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College ethnic gaps may hit economy, report says

BY Patrick McGee

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Personal income in Texas and the percentage of Texans with college degrees are set to decline if current college enrollment trends continue, according to a national report released today.

The report, by the National Center for Public Policy and Higher Education, says Texas must do more to educate minorities -- especially its growing Hispanic population -- to prevent economic trouble.

"The potential for reductions of personal income if we don't reduce those gaps is pretty significant for Texas," said Joni Finney, vice president of the center in San Jose, Calif. "It becomes a real economic problem for the whole country. We will see more jobs offshored."

Personal income per capita in Texas is projected to decline from \$ 19,663 in 2000 to \$ 18,708 in 2020, according to the report.

The National Center for Public Policy and Higher Education is a nonprofit organization funded by grants from the Pew Charitable Trusts and The Atlantic Philanthropies. The center used census data for the report.

Some Texas officials have sounded similar alarms and have said that not enough is being done to educate the state's fastest-growing ethnic group.

Last month, the Texas Higher Education Coordinating Board reported an increase of more than 11,000 Hispanic students enrolling in college. That's less than half the number needed to meet enrollment goals the board set. Anglos and blacks met their 2005 college enrollment goals a year earlier than expected.

Waco-based economist Ray Perryman agreed that Texas needs more Hispanics in college. But he said the future might not be as dire as the center's report predicts.

Projections based on current trends are rarely correct -- we haven't, for example, run out of oil or food, as projected -- because conditions change, Perryman said. In addition, market forces continue to remind people of the value of education because the least-educated people earn the smallest salaries.

"Markets do work, and as there are greater incentives for people to become more educated, they become more educated," Perryman said.

But income can be a double-edged sword; many don't make enough to pay for college. The cost of higher education in Texas increased 6 percent for the 2005-06 academic year and had double-digit increases during the two years before that.

State demographer Steve Murdock said increasing Hispanic college enrollment is difficult because family income is tied to enrollment rates and Hispanic families earn much less than Anglos in Texas. According to the 2000 Census, the median household income for Hispanics was \$ 29,873, compared with \$ 47,162 for Anglos.

Fidel Castillo, associate director of enrollment services for Tarrant County College, said he tries to tackle the problem with outreach campaigns for Hispanic students and families.

"One of the things that we hear from them is they don't know who to ask," Castillo said. Many prospective students don't know that financial aid is available, and some illegal immigrants fear putting their names on government aid applications.

Some Hispanic families cringe when they learn that an academic year at the University of North Texas in Denton would cost about \$ 15,000, said Patrick Vasquez, director of UNT's Center for Outreach and Community Involvement.

"They say, 'And I have to pay that for every child?' " he said.

Vasquez said he encourages parents to enroll their children in difficult classes in middle school and high school and to push them to do well so they can win scholarships.

The average college student in Texas has nearly \$ 2,300 in unmet need for financial aid, according to the Higher Education Coordinating Board.

Texas Higher Education Commissioner Raymund Paredes noted that scholarships are available to high achievers, minority students and first-generation college students. He said student loans are worth taking, considering the dramatic increase in earning power that a college degree brings.

One first-generation Hispanic student said she was steered to college by high school teachers and counselors who saw her potential and took an interest.

"I always had it in my mind that I wanted to go to college, but from time to time you stopped to think, 'Is this really possible?'" said Priscila Cardenas, 22, a UNT senior who is studying marketing and financial services. "There was always doubt as to whether it was going to happen or not."

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