

# HBCUs Provide Unique and Positive Learning Environment for Black Student Loan Borrowers

November 2021

**"I felt a total sense of belonging, perhaps because I went to an HBCU. Although I only knew a few people from my hometown at the school, being surrounded by all African American students made me feel welcome almost immediately.... I never once felt out of place or that I did not belong at the school during my four years there. It was a very welcoming atmosphere that embraced every student, and we all felt like it was one big family."<sup>1</sup>**

-HBCU Attendee

As Adam Harris writes in his 2021 book, *The State Must Provide: Why America's Colleges Have Always Been Unequal—And How to Set Them Right*: "America's colleges and universities have a dirty open secret: they have never given Black people an equal chance to succeed."<sup>2</sup> Despite long-standing systemic challenges and the small average size of Historically Black Colleges and Universities (HBCUs), these institutions have an impact significantly greater than one would expect and perform a critical function for Black students.<sup>3</sup> Nationally, HBCUs annually generate more than 130,000 jobs and almost \$15 billion in total economic impact for their local and regional economies.<sup>4</sup> Furthermore, despite representing only 3% of the nation's colleges and universities, HBCUs enroll almost 10% of all Black undergraduate students and award 17% of all bachelor's degrees received by Black students in the STEM fields (science, technology, engineering, and mathematics). HBCUs also educate three fourths of all Black Americans holding doctorate degrees and four out of five Black federal judges.<sup>5</sup>



**"At a time when parents and students are more concerned than ever about the cost of attending college, HBCUs deliver higher returns at a lower cost."**

-Dr. Michael Lomax

<sup>1</sup> Borrower quote from a series of focus groups conducted online by Hart Research on behalf of the United Negro College Fund, the Center for Responsible Lending, and the Center for Community Capital at the University of North Carolina at Chapel Hill. The focus groups were conducted in December 2020 using "QualBoards," an online multi-day, in-depth qualitative discussion platform. Three focus groups were conducted: One with Black current students with student debt (n=16), another with Black young alumni with student debt (n=16, ages 23–29), and a third with Black older alumni with student debt (n=14, ages 30–45). For each group, there was an equal distribution between participants who attended a Historically Black College and University (HBCU) and those who attended predominantly white institutions (PWIs).

<sup>2</sup> Harris, A. 2021. *The State Must Provide: Why America's Colleges Have Always Been Unequal—And How to Set Them Right*. New York: HarperCollins Publishers.

<sup>3</sup> Saunders, K.M., & Nagle, B.T. 2018. "HBCUs Punching Above Their Weight: A State-Level Analysis of Historically Black College and University Enrollment and Graduation." *UNCF Frederick D. Patterson Research Institute*. Available at [https://cdn.uncf.org/wp-content/uploads/PATW\\_Report\\_FINAL0919.pdf?\\_ga=2.34149985.1335804545.1624899151-1816928044.1624399217](https://cdn.uncf.org/wp-content/uploads/PATW_Report_FINAL0919.pdf?_ga=2.34149985.1335804545.1624899151-1816928044.1624399217).

<sup>4</sup> Ibid.

<sup>5</sup> Ibid; See also U.S. Department of Education Office for Civil Rights. March 1991. *Historically Black Colleges and Universities and Higher Education Desegregation*. Available at <https://www2.ed.gov/about/offices/list/ocr/docs/hq9511.html>.

New national survey data shed light on how Black student loan borrowers who attended HBCUs differ from their Black peers at predominately white institutions (PWIs) and confirms that HBCUs provide a unique and positive educational experience for Black students.<sup>6</sup> The survey was completed by the African American Research Collaborative for UNCF, the Center for Responsible Lending, and the Center for Community Capital at the University of North Carolina at Chapel Hill between April 10 and April 28, 2021.<sup>7</sup>

Prior research from Purdue University, Gallup, and the Lumina Foundation established that certain key experiences of college students have an outsized impact on outcomes for students after college. The “Gallup-Purdue Index” identified what it called the “Big Six” experiences that correlate to on-time degree completion and even to preparation for life after college.<sup>8</sup> Subsequent research has linked these experiences to graduates’ perceptions that their degree was worth the cost.<sup>9</sup>



**Together, and individually, the Gallup-Purdue Index finds these six experiences have a stronger relationship to long-term life outcomes such as employee engagement and well-being than the type of school these graduates attended (for example, public or private).**

-Gallup, 2015

### **These experiences include:**

- ① Having at least one professor who made them excited about learning;**
- ② Feeling professors cared about them as a person;**
- ③ Having a mentor who encouraged them to pursue goals and dreams;**
- ④ Working on a project that took a semester or more to complete;**
- ⑤ Having an internship or job that allowed them to apply what they were learning in the classroom; and**
- ⑥ Being extremely active in extracurricular activities and organizations during college.**

<sup>6</sup> This memo is part of a project that includes a survey and focus groups that compare the financial experiences of current and former Black students at Historically Black Colleges and Universities (HBCUs) with their Black peers at predominately white institutions (PWIs) as well as with their white peers. The survey was completed by the African American Research Collaborative for UNCF, the Center for Responsible Lending, and the Center for Community Capital at the University of North Carolina at Chapel Hill. Key takeaways are detailed in a topline memo, and include information related to food insecurity (many current student borrowers report skipping meals because there wasn't enough money for food), family resource sharing (many Black borrowers typically both receive and provide financial support from and to their families), differences based on the sex of the student borrower (Black women typically receive less from family, take on more student loan debt, and have more difficulty in repayment than their male peers), and strong support for policy solutions such as student debt cancellation.

<sup>7</sup> 1,900 current and former students were surveyed online between April 10 and April 28, 2021. The margin for error is +/- 2.3%. For Black HBCU current and former students (n=750), as well as for their Black peers at predominately white institutions (n=750), the margin for error is +/- 3.6%. For all Black respondents (the combined total of the former two groups, representing 1,500 respondents), the margin for error is +/- 2.5%. For white respondents (n=350), the margin for error is +/-5.4%.

<sup>8</sup> Purdue University and Gallup. April 2015. “Gallup-Purdue Index finds ‘Big Six.’ Available at <https://www.purdue.edu/newsroom/releases/2015/Q2/gpi-finds-big-six-experiences-linked-to-on-time-graduation.html>.

<sup>9</sup> Gallup & Strada Education Network. 2018. *2018 Strada-Gallup Alumni Survey: Mentoring College Students to Success*. Available at file:///C:/Users/julia/Downloads/Strada-GallupAlumniSurvey\_Year4Report%20(1).pdf.

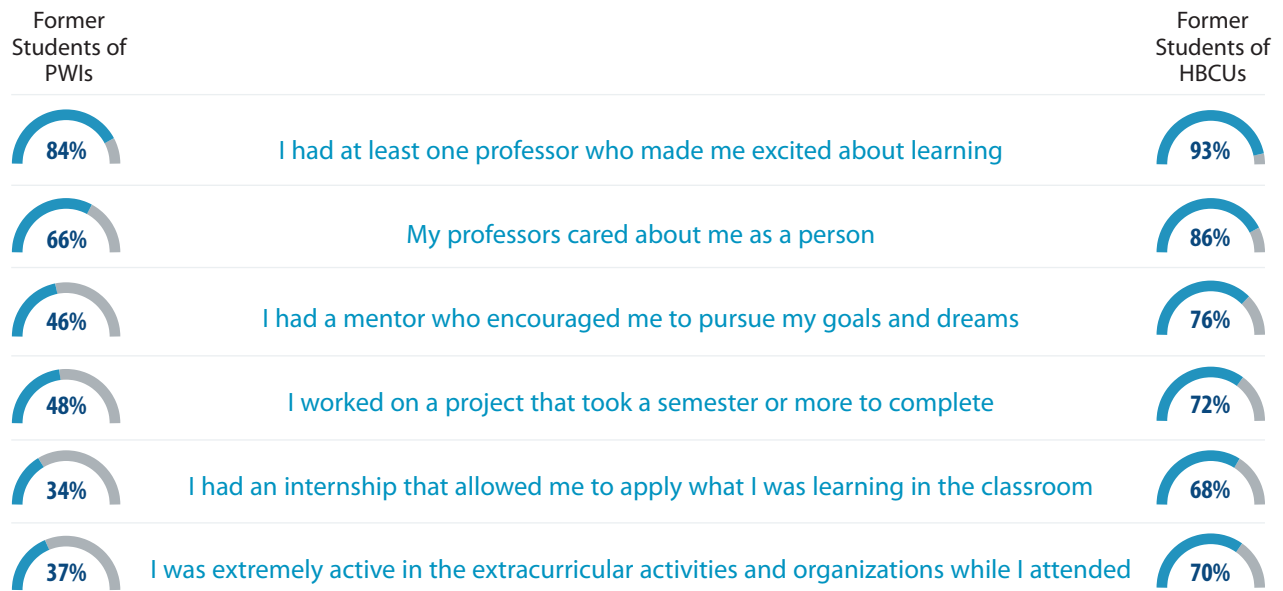
This survey asked Black student loan borrowers affiliated with both HBCUs and PWIs about these experiences, and the data reveal that Black borrowers who attended HBCUs report that they had the “Big Six” experiences in college significantly more often than their Black peers at PWIs, indicating that HBCUs nationwide have a unique and positive impact on the life outcomes of Black students (Figure 1).



"From my first day and ever since, I felt a sense of belonging and that I mattered there. There was a strong sense that you were seen, heard, and understood on levels of communication that were very subtle. A gesture as small as a certain nod or small vocal inflection carried information that everyone could recognize because of its familiarity as part of our shared culture. It was like being surrounded by extended family all the time. It was so great not having to code-switch..."<sup>10</sup>

-HBCU Attendee

**Figure 1: HBCUs Nationwide Have a Unique and Positive Impact on the Life Outcomes of Black Students**



Source: African American Research Collaborative (AARC) 2021 survey, with the United Negro College Fund, the Center for Responsible Lending, and the University of North Carolina’s Center for Community Capital. Percentages represent the share of attendees who “somewhat” or “strongly” agreed with the statements listed.

<sup>10</sup> Hart Research et al., December 2020.



**The United Negro College Fund** mission is to build a robust and nationally-recognized pipeline of African American students who, because of UNCF support, become highly-qualified college graduates and to ensure that our network of 37 HBCUs is a respected model of best practice in moving students to and through college. UNCF served as the project lead.

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**The Center for Community Capital** provides rigorous, multidisciplinary research on financial, social, and human capital that can advance knowledge, improve policy, inform practice, and create more equitable social and economic systems. CCC is part of the University of North Carolina at Chapel Hill's College of Arts and Sciences and an affiliate of the Center for Urban and Regional Studies.

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**The Center for Responsible Lending** is committed to eliminating barriers to economic opportunity so that all Americans, regardless of race, ethnicity or economic circumstances, have a fair chance to build family wealth and secure economic stability for themselves and their communities in a fair and open financial services marketplace.

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**African American Research Collaborative (AARC)** completes quantitative and qualitative research with a commitment to bringing an accurate understanding of African American civic engagement to the public discourse. This organization completed the survey portion of the project.

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**Hart Research Associates** is one of the premiere research firms in the United States and has been at the cutting edge of change in public opinion since its founding in 1971. During that time, Hart Research has conducted well over 8,000 focus groups and has administered and analyzed interviews among nearly five million individuals. This organization was engaged to complete the Qualboard portion of the project.