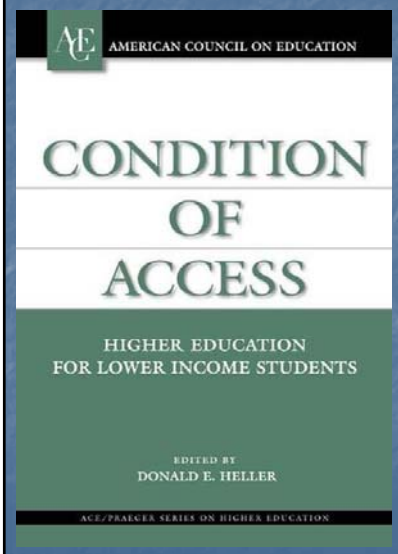
Maine Community College System Dirigo Institute
Auburn, Maine
May 29, 2008

Condition of Access: Higher Education for Lower Income Students

Donald E. Heller

PENNSTATE COLLEGE of EDUCATION
CENTER FOR THE STUDY OF HIGHER EDUCATION

Key findings from 2002



- Higher education is increasingly stratified by race and income
- Financial barriers to college participation are increasing for poor students
- Government policies – both federal and state – are working against the interests of needy students
- Institutional and state financial aid programs are increasingly favoring middle- and upper-class students
- The demographics of the nation indicate that there will be increasing pressure on financial aid resources over the next decade

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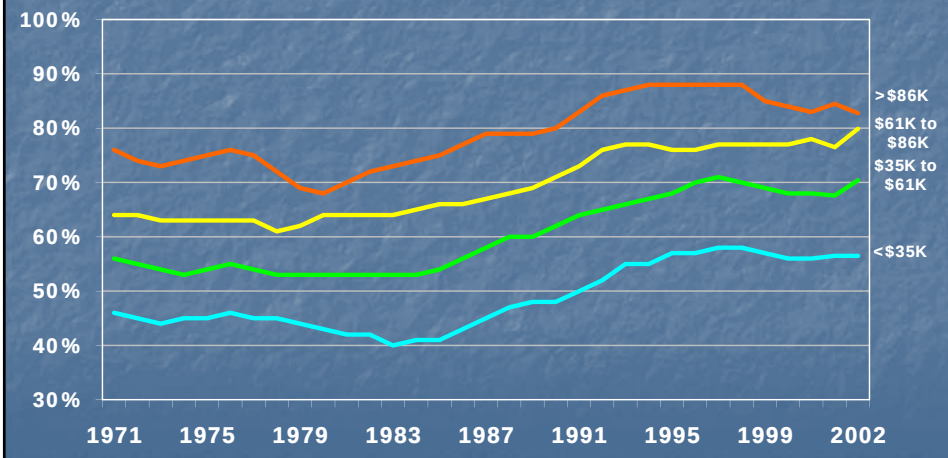
Why worry about college access?

College participation rates of unmarried 18-24 year old HS grads, by family income quartile



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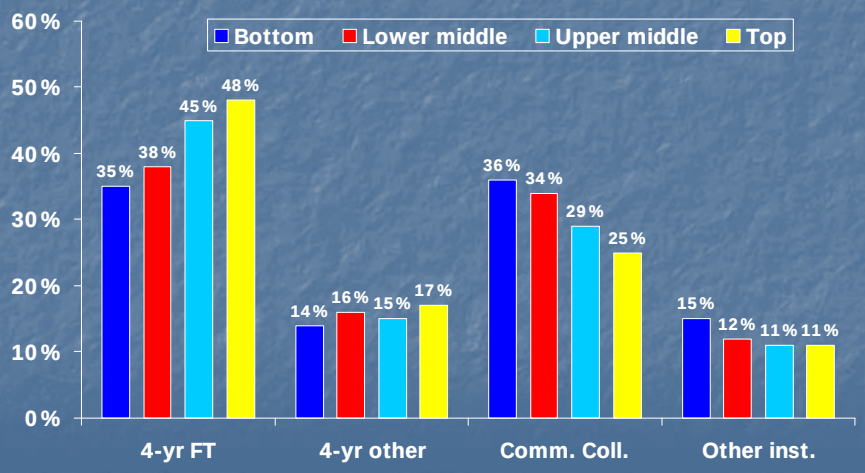
Stratification in higher education

Distribution of each income quartile by sector and attendance 2003-2004 dependent students



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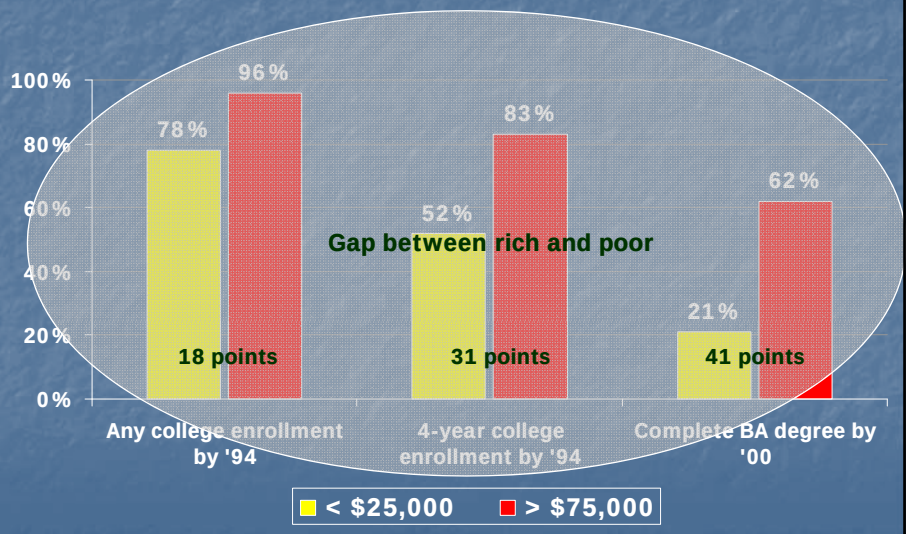
The educational pipeline – *college-qualified students*

1988 8th graders by family income in 1991



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Determinants of access

- Academic
- Social and cultural
- Financial

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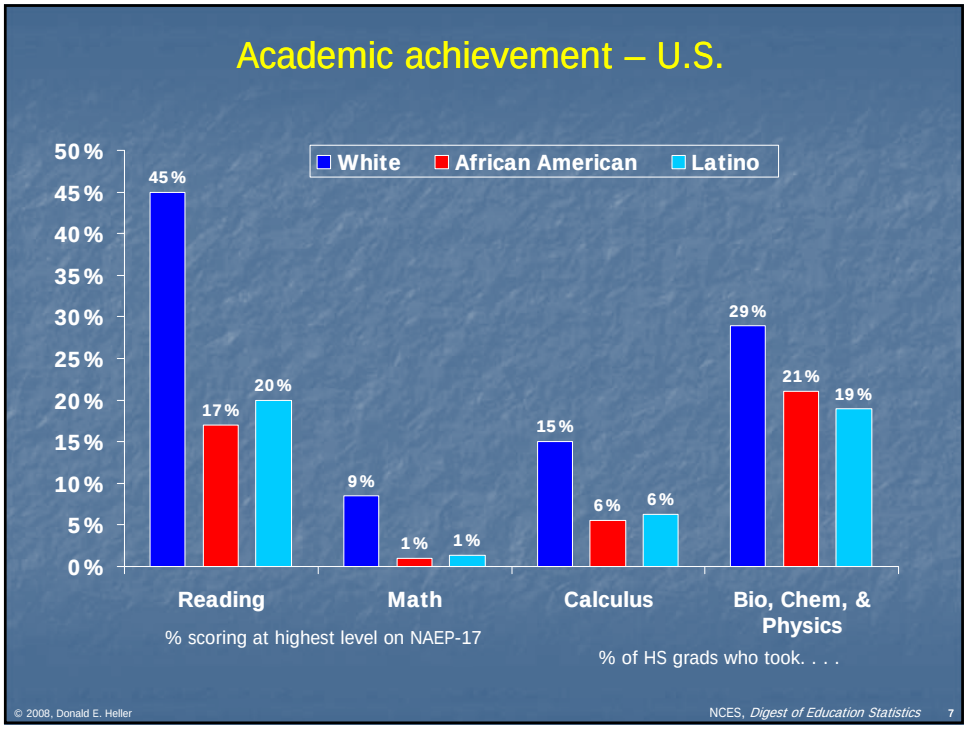
Academic achievement – U.S.
White
African American
Latino
50 %
45 %
40 %
35 %
30 %
25 %
20 %
15 %
10 %
5 %
0 %
45 %
17 %
20 %
9 %
1 %
1 %
15 %
6 %
6 %
29 %
21 %
19 %
Reading
Math
Calculus
Bio, Chem, & Physics
% scoring at highest level on NAEP-17
% of HS grads who took. . . .
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NCES, Digest of Education Statistics
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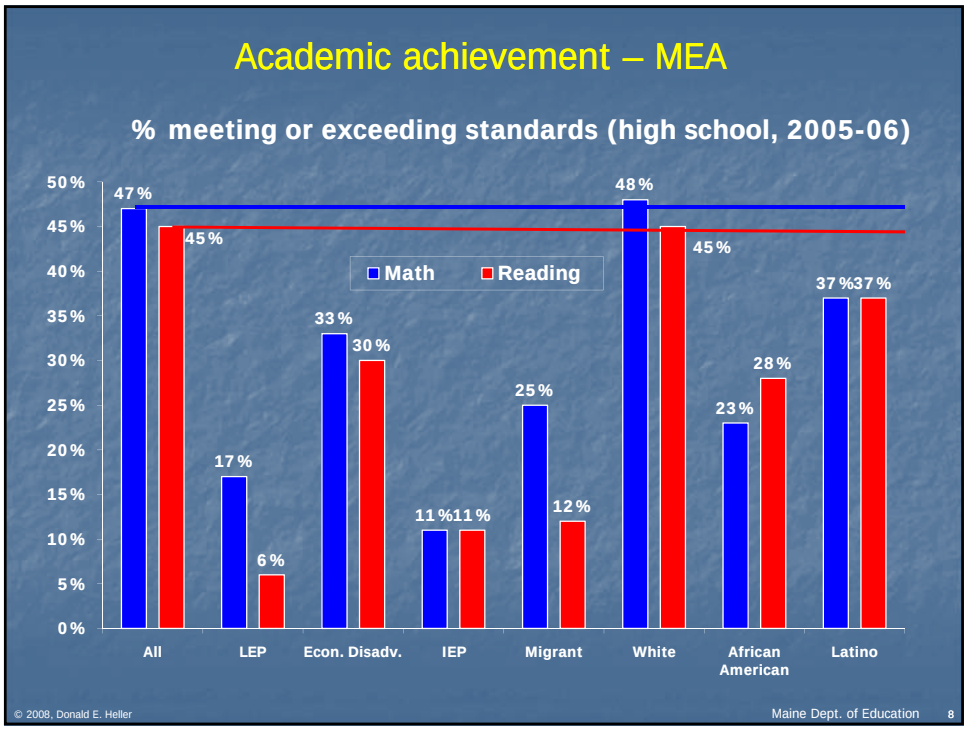
Academic achievement – MEA
% meeting or exceeding standards (high school, 2005-06)
Math
Reading
50 %
45 %
40 %
35 %
30 %
25 %
20 %
15 %
10 %
5 %
0 %
47 %
45 %
17 %
6 %
33 %
30 %
11 %
11 %
25 %
12 %
48 %
45 %
23 %
28 %
37 %
37 %
All
LEP
Econ. Disadv.
IEP
Migrant
White
African American
Latino
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Maine Dept. of Education
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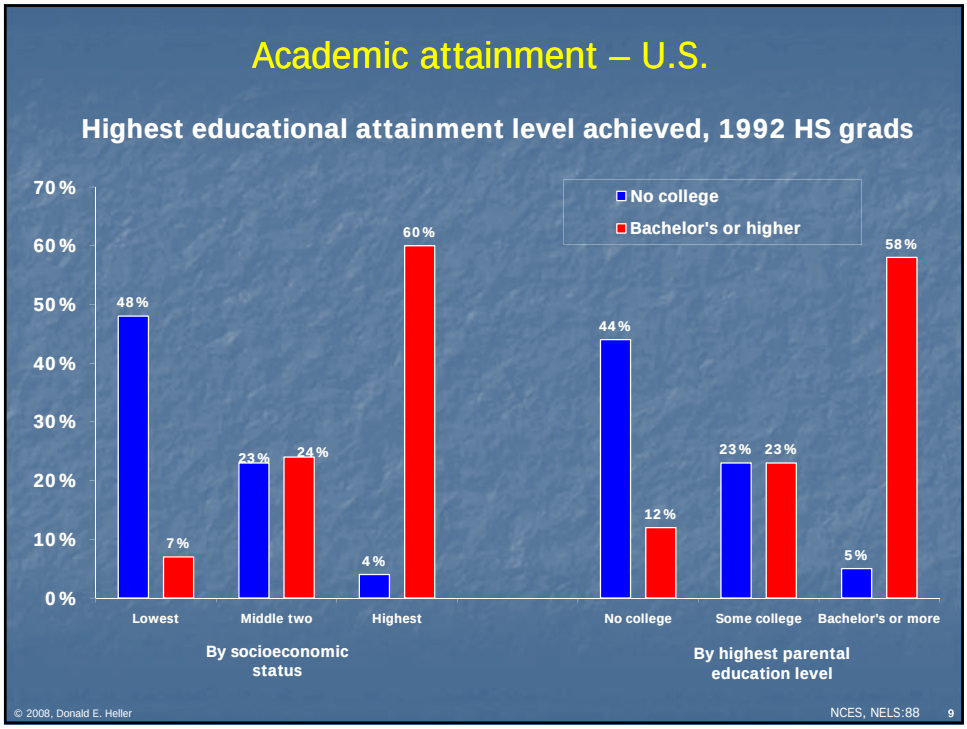
Academic attainment – U.S.
Highest educational attainment level achieved, 1992 HS grads
70 %
60 %
50 %
40 %
30 %
20 %
10 %
0 %
No college
Bachelor's or higher
48 %
7 %
23 %
24 %
4 %
60 %
44 %
12 %
23 %
23 %
5 %
58 %
Lowest
Middle two
Highest
No college
Some college
Bachelor's or more
By socioeconomic status
By highest parental education level
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NCES, NELS:88
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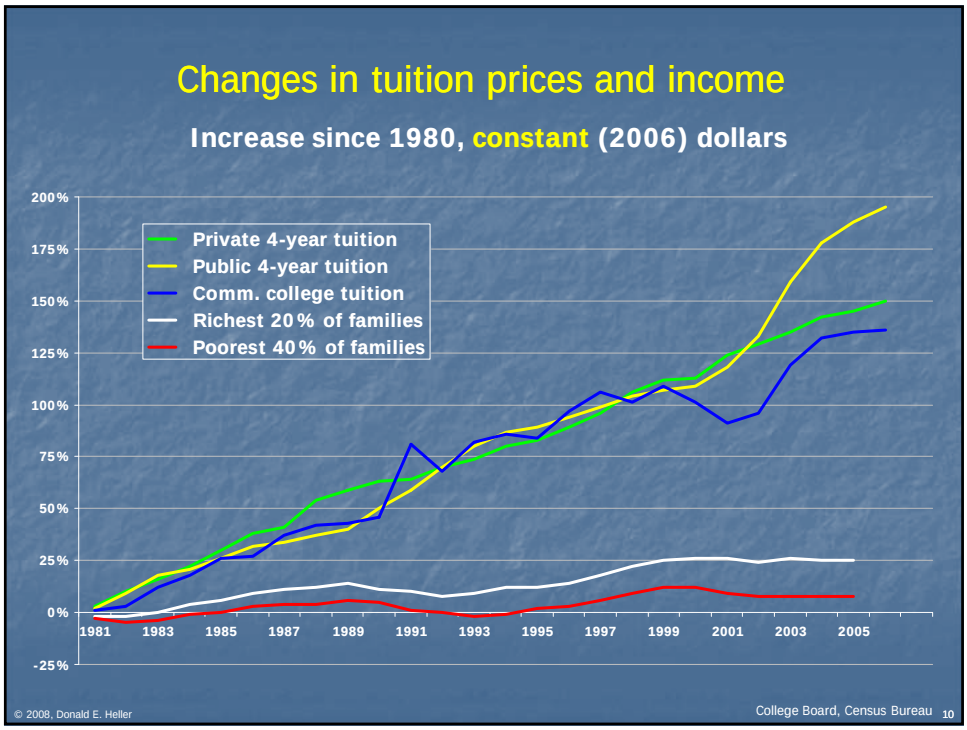
Changes in tuition prices and income
Increase since 1980, constant (2006) dollars
200%
175%
150%
125%
100%
75%
50%
25%
0%
-25%
Private 4-year tuition
Public 4-year tuition
Comm. college tuition
Richest 20% of families
Poorest 40% of families
1981
1983
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
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College Board, Census Bureau
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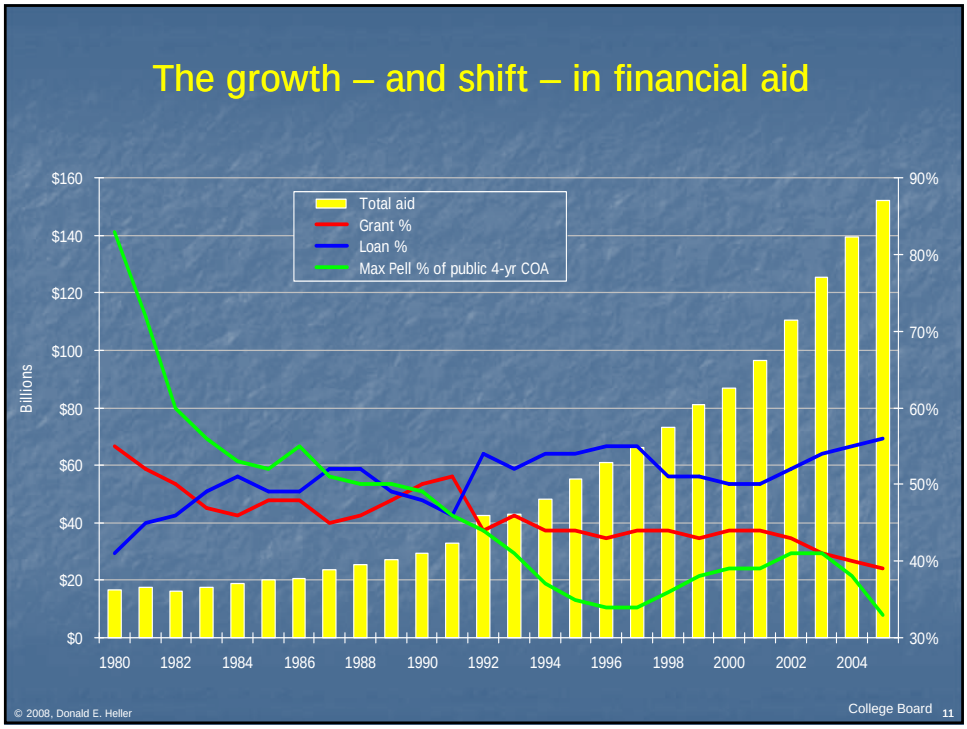
The growth – and shift – in financial aid
Total aid
Grant %
Loan %
Max Pell % of public 4-yr COA
Billions
$160
$140
$120
$100
$80
$60
$40
$20
$0
90%
80%
70%
60%
50%
40%
30%
1980
1982
1984
1986
1988
1990
1992
1994
1996
1998
2000
2002
2004
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College Board
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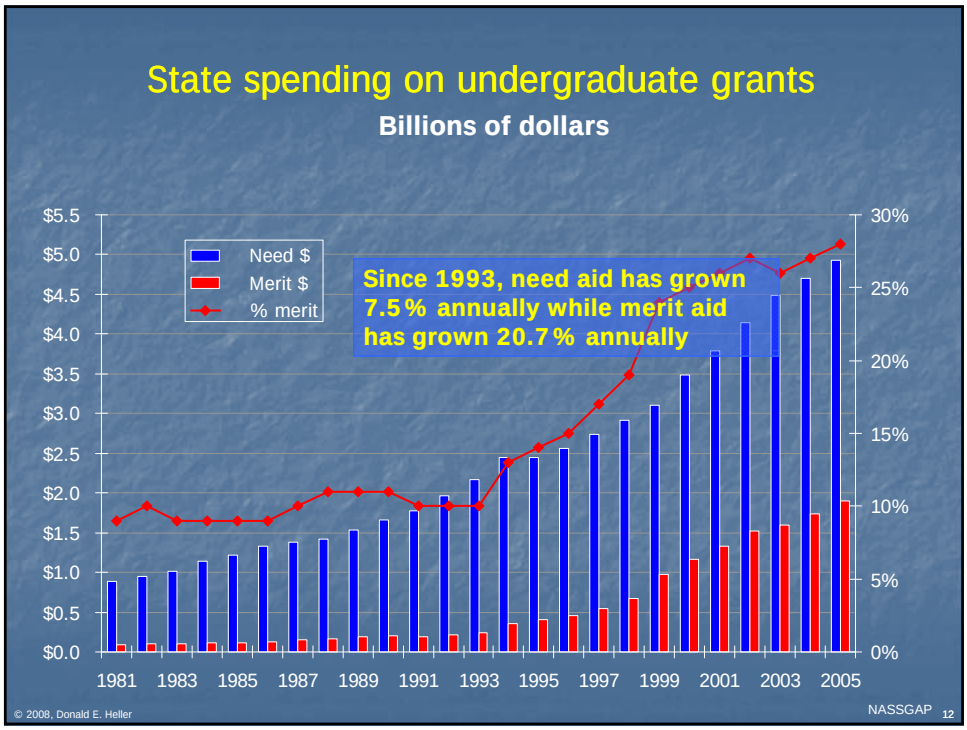
State spending on undergraduate grants
Billions of dollars
Need $
Merit $
% merit
Since 1993, need aid has grown 7.5% annually while merit aid has grown 20.7% annually
$5.5
$5.0
$4.5
$4.0
$3.5
$3.0
$2.5
$2.0
$1.5
$1.0
$0.5
$0.0
30%
25%
20%
15%
10%
5%
0%
1981
1983
1985
1987
1989
1991
1993
1995
1997
1999
2001
2003
2005
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NASSGAP
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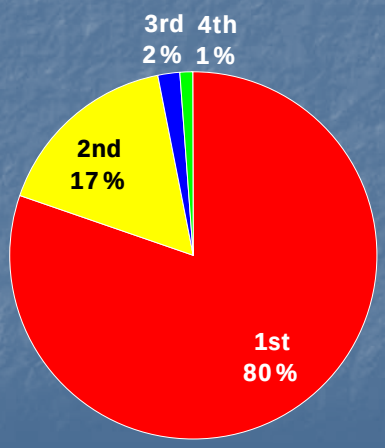
Distribution of grant dollars by income quartile

2003-2004 dependent students, all institutions

- Family income quartiles (2002)
  - 1st: < $33,346
  - 2nd: $33,346 - $60,175
  - 3rd: $60,176 - $92,433
  - 4th: > $92,433
- Census benchmark – Median income of all families with at least one child ages 6 to 17 in 2002: $54,249

Federal grants, $4.0B



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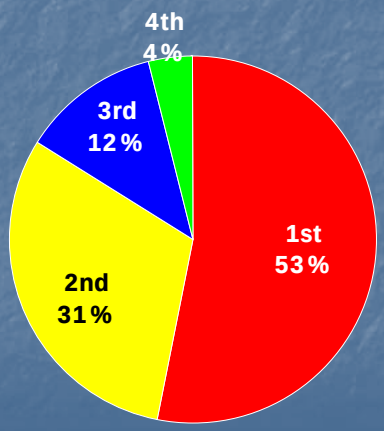
Students attending a single institution full time

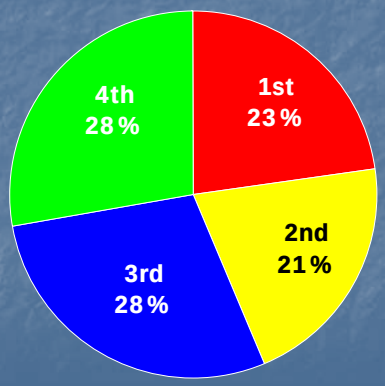
State grant dollars by income quartile

2003-2004 dependent students, all institutions

Need grants, $2.3B



Merit grants, $0.7B



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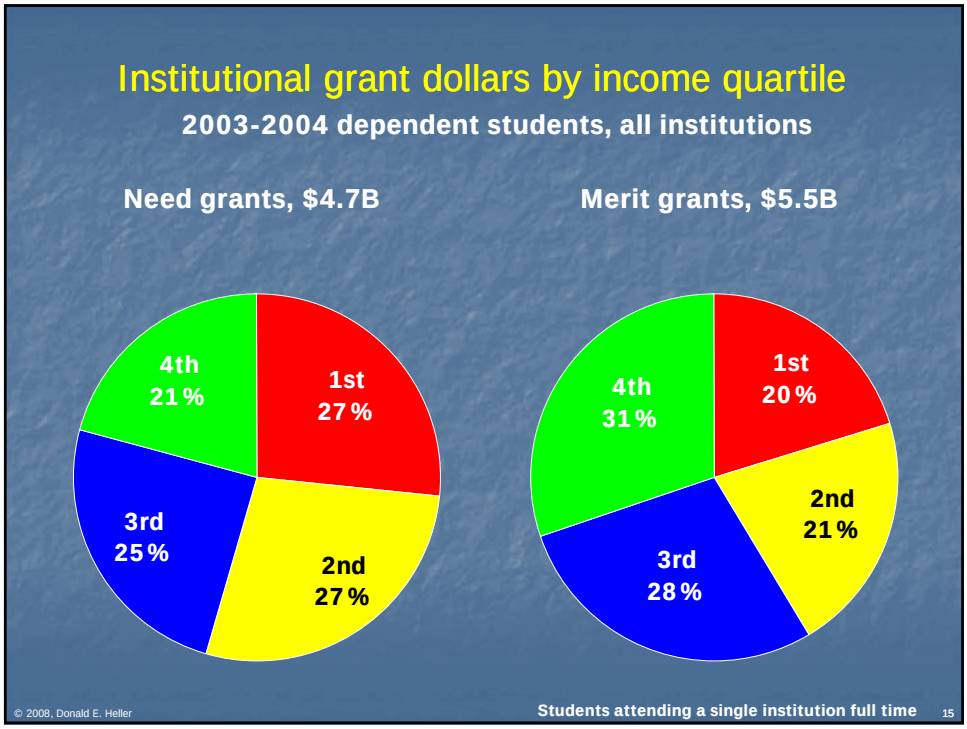
Students attending a single institution full time


Institutional grant dollars by income quartile
2003-2004 dependent students, all institutions
Need grants, $4.7B
Merit grants, $5.5B
4th 21%
1st 27%
3rd 25%
2nd 27%
4th 31%
1st 20%
2nd 21%
3rd 28%
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Students attending a single institution full time
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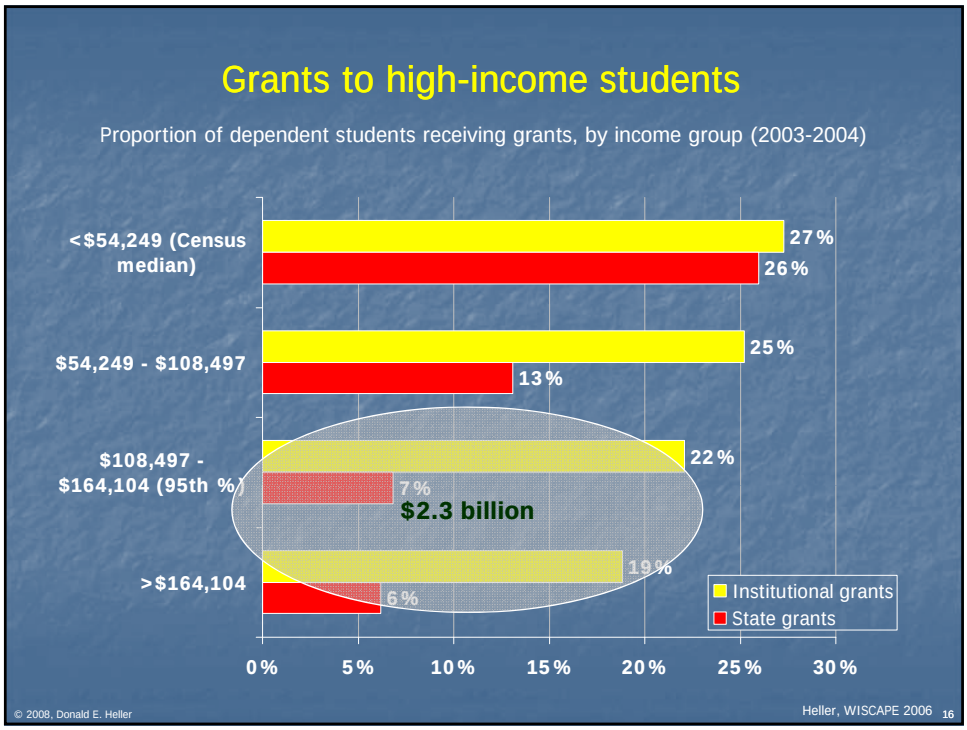
Grants to high-income students
Proportion of dependent students receiving grants, by income group (2003-2004)
<$54,249 (Census median)
27%
26%
$54,249 - $108,497
25%
13%
$108,497 - $164,104 (95th %)
22%
7%
$2.3 billion
>$164,104
19%
6%
Institutional grants
State grants
0%
5%
10%
15%
20%
25%
30%
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Heller, WISCAPE 2006
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Conclusions

- Gaps in college participation are attributable to academic barriers *and* financial barriers
- Tuition prices have been – and likely will continue – to grow faster than ability to pay
- Institutional aid has become the largest source of grant aid
- Both states and institutions are shifting from need to merit criteria
- Grants are shifting up the income ladder

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Some promising trends

- Carolina Covenant and similar programs
  - Guarantee full ride without loans for qualified students
  - But. . . . .more recent initiatives have shifted grant aid *way* up the income ladder
- Class-based affirmative action
  - Advocated by Bill Bowen and others
  - Not a substitute for race-based affirmative action
- Simplifying the financial aid system and making earlier commitments of aid
  - Indiana 21st Century Scholars, Oklahoma OHLAP
  - Spellings Commission, Senate reauthorization bill

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