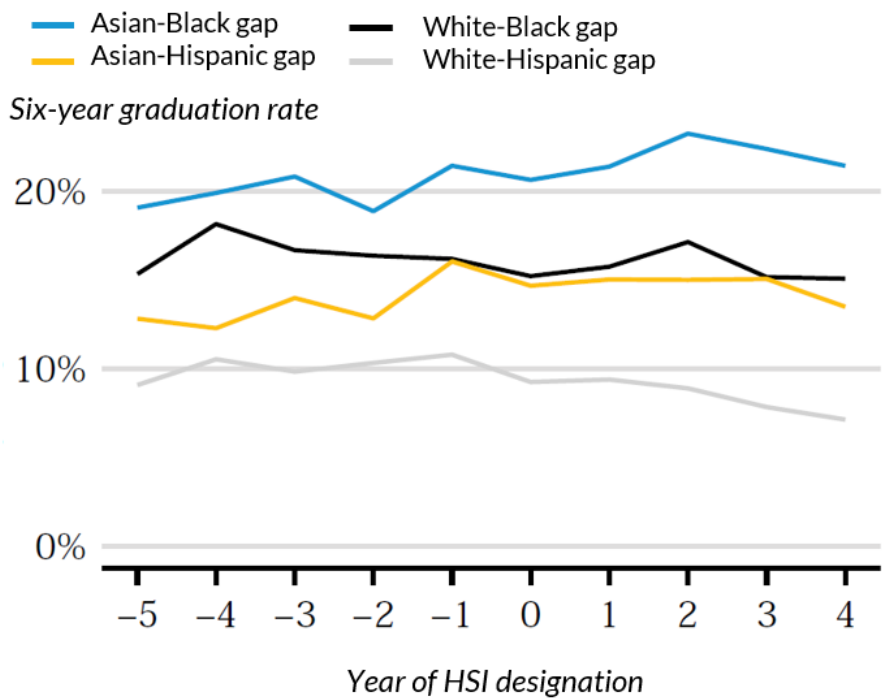
¹⁷ Direct comparisons cannot be made because national averages are based on entry cohort year, but these analyses were not based on a single cohort but rather on cohorts in a given HSI designation year.

¹⁸ Digest of Education Statistics, table 326.10.

The increases in overall six-year graduation rates across groups mark an improvement, demonstrating that degree attainment and graduation are becoming more attainable goals for students at HSIs. These institutions could be national leaders for how to better serve Hispanic and other historically marginalized students, given that they have higher graduation rates than public and for-profit institutions.

But graduation rate gaps between racial and ethnic groups remain (figure 3). White, Hispanic, and Black students have lower six-year graduation rates than Asian students. The difference between white students and Black students has remained about the same, while the gap between white students and Hispanic students has decreased by about 2 percentage points. In contrast, the gaps between Asian students and Black students and between Asian students and Hispanic students have widened. This illustrates a continued need for HSIs to investigate why the gaps persist and where institutional support might be insufficient.

FIGURE 3
HSI Graduation Rate Differences among Black and Hispanic Students and Asian and White Students Five Years before and after Their HSI Designation (N = 38)



URBAN INSTITUTE

Source: Digest of Education Statistics, the College Scorecard, and the Hispanic Association of Colleges and Universities.

Notes: HSI = Hispanic-serving institution. This figure is also available as an Excel table. See https://github.com/UrbanInstitute/The-Learning-Curve/tree/main/2023_09_28-HSI_grad_rates.

Implications and Recommendations

Higher education institutions aim to improve students' social mobility, but differences in persistence and graduation rates can present economic challenges for students and institutions.¹⁹ Students who attend but do not graduate from college accrue debt that is difficult to repay, hindering economic and social mobility. Because more than half of US states have performance-based funding models, institutions' funding may be at risk if they do not increase graduation rates and reduce differences in academic achievement.²⁰

Our study's findings demonstrate that HSIs have improved six-year graduation rates across the racial and ethnic student identities we studied, but it remains critical to further investigate equitable access and support for Hispanic and Black students to decrease or eventually eliminate persistent differences in academic achievement. While recognizing that HSIs must continue to do more work to support their students, their improvements to undergraduate six-year graduation rates should not go unnoticed.

Taken together, this study highlights several opportunities for institutions to assess current student-centered pedagogy and support services. Institutions could investigate whether all students benefit from institutional resources or whether some benefit more. Who are the services supporting, and in what ways? Further, higher education researchers can assess who has access to and who is using high-impact practices and other student-support services (e.g., tutoring, supplemental instruction, internships, or undergraduate research with faculty mentors).²¹ It is well documented that historically underserved students can benefit more from these services, but they are often less likely to participate.²² To increase participation in these services, administrators could target their recruitment and tailor their support toward Black and Hispanic students. Finally, a move toward westernized pedagogy—structured classrooms may benefit students with a higher degree of independence, but students from differing cultures and backgrounds may feel unsupported in this environment. To increase students' sense of belonging and academic persistence, faculty could incorporate more culturally inclusive pedagogy, especially for Black and Hispanic students.²³

Importantly, we must also recognize that systemic or structural barriers may be at play. Some institutions purchase students' SAT and ACT scores from testing services for recruitment, but low-income and underrepresented students tend to score lower on these tests, meaning they may not be

¹⁹ Alicia C. Down, "From Access to Outcome Equity: Revitalizing the Democratic Mission of the Community College," *The Annals of the American Academy of Political and Social Science* 586, no. 1 (2003): 92, <https://doi.org/10.1177/0095399702250214>.

²⁰ Whitford, "How Can State Funding Models Incentivize Equity?"

²¹ George D. Kuh, *High-Impact Educational Practices: What They Are, Who Has Access to Them, and Why They Matter* (Washington, DC: American Association of Colleges and Universities, 2008).

²² Kuh, *High-Impact Educational Practices*.

²³ "Cultural Inclusion," NSW Government, accessed September 25, 2023, <https://education.nsw.gov.au/teaching-and-learning/curriculum/multicultural-education/culture-and-diversity/cultural-inclusion>.

recruited at the same rates as other students.²⁴ Many institutions are doing away with requiring these traditional standardized tests, making them optional, or even replacing them with their own admissions tests, but a continued focus on equitable admissions practices can ultimately increase college access for historically marginalized students.²⁵

Increased access alone is insufficient. College affordability remains an obstacle for students, but this is particularly true for Black and Hispanic students, who are more likely to cite financial considerations as a reason for not completing a four-year degree.²⁶ In addition to affordability issues, the college environment can also present some challenges. Students from marginalized racial and ethnic identities are subject to more campus climate issues, microaggressions, and racism during college. Students may also feel they are only there to meet a diversity quota and lack a sense of belonging, as their racial or ethnic identities do not match those of their peers, faculty, or staff. Institutions could increase student persistence by providing additional training for faculty, staff, and peers about equitably serving and mentoring students of varying races and ethnicities.

Ultimately, we urge institutional administrators and policymakers to continue studying how institutions can more equitably serve their students and help them graduate, with particular attention to students from marginalized and underserved racial and ethnic communities and other social identities.²⁷

Kaitlyn N. Stormes is a higher education researcher and PhD candidate in the Higher Education and Organization Change program at the University of California, Los Angeles. Lizzet Rojas is a higher education researcher, program evaluator, and PhD student in the Social Research Methodology division at the University of California, Los Angeles.

²⁴ Kim Elsesser, “Lawsuit Claims SAT and ACT Are Biased—Here’s What Research Says,” *Forbes*, December 11, 2019, <https://www.forbes.com/sites/kimelsesser/2019/12/11/lawsuit-claims-sat-and-act-are-biased-heres-what-research-says/?sh=31da0e733c42>.

²⁵ Larry Gordon, “In Historic Action, UC Moves to Drop SAT/ACT and Develop a Replacement Exam for Admissions,” EdSource, May 21, 2020, <https://edsource.org/2020/in-historic-action-uc-moves-to-drop-sat-act-and-develop-a-replacement-exam-for-admissions/632174>.

²⁶ Lauren Mora, “Hispanic Enrollment Reaches New High at Four-Year Colleges in the U.S., but Affordability Remains an Obstacle,” Pew Research Center, October 7, 2022, <https://www.pewresearch.org/short-reads/2022/10/07/hispanic-enrollment-reaches-new-high-at-four-year-colleges-in-the-u-s-but-affordability-remains-an-obstacle/>.

²⁷ Gina A. Garcia, “Defining ‘Servingness’ at Hispanic-Serving Institutions (HSIs): Practical Implications for HSI Leaders” (Washington, DC: American Council on Education, 2019).

Acknowledgments

This essay was funded by the Walton Family Foundation and the Bill & Melinda Gates Foundation as part of the Learning Curve essay series. We are grateful to them and to all our funders, who make it possible for Urban to advance its mission.

The views expressed are those of the author and should not be attributed to the Urban Institute, its trustees, or its funders. Funders do not determine research findings or the insights and recommendations of Urban experts. Further information on the Urban Institute’s funding principles is available at www.urban.org/fundingprinciples.



500 L'Enfant Plaza SW
Washington, DC 20024

www.urban.org

ABOUT THE URBAN INSTITUTE

The Urban Institute is a nonprofit research organization that provides data and evidence to help advance upward mobility and equity. We are a trusted source for changemakers who seek to strengthen decisionmaking, create inclusive economic growth, and improve the well-being of families and communities. For more than 50 years, Urban has delivered facts that inspire solutions—and this remains our charge today.

Copyright © October 2023. Urban Institute. Permission is granted for reproduction of this file, with attribution to the Urban Institute.