

KEY FINDINGS:

Sueño Incompleto: A History of the Latino Wealth Gap in the U.S.

Understanding the Historical Roots of the Latino Wealth Gap

As of 2022, Latino households held just 22 cents for every \$1 of wealth held by white households, with median wealth at \$62,000 compared to \$284,000.¹ This Latino wealth gap reflects decades of U.S. policy decisions across **FIVE KEY DOMAINS** that have shaped Latino access to wealth-building opportunities.

IMMIGRATION

HOMEOWNERSHIP

LABOR

SOCIAL BENEFITS

EDUCATION

EDUCATION

UNEQUAL ACCESS TO EDUCATION shaped wealth by determining who acquires the skills, credentials, and resources needed for economic mobility. In practice, unequal access to education has meant that Latino households face barriers to completing degrees, incur more student debt, and experience reduced access to higher-paying jobs.

KEY STATISTICS:



As of 2023, **20%** of Latino adults (25 years or older) had a bachelor's degree, compared to **39%** of white, **25%** of Black adults.²



In 2023, Latinos with a bachelor's degree **earned \$70,500**, compared to **\$90,000** for white workers with the same degree.³



As of 2021, **about 40%** of Latino borrowers had experienced default in the past 20 years, compared to **33%** of white borrowers.⁴

¹ UCLA LPPI analysis of Federal Reserve, "Survey of Consumer Finances, 2022.

² UCLA LPPI analysis of U.S. Census IPUMS USA 1850 1%, 1910 1%, 1940 1%, 1960 5%, 1970 5%, 1980 5%, 2000 1-year ACS, 2010 1-year ACS, 2015 1-year ACS, 2019 1-year ACS, and 2023 1-year ACS.

³ U.S. Census Bureau, "CPS Historical Time Series Tables, Table A-3. Mean Earnings of Workers 18 Years and Over, by Educational Attainment, Race, Hispanic Origin, and Sex: 1975 to 2021," accessed January 28, 2026 available online.

⁴ The Pew Charitable Trusts, The Student Loan Default Divide: Racial Inequities Play a Role.

POLICY DRIVERS

Recurring Policy Designs in Education That Shape Latino Wealth Across Generations

POLICY SYSTEM #1

Unequal access to primary and secondary education

HOW IT SHAPES WEALTH? Segregates Latino students into under-resourced schools with inadequate language support, undermining their long-term educational attainment and career pathways.

Policy Dimension	THEN: Mexican School Segregation (Early-Mid 20th Century)	NOW: English-Only and Language Access Restrictions
Purpose of Program	Separated Mexican American students into distinct schools under the justification of language ability or assimilation	Promoted rapid English acquisition while reducing federal support for bilingual education and English learner services
Language-Based Segregation & Exclusion	School districts used language and assimilation claims to place Mexican American students into separate schools and classrooms, even when many were English-speaking and U.S.-born	English learner classifications and English-only approaches continue to separate or marginalize students while framing language needs as deficits rather than assets
Underinvestment & Limited Educational Support	Segregated Mexican schools were under-resourced, overcrowded, less rigorous, and systematically underpaid their teachers	Federal disinvestment in bilingual education has limited support services and educational resources for English learners
Long-Term Segregation & Educational Pathways	Segregation concentrated Mexican American students in lower-quality schools and restricted access to academic advancement	Federal disinvestment in bilingual education has limited support services and educational resources for English learners
Wealth-Building Impact	Language-based educational exclusion restricted educational attainment and access to higher-paying careers for Latino communities, reinforcing income inequality	

POLICY SYSTEM #2

Discrimination and Financial Barriers to Higher Education

HOW IT SHAPES WEALTH? Perpetuated unequal access to higher education and increased reliance on debt, turning college into a high-risk pathway for Latino students.

Policy Dimension	THEN: Servicemen's Readjustment Act of 1944 (GI Bill)	NOW: Higher Education Act Loan & Aid System (1965-Present)
Purpose of Program	Expand access to higher education and mobility for returning veterans through publicly funded educational benefits	Expand access to higher education through federal grants and student aid programs
Universal Benefits with Unequal Access	Although formally available to all veterans, Mexican Americans faced discrimination and delayed benefits	Federal aid programs expanded college access in principle, but students faced rising tuition and declining grant coverage
Educational Gatekeeping & Stratified Pathways	Segregation, discriminatory counseling, and unequal K-12 preparation steered many Latino veterans away from four-year colleges and high-return degree pathways	Standardized testing, unequal preparation, and concentration in under-resourced or for-profit institutions continue to stratify educational opportunities and outcomes
Unequal Financial Burdens & Risk	Delayed or insufficient educational support made sustained enrollment difficult	Disproportionate reliance on loans to access college, leads to higher risks of noncompletion and student loan default
Wealth-Building Impact	Federal higher education policy expanded opportunity in theory, but unequal access, delivery, preparation, and financing meant Latino students often could not fully convert those benefits into wealth	

CASE STUDIES

Using Latino Stories to Document Impact

BARRIERS TO EDUCATIONAL OPPORTUNITY

Susana Almanza

Susana Almanza attended segregated and English-dominant schools in Texas during the 1960s, where Latino students were routinely tracked away from college-preparatory education. Despite strong academic performance, she was placed into a non-college track, limiting her access to higher education and long-term economic mobility.



Photo of Susana Almanza, 2019. **Source:** Miguel Escoto, Hilltop Views, 2019, [available online](#).

Petrona Dominguez Francisco

Petrona Dominguez Francisco pursued higher education as an undocumented student but was barred from accessing federal financial aid because of her status. After receiving DACA protections, she gained work authorization that helped finance her education, though continued barriers constrain her educational opportunities.



Photograph of Petrona Dominguez Francisco. **Source:** Hannah Kendall, "Confronting Fear, Confronting Identity," *The Immigrant Story*, July 10, 2020, [available online](#).

LOOKING FORWARD

How We Close the Latino Wealth Gap

Latino communities are the youngest and fastest-growing segment of the U.S. workforce. Closing the Latino wealth gap is essential to the nation's long-term economic stability.

01

END SCHOOL SEGREGATION AND ELIMINATE FUNDING INEQUITIES THAT UNDERMINE LATINO STUDENTS' COLLEGE PREPARATION. STRENGTHEN CIVIL RIGHTS ENFORCEMENT, IMPROVE NEED-BASED SCHOOL FUNDING, AND SUPPORT POLICIES THAT REDUCE RACIAL AND ECONOMIC SEGREGATION.

02

RESTORE AND STRENGTHEN ACCOUNTABILITY MEASURES FOR FOR-PROFIT COLLEGES TO PROTECT STUDENTS AND TAXPAYERS. STRENGTHENING GOVERNMENT OVERSIGHT TO ENSURE SCHOOLS PROVIDE REAL VALUE.

03

EXPAND TARGETED STUDENT DEBT RELIEF FOR NONCOMPLETERS AND FRAUDED BORROWERS. PROVIDE RELIEF FOR NONCOMPLETERS AND BORROWERS HARMED BY SCHOOL CLOSURES OR MISCONDUCT.



This visual companion to the full report was authored by Ana Lua Martel, Gabriella Noemi Carmona, Mariah Bonilla, and Dr. Rodrigo Dominguez-Villegas, and designed by Maritza Hernandez.

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