

Changing the Narrative on Student Borrowers of Color



Stark differences by race and ethnicity exist in student borrowing trends, as decades of research and statistics on debt, repayment, and default rates have well established. Students who are Black, Hispanic or Latino, and Native American tend to have higher unmet financial need, incur more debt, and struggle financially to stay in school. Yet, even as the broader national discourse around equity and access has helped highlight economic disparities in education beyond high school, discussions about affordability too often fall short—with voices of color left out of the dialogue altogether.

To make real progress in addressing disparities in student borrowing, a different conversation must occur. In 2018, Lumina Foundation convened a group of experts representing students of color to take on that task. The working group's collective report, *Changing the Narrative on Student Borrowers of Color*, aims to shed light on the complexities and intricacies of financing post-high school education through a series of essays that explore the unique perspectives of these diverse populations.

Learn more and download the full *Changing the Narrative* report: luminafoundation.org/resource/borrowers-of-color/

Tropes vs. Truth: Key Takeaways from the Borrowers of Color Working Group

Too much of the discussion about student borrowers of color has been framed by misperceptions and generalizations. And individual students themselves often have been blamed for what are actually deep, systemic flaws. In truth, Black, Latino,

and Native American students have distinct experiences and needs—which policymakers and institutions must study and consider to more effectively address inequity in postsecondary education.

Black Borrowers

Tropes about Black student borrowers are rooted in anti-blackness and show up in systems that drive disparities in education. These are the facts:

- Longstanding policies have denied wealth building in Black communities, increasing the likelihood that Black students must borrow for college.
- Black graduates face wage discrimination, unequal employment opportunities, and fewer career advancement opportunities—all of which complicate repayment.
- Black adults over 50 are more likely than their white peers to hold student loan debt. This debt is often a combination of their own and family members.

Latino Borrowers

Latinos are often framed as being debt-averse and lacking in knowledge and motivation to pursue higher education. This framing fails to acknowledge their desire and perseverance. In fact:

- Financial decision-making often occurs at the family, rather than individual, level. This approach often affects college choices and borrowing decisions.
- Latino students are more likely to attend community colleges to save money but are less likely to receive grants and other financial assistance.
- Latino students are more likely to attend college part-time and take longer to graduate, in part because they are more likely to work while enrolled to reduce their debt.

Native Borrowers

While U.S. institutions continue to benefit from Indigenous lands, Native students face systemic challenges to college access and completion. Often ignored or stigmatized, higher education policy and practice must evolve to better serve these students.

- Exclusion of Native student data leads to ineffective policies and limits their access to support for their higher education pursuits.
- Higher education institutions fail to consider or address the connections between treaties and land dispossession that create systemic barriers for Native students.
- Damaging myths about Native students widen disparities and neglect the real factors that impede their enrollment and persistence.

5 Recommendations to Better Serve Students of Color

1. Improve affordability as restorative and reparative policy.
2. Invest in institutions that serve student of color.
3. Address racial disparities by forgiving student debt.
4. Reform repayment to better support borrowers of color.
5. Ensure a racially just economic recovery.