

Executive summary

# Racial and ethnic equity in US higher education

Higher-education institutions have the potential to use their roles in teaching and learning, research scholarship and creative expression, and service to the community to collectively work toward greater equity.

by Diana Ellsworth, Erin Harding, Jonathan Law, and Duwain Pinder



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**Higher education** in the United States (not-for-profit two-year and four-year colleges and universities) serves a diversifying society. By 2036, more than 50 percent of US high school graduates will be people of color,<sup>1</sup> and McKinsey analysis shows that highly research-intensive (R1) institutions (131 as of 2020<sup>2</sup>) have publicly shared plans or aspirations regarding diversity, equity, and inclusion (DEI). Ninety-five percent of R1 institutions also have a senior DEI executive, and diversity leaders in the sector have formed their own consortiums to share expertise.<sup>3</sup>

Despite ongoing efforts, our analysis suggests that historically marginalized racial and ethnic populations—Black, Hispanic and Latino, and Native American and Pacific Islander—are still underrepresented in higher education among undergraduates and faculty and in leadership. Students from these groups also have worse academic outcomes as measured by graduation rates. Only 8 percent of institutions have at least equitable student representation while also helping students from underrepresented populations graduate at the same rate as the general US undergraduate population.<sup>4</sup>

These findings are not novel, but what is significant is the slow rate of progress. Current rates of change suggest that it would take about 70 years for all not-for-profit institutions to reflect underrepresented students fully in their incoming student population, primarily driven by recent increases in Hispanic and Latino student attendance. For Black and Native American students and for faculty from all underrepresented populations, there was effectively no progress from 2013 to 2020.<sup>5</sup>

Intensified calls for racial and ethnic equity in every part of society have made the issue particularly salient. In this article, we outline some of the key insights from our report on racial and ethnic equity in higher education in the United States. We report our analysis of racial and ethnic representation in student and faculty bodies and of outcomes for underrepresented populations. Then we discuss how institutions can meet goals around racial and ethnic equity.

## A mirror of wider systemic inequities

Colleges and universities are places of teaching and learning, research and creative expression, and impact on surrounding communities. As the data and analysis in this report illustrate, these institutions have been reflections of existing racial and socioeconomic inequities across society.

These hierarchies include chronic disparities in outcomes throughout the education system. Consider that students from underrepresented populations still graduate from high school at lower rates compared to White and Asian students and tend to be less prepared for college.<sup>6</sup> Evidence suggests that the effects of the COVID-19 pandemic are exacerbating these high school inequities,<sup>7</sup> which heavily influence the makeup of higher education's student population. Forty-one percent of all 18- to 21-year-olds were enrolled in undergraduate studies in 2018 compared to 37 percent of Black students, 36 percent of Hispanic students, and 24 percent of American Indian students.<sup>8</sup>

Our analysis suggests that higher education has opportunities to address many of these gaps.

<sup>1</sup> Peace Bransberger and Colleen Falkenstern, *Knocking at the college door: Projections of high school graduates through 2037 – Executive summary*, Western Interstate Commission for Higher Education (WICHE), December 2020.

<sup>2</sup> Institutions with very high research activity as assessed by the Carnegie Commission on Higher Education.

<sup>3</sup> Two examples are the National Association of Diversity Officers in Higher Education and the Liberal Arts Diversity Consortium.

<sup>4</sup> For a closer look at the data behind the racial and ethnic representation among students and faculty in higher education, see Diana Ellsworth, Erin Harding, Jonathan Law, and Duwain Pinder, "Racial and ethnic equity in US higher education: Students and faculty," McKinsey, July 25, 2022. Not included in this discussion are Asian Americans, who face a distinct set of challenges in higher education. These issues deserve a separate discussion.

<sup>5</sup> For a closer look at college completion rates, see Diana Ellsworth, Erin Harding, Jonathan Law, and Duwain Pinder, "Racial and ethnic equity in US higher education: Completion rates," McKinsey, July 25, 2022.

<sup>6</sup> "Public high school graduation rates," National Center for Education Statistics (NCES), US Department of Education, May 2021; "Secondary school completion: College and career readiness benchmarks," American Council on Education (ACE), 2020; "Secondary school completion: Participation in advanced placement," ACE, 2020.

<sup>7</sup> For more, see Emma Dorn, Bryan Hancock, Jimmy Sarakatsannis, and Ellen Viruleg, "COVID-19 and education: The lingering effects of unfinished learning," McKinsey, July 27, 2021.

<sup>8</sup> "College enrollment rates," NCES, US Department of Education, May 2022.

However, our analysis of student representation over time also suggests that progress has been uneven. In 2013, 38 percent of all not-for-profit institutions had a more diverse population than would be expected given the racial and ethnic makeup of the traditional college-going population—that is, 18- to 24-year-olds, within a given home state—our proxy for equitable racial representation. By 2020, that number was 44 percent. At this rate, the student bodies of not-for-profit institutions overall will reach representational parity in about 70 years, but that growth would be driven entirely by increases in the share of Hispanic and Latino students. This representational disparity among students is more acute in R1 institutions. In 2020, 9 percent of R1 institutions had a more diverse first-year student population than expected and would take over 400 years to reach representational parity at current rates.

Many institutions have indicated that in addition to increasing student-body diversity, they also seek to improve graduation rates for students from underrepresented populations. A positive finding from our analysis is that nearly two-thirds of all students attend not-for-profit institutions with higher-than-average graduation rates for students from underrepresented populations. However, when we overlay institution representativeness with graduation rates, only 8 percent of first-time students attend four-year institutions that have student bodies that reflect their students' home states' traditional college population and that help students from underrepresented populations graduate within six years at an above-average rate (Exhibit 1).<sup>9</sup>

In addition, our analysis shows that from 2013 to 2020, only one-third of four-year institutions had improved both racial and ethnic representation and completion rates for students from underrepresented populations at a higher rate than underrepresented populations' natural growth rate in that period (2 percent). If we look at improvements in racial, ethnic, and socioeconomic representation among students, only 7 percent of four-year institutions have progressed.

Among faculty, complex reasons including the changing structure of academia and patterns of racial inequity in society mean that faculty members from underrepresented populations are less likely to be represented and to ascend the ranks than their White counterparts.<sup>10</sup> Additionally, representational disparity among faculty is also more acute in R1 institutions. When we analyzed the full-time faculty population relative to the population with a bachelor's degree or higher (given that most faculty positions require at least a bachelor's degree), in 2020, approximately 75 percent of not-for-profit institutions were less diverse than the broader bachelor's degree–attaining population, and 95 percent of institutions defined as R1 were less diverse. Additionally, the pace of change is slow: it would take nearly 300 years to reach parity for all not-for-profit institutions at the current pace and 450 years for R1 institutions.

Higher education's collective aspirations for parity of faculty diversity could arguably be even greater. Faculty diversity could be compared to the total population (rather than just the population with a bachelor's degree or higher) for several reasons. First, comparing faculty diversity to bachelor's degree recipients incorporates existing inequities in higher-education access and completion across races and ethnicities (which have been highlighted above). Second, the impact of faculty (especially from the curriculum they create and teach, as well as the research, scholarship, and creative expression they produce) often has repercussions across the total US population.

Therefore, in this research, we compared faculty diversity to the total population. Our analysis shows that 88 percent of not-for-profit colleges and universities have full-time faculties that are less diverse than the US population as of 2020. That number rises to 99 percent for institutions defined as R1. Progress in diversifying full-time faculty ranks to match the total population over the past decade has been negligible; it would take more than 1,000 years at the current pace to reach parity for all not-for-profit institutions. (R1 institutions will never reach parity at current rates.)

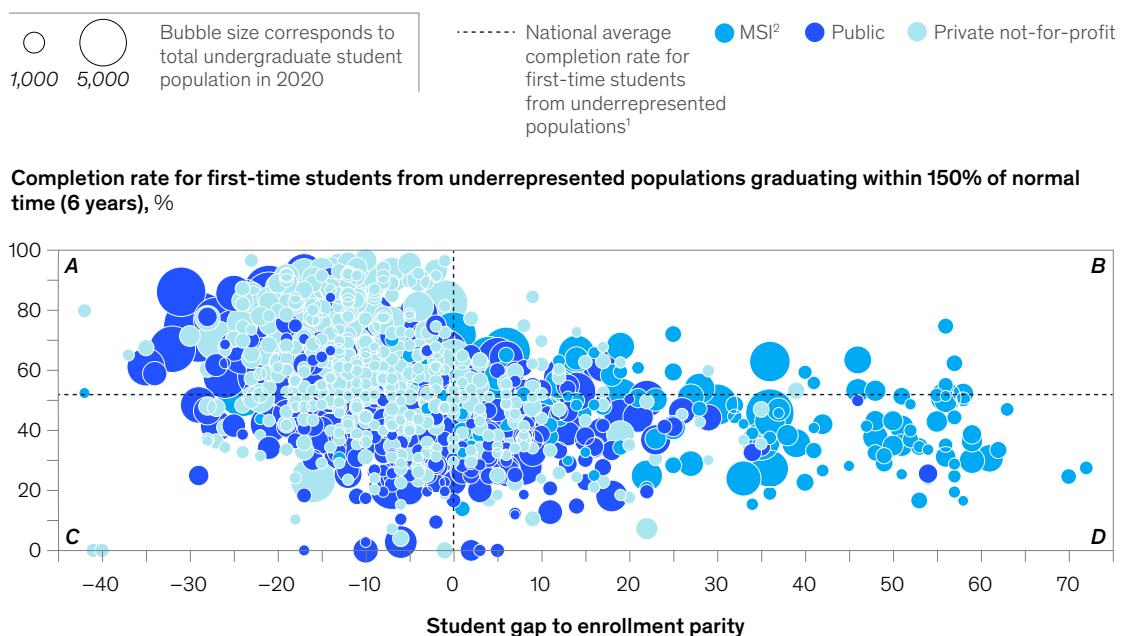
<sup>9</sup> For institution-specific completion data, see "Racial and ethnic equity," July 25, 2022.

<sup>10</sup> Colleen Flaherty, "The souls of Black professors," Inside Higher Ed, October 21, 2020; Fernanda Zamudio-Suarez, "Race on campus: Anti-CRT laws take aim at colleges," email, *The Chronicle of Higher Education*, April 26, 2022; Mike Lauer, "Trends in diversity within the NIH-funded workforce," National Institutes of Health (NIH), August 7, 2018.

Exhibit 1

**Most institutions have not simultaneously achieved representational parity for first-time students and at least average completion rates.**

**Percentage by institution type (not-for-profit, 4-year), 2020 (n = 1,120 institutions, 1.4 million first-time students)**



A. Underrepresented population completion only: 52% of first-time students

B. Underrepresented population student-experience leaders: 8% of first-time students

C. Underrepresented population student-experience laggards: 21% of first-time students

D. Underrepresented population access only: 19% of first-time students

Note: Includes only institutions of four years or more with 250 or more undergraduate students; excludes institutions with 0 or no reported completion data in 2020; gridline for underrepresented population completion rate represents national 2020 underrepresented population completion cohort divided by total underrepresented population completions within 150% of normal time at 4-year institutions (52%).

<sup>1</sup>Includes student population that is Black, Hispanic and Latino, Native American, Pacific Islander, and two or more races.

<sup>2</sup>Minority-serving institution; includes historically Black colleges and universities (HBCUs), Hispanic-serving institutions (defined as current and eligible HSI grantees in the US Department of Education's 2020 Eligibility Matrix), and tribal universities.

Source: Integrated Postsecondary Education Data System (IPEDS)

When looking at both faculty and students, few institutions are racially representative of the country; only 11 percent of not-for-profit institutions and 1 percent of R1 institutions are (Exhibit 2).

With faculty representativeness as the goal, it is important to highlight multiple opportunities to improve across the pipeline. From 2018 to 2019, there was a four-percentage-point gap between the percent of individuals from underrepresented populations with a bachelor's degree and the percent of the total population with a bachelor's

degree. In the same period, there was a 12-percentage-point gap between the groups in regard to doctorate degrees, whose holders are a significant source for new full-time faculty.<sup>11</sup> Therefore, addressing the lack of advanced-degree holders is one near-term priority for moving toward parity. Additionally, multiple studies have highlighted that faculty from underrepresented populations have less success receiving funding, getting published, or having their recommendations adopted, despite high scientific novelty, which could be driving the increased gaps at R1 institutions.<sup>12</sup>

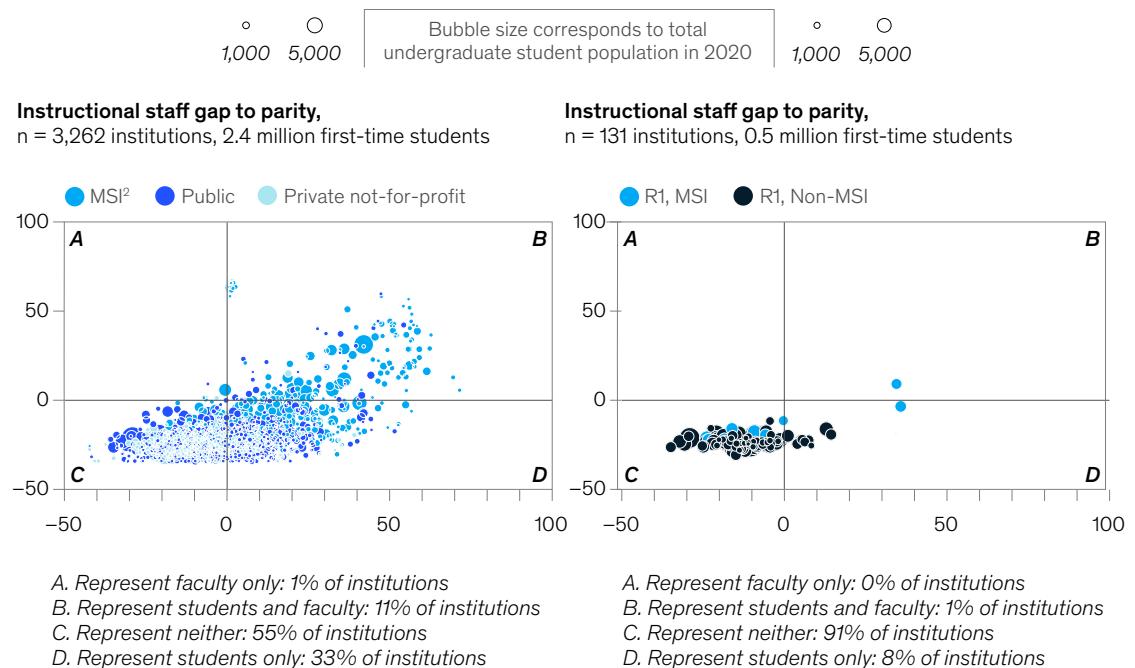
<sup>11</sup> "Degrees conferred by race/ethnicity and sex," NCES, US Department of Education, accessed June 22, 2022.

<sup>12</sup> See the full report for more details.

## Exhibit 2

**Only 1 percent of faculty at highly research-intensive (R1) institutions is diverse enough to reflect the US population.**

**Gap to parity for historically underrepresented populations<sup>1</sup> among first-time undergraduates and instructional staff in 2020, % (n = 3,262 institutions, 2.4 million first-time students)**



<sup>1</sup>Underrepresented populations include Black, Hispanic and Latino, Native American, Pacific Islander, and two or more races.

<sup>2</sup>Minority-serving institution; includes historically Black colleges and universities (HBCUs), Hispanic-serving institutions (defined as current and eligible HSI grantees in the US Department of Education's 2020 Eligibility Matrix), and tribal universities.

Source: Integrated Postsecondary Education Data System (IPEDS)

Finally, colleges and universities are often prominent employers in their communities. University workforces reflect societal patterns of racialized occupational segregation, with employees of color disproportionately in low-salary, nonleadership roles. Our analysis suggests that these roles also shrunk by 2 to 3 percent from 2013 to 2020.

### Institutional reflection and progress

Eighty-four percent of presidents in higher education who responded to a 2021 survey said issues of race and ethnicity have become more important for their institutions.<sup>13</sup> However, sectorwide challenges such as declining enrollment, greater public scrutiny—accelerated by

the COVID-19 pandemic—and stagnating completion rates can make institutional progress on racial and ethnic equity more complicated.<sup>14</sup> In this context, institutions looking to advance their goals around racial equity could consider five broad actions learned from their peers who are further along in their efforts:

1. reflection
2. review
3. realignment
4. response
5. reform

<sup>13</sup> Scott Jaschik and Doug Lederman, *2021 Survey of College and University Presidents*, Inside Higher Ed, 2021.

<sup>14</sup> Richard Vedder, "Why is public support for state universities declining?" *Forbes*, May 24, 2018; Danielle Douglas-Gabriel, "Colleges lost 465,000 students this fall. The continued erosion of enrollment is raising alarm," *Washington Post*, January 13, 2022; Emma Dorn, Andre Dua, and Jonathan Law, "Rising costs and stagnating completion rates: Who is bucking the trend?", *McKinsey*, April 2022.

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While none of these strategies are a singular solution, some or all of them may be useful for decision makers throughout higher education.

To start, decision makers and stakeholders at individual institutions could understand and *reflect* on their institution's role in ongoing racial inequities before applying those insights in a review of its current systems. The initial reflection can create an environment of intellectual and psychological honesty and make conversations about each institution's commitment to rectifying racial inequities feel more natural and productive.

After a comprehensive historical reflection, institutions could *review* the ways in which their processes, systems, and norms increase or decrease marginalization of underrepresented racial and ethnic groups. For instance, universities could incorporate processes designed to boost racial equity in their administration of research and grant activities. Such processes would consider factors from researcher diversity to how the execution of the research may affect racial and ethnic groups differently.

Each institution could then *realign* its resources based on its stakeholders' shared aspirations for racial equity. Decision makers could consider areas of initial focus, the breadth of impact they wish to have, and the institutional capabilities they can use to realize their goals.

Leaders may *respond* by embedding their new racial and ethnic equity priorities into their institution's culture. This work involves incorporating racial and ethnic equity as part of the strategic plan, dedicating sufficient resources to the effort, and assigning a senior leader and staff to support the president in implementing ideas and tracking progress. Clear and frequent communication to each institution's stakeholders—including alumni, staff, and donors—at each stage of this work will ensure that people in every part of the institution and its extended community are progressing together toward a shared goal.

To be sure, many institutions have begun to explore measures that address some of the inequities embedded in higher education. Some of these actions may light the path for collective action by all institutions to achieve sectorwide *reform*. For instance, colleges and universities can provide learning opportunities more equitably if they eliminate race- and wealth-based advantages in admissions, such as legacy and donor admissions. Johns Hopkins University is one institution that has eliminated legacy admissions, which helped increase the share of undergraduates who are people of color by more than 10 percentage points over the past decade.<sup>15</sup> Significantly, the change has made no meaningful difference in alumni giving.<sup>16</sup>

<sup>15</sup> Pell Grants are awarded by the US Department of Education to low-income students seeking postsecondary education. For more, see "Federal Pell Grants are usually awarded only to undergraduate students," US Department of Education, accessed June 29, 2022; Sara Weissman, "Johns Hopkins ditched legacy admissions to boost diversity – and it worked," *Diverse: Issues in Higher Education*, February 5, 2020.

<sup>16</sup> Scott Simon, "Johns Hopkins sees jump in low-income students after ending legacy admissions," National Public Radio (NPR), January 25, 2020.

As centers of research and creative expression, higher-education institutions could also consider targeted programs that support the work and progression of researchers from underrepresented populations. For example, the University of Massachusetts Boston allocates at least 20 percent of its faculty-hiring budget for pairing a specialized hire with a complementary hire from a historically marginalized group.

Finally, universities could ensure that their financial success is translated into positive outcomes for the surrounding communities. Action from the higher-

education sector could result in institutions—especially ones with significant endowments—committing to investing in their surrounding communities.

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By pursuing racial-equity goals, the higher-education sector may achieve gains in core areas of impact. If sustained, these investments in institutional action could benefit students, faculty, community members, and society.

**Diana Ellsworth** is a partner in McKinsey's Atlanta office, **Erin Harding** is an associate partner in the Chicago office, **Jonathan Law** is a senior partner in the Southern California office and leader of the global higher education practice, and **Duwain Pinder** is a partner in the Ohio office and leader in the McKinsey Institute for Black Economic Mobility.

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