

National Scholarship Providers Association  
Annual Conference  
Atlanta, GA  
October 25, 2006

## The Condition of Access, 2006

Donald E. Heller

PENNSTATE



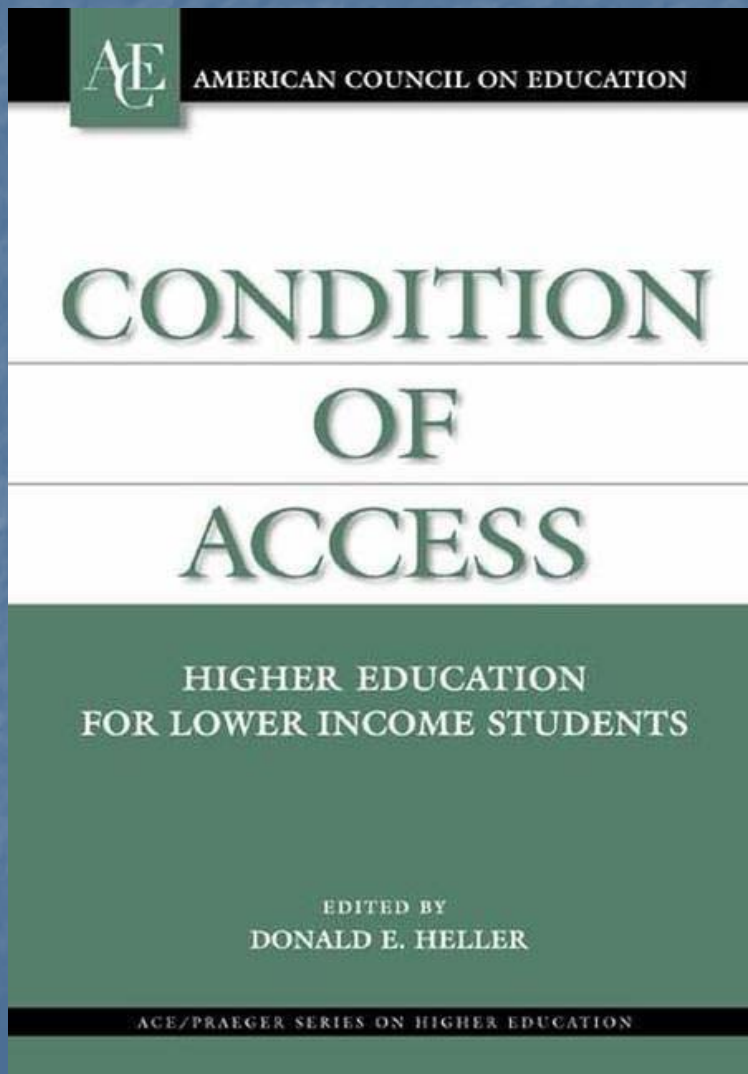
COLLEGE *of* EDUCATION

CENTER FOR THE STUDY OF HIGHER EDUCATION

**“It is the responsibility of the community, at the local, State, and National levels, to guarantee that financial barriers do not prevent any able and otherwise qualified young person from receiving the opportunity for higher education. . . . The democratic community cannot tolerate a society based upon education for the well-to-do alone. If college opportunities are restricted to those in the higher income brackets, the way is open to the creation and perpetuation of a class society which has no place in the American way of life.”**

- A. Lyndon Johnson, signing the Higher Education Act of 1965**
- B. Senator Claiborne Pell, upon the renaming of the Basic Educational Opportunity Grant Program in his honor, 1980**
- C. President Truman’s Commission on Higher Education, 1947**
- D. Thomas Jefferson, upon his founding of the U. of Virginia, 1819**

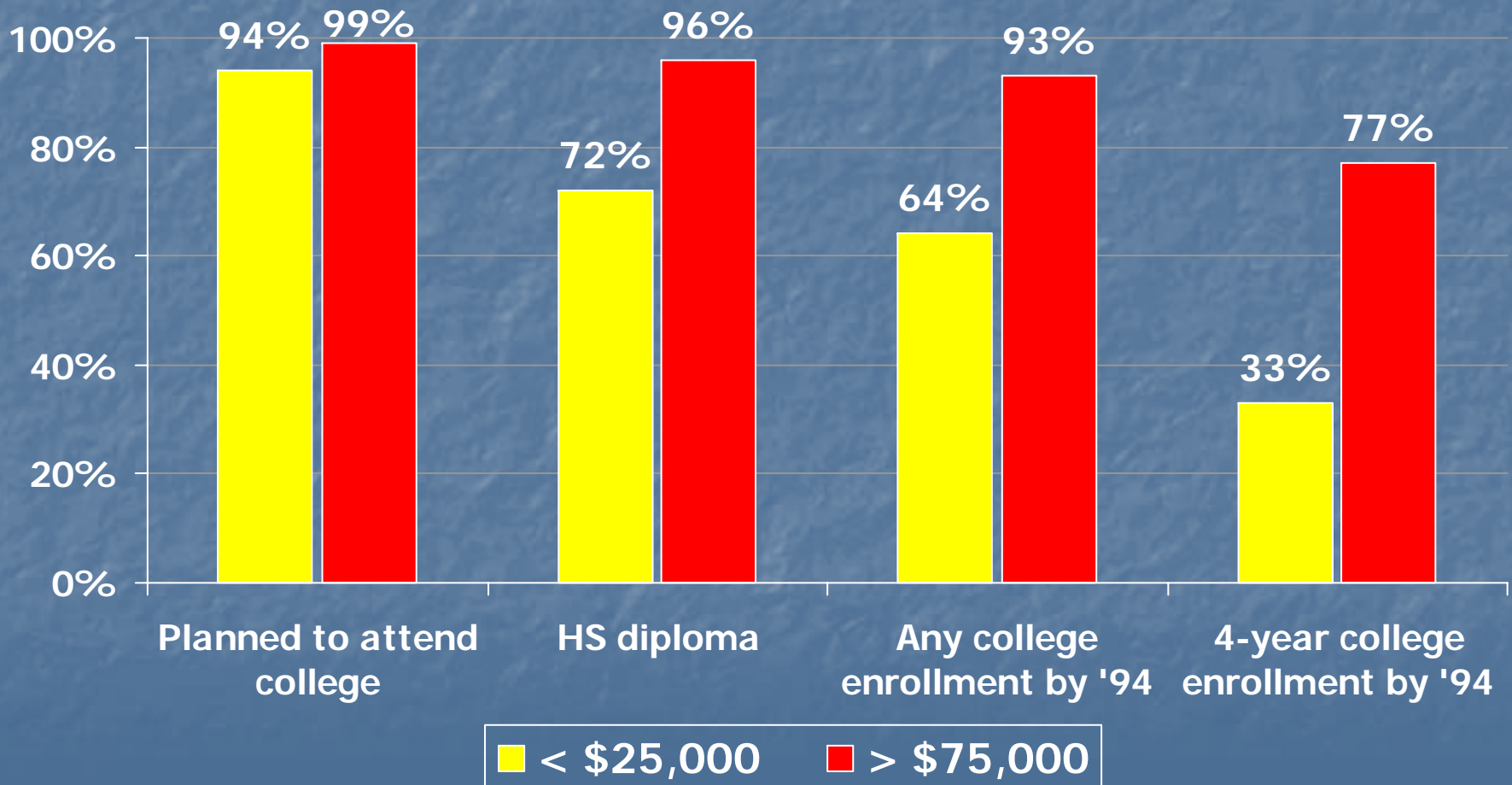
## Key findings from 2002



- 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

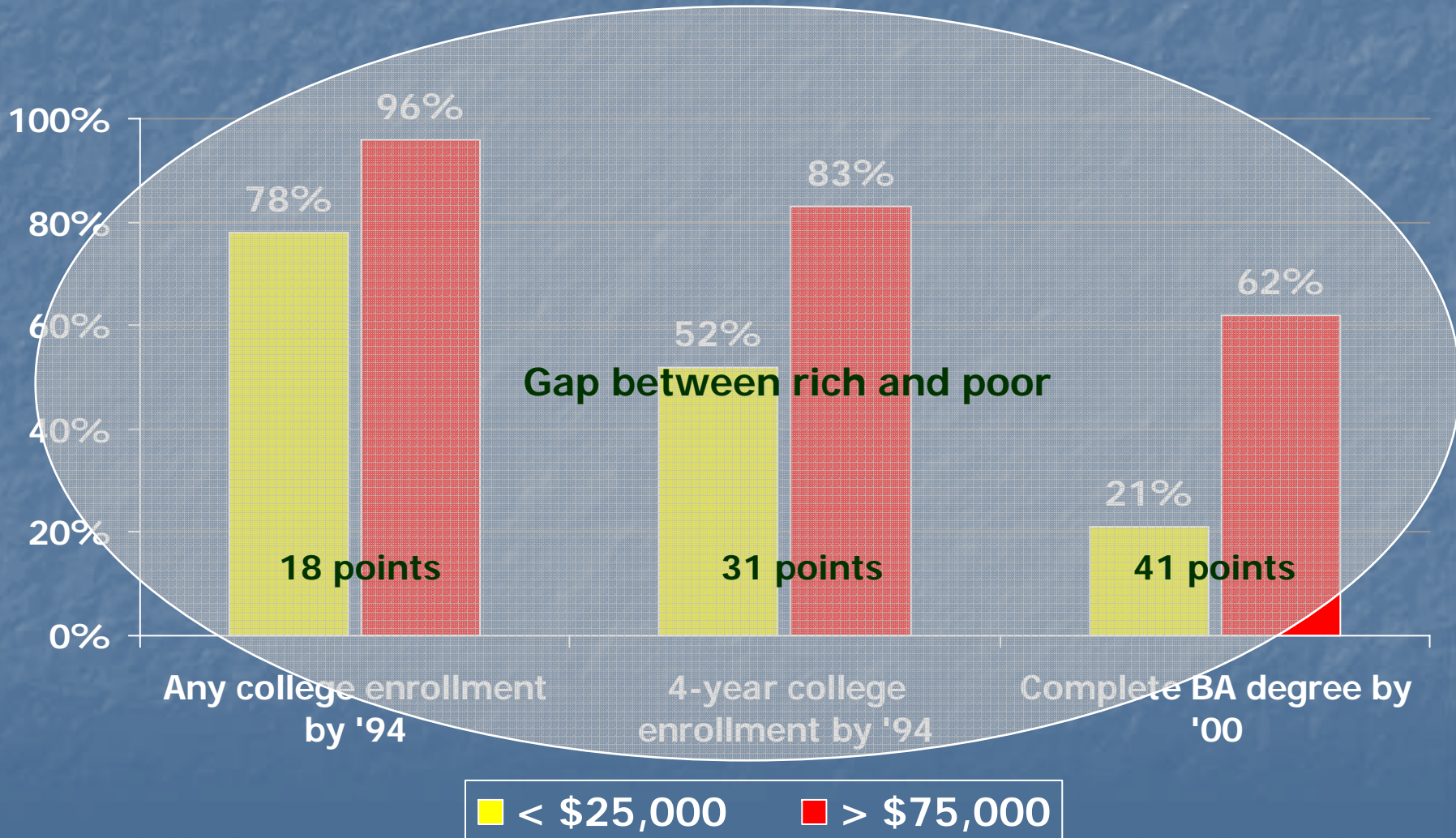
# The educational pipeline

1988 8<sup>th</sup> graders by family income in 1991



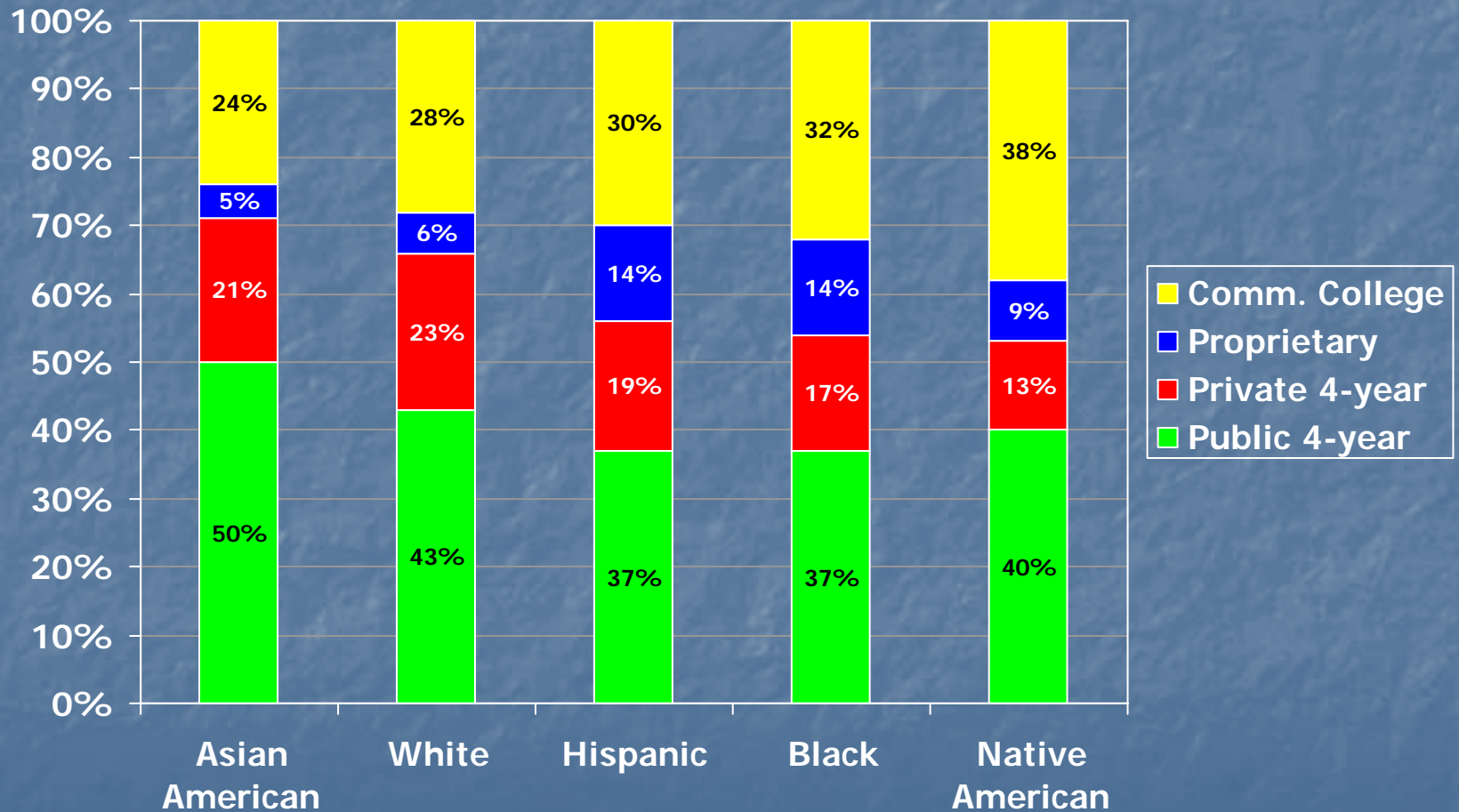
# The educational pipeline – *college-qualified students*

1988 8<sup>th</sup> graders by family income in 1991



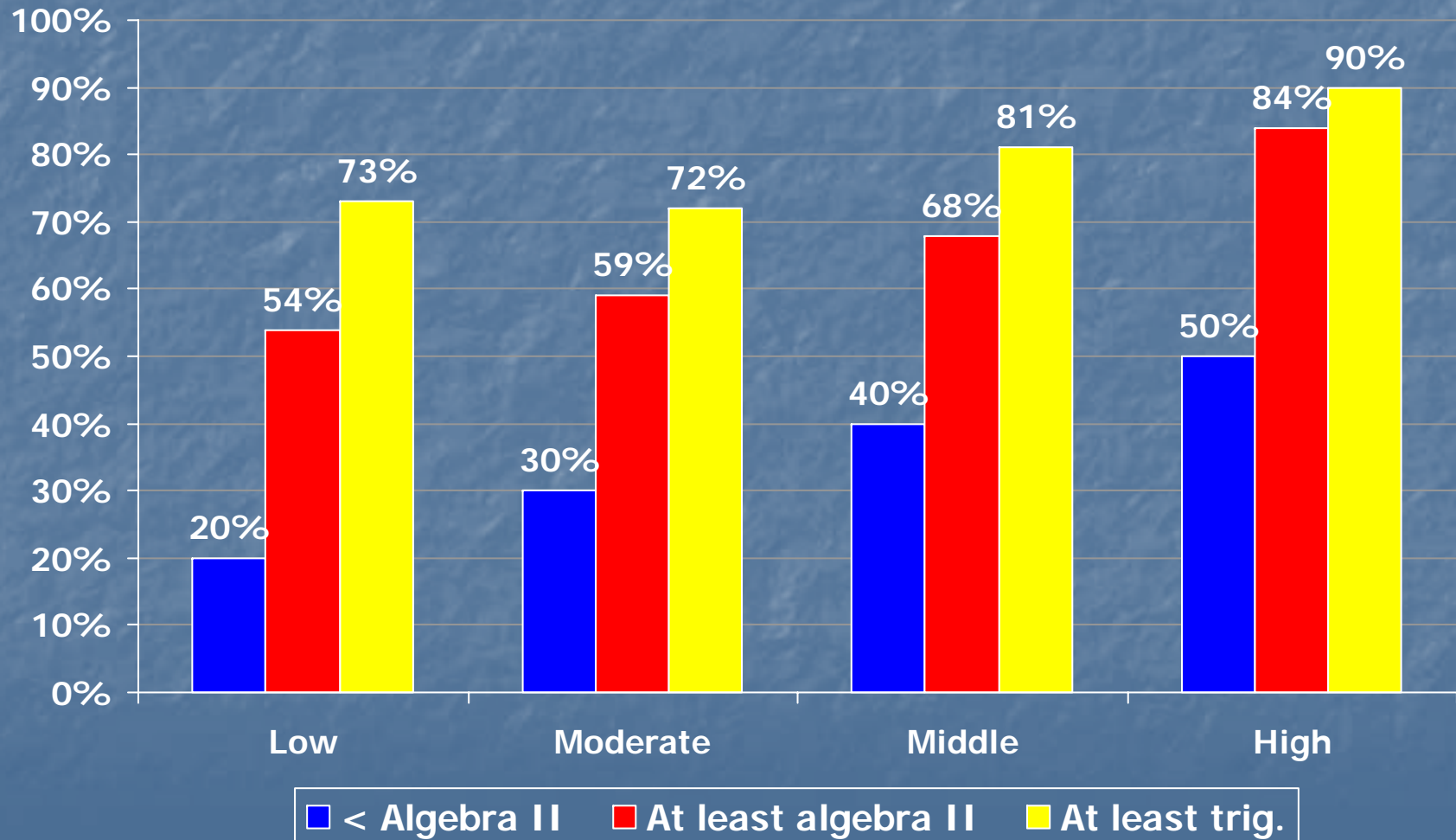
# Stratification of enrolled students

Fall enrollment of full-time, first-year students, 2004



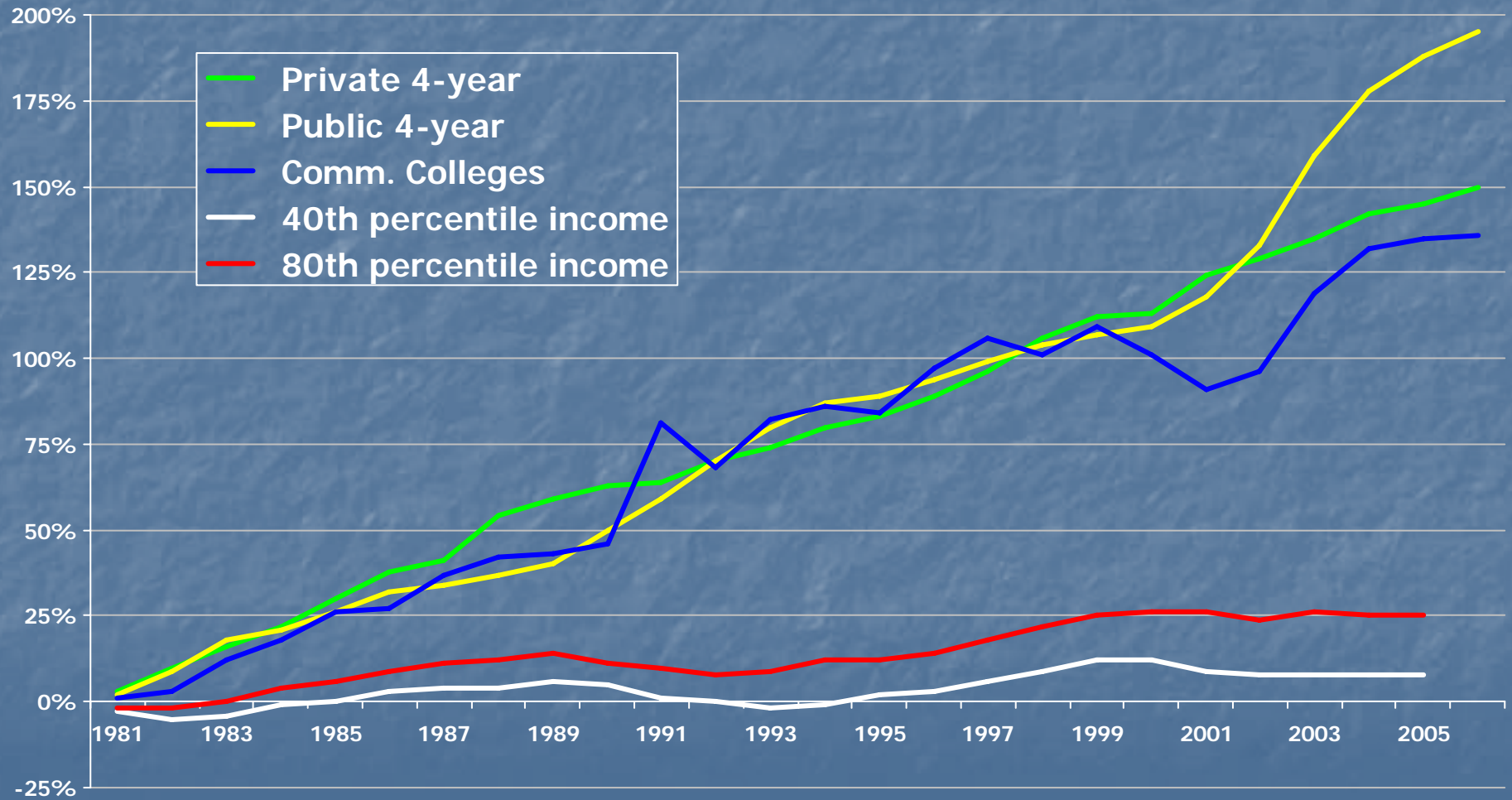
# The importance of academic preparation

Proportion of 1992 HS grads enrolling in 4-year college by family income and highest level of HS math

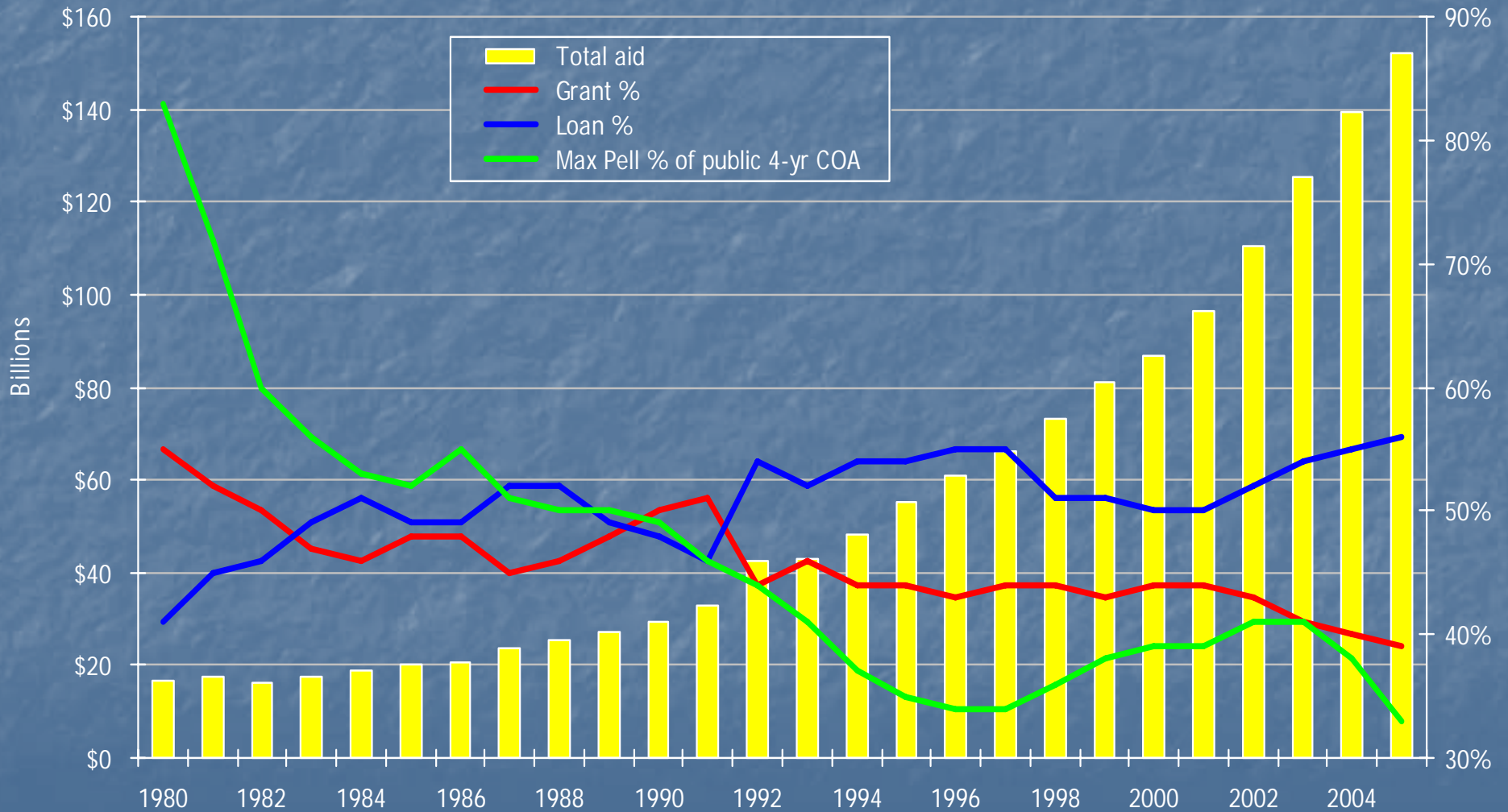


# Changes in tuition prices and income

Increase since 1980, **constant** (2006) dollars



# The growth – and shift – in financial aid



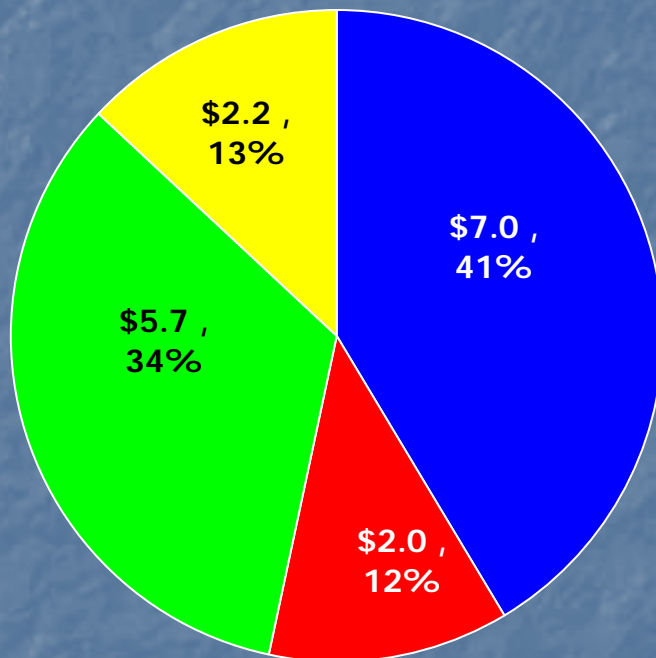
## Policy trends in recent years

- Growth of institutional financial aid
- Emphasis on merit at the expense of need in the awarding of institutional and state financial aid
- New Pell Grants with a merit component this year
  - Academic Competitiveness (freshman and sophomore, \$750 & \$1,300) – requires “a rigorous secondary-school program of study” and 3.0 GPA
  - SMART (junior and senior, \$4,000) – majors in STEM areas or certain languages, 3.0 GPA
  - Pell spending last year declined by \$1B (first time since 1999)
- The good news. . . .some promising institutional policies

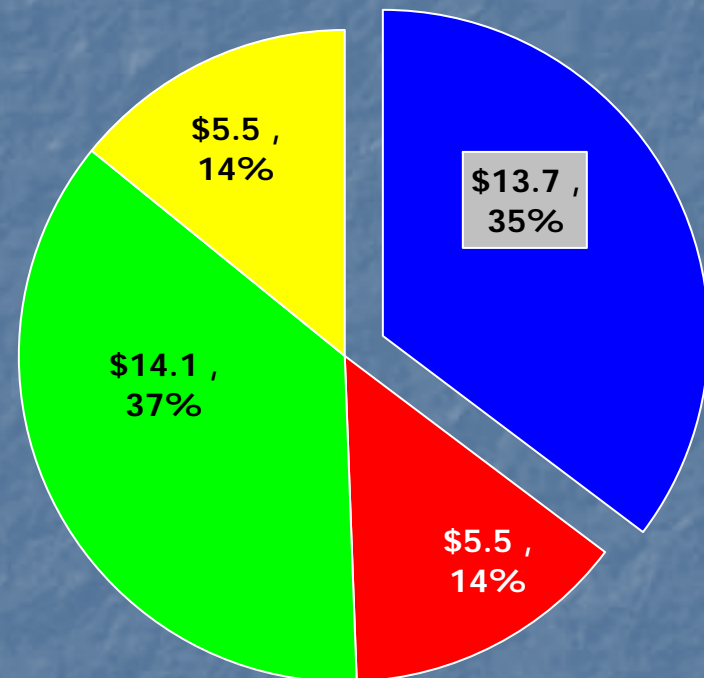
# Grants to undergraduate students

Billions of dollars

1992-1993



2003-2004

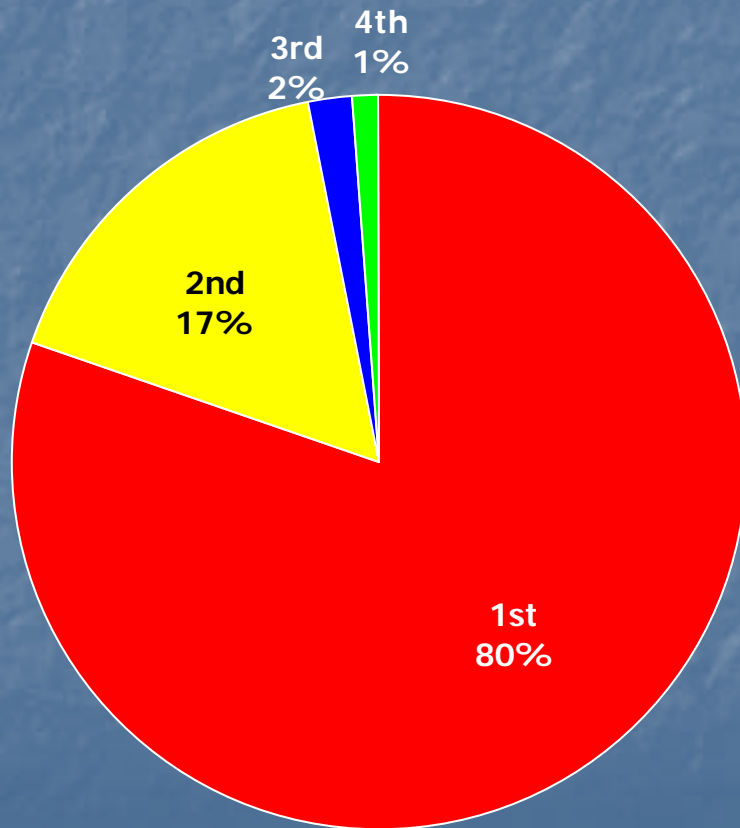


\* Includes private scholarships and employer aid

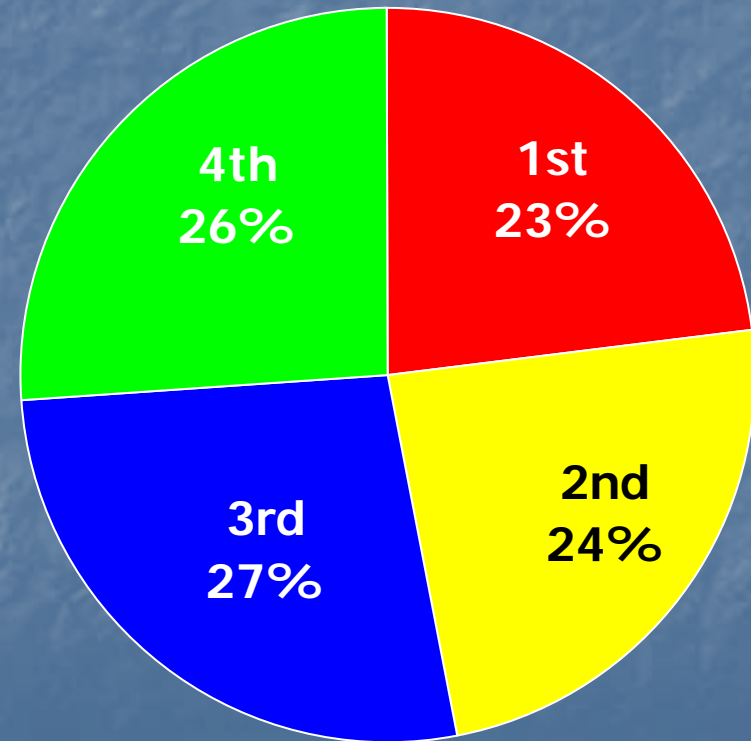
# Federal and institutional grants by income quartile

## 2003-2004 dependent students

Federal grants, \$4.0B



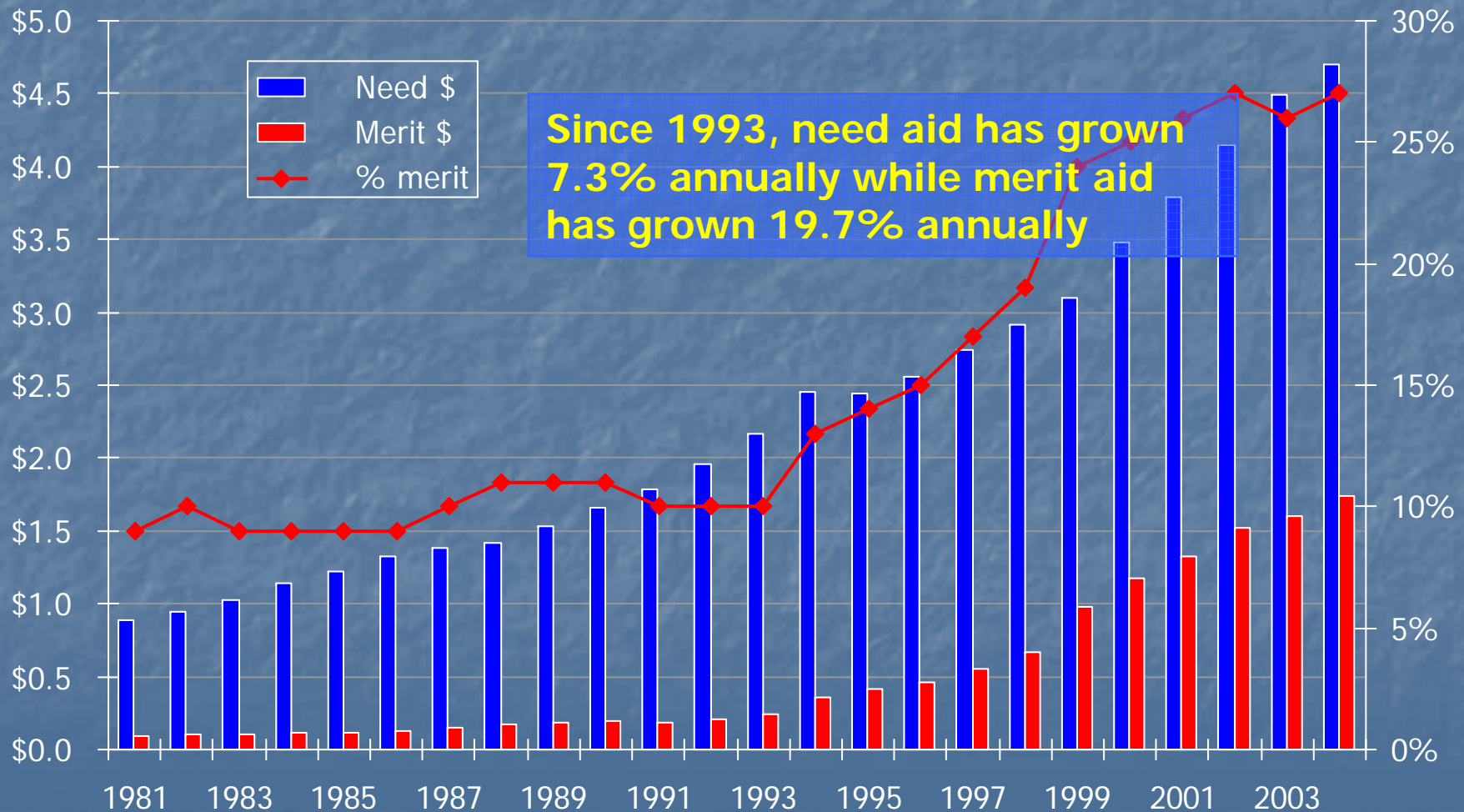
Institutional grants, \$10.2B



Students attending a single institution full time

# State spending on undergraduate grants

Billions of dollars

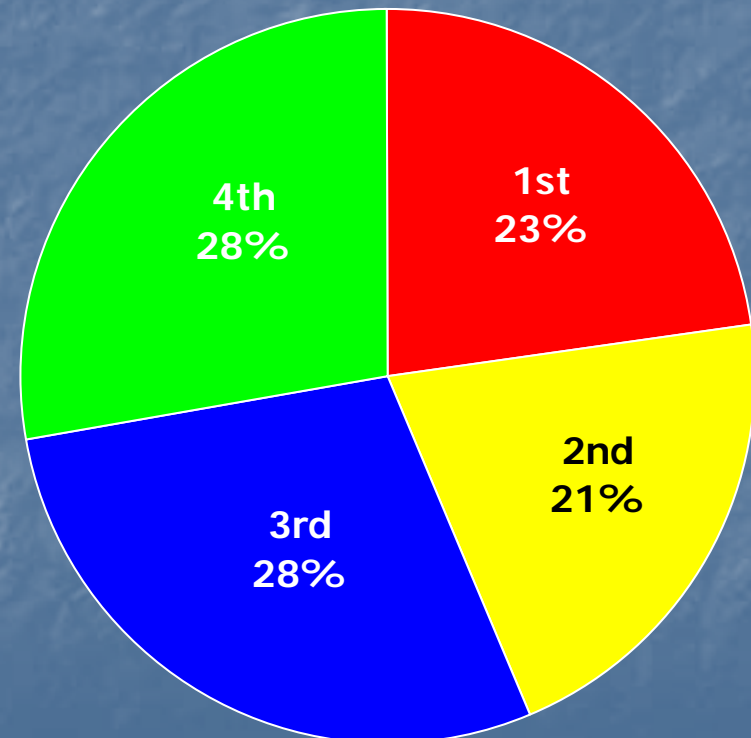
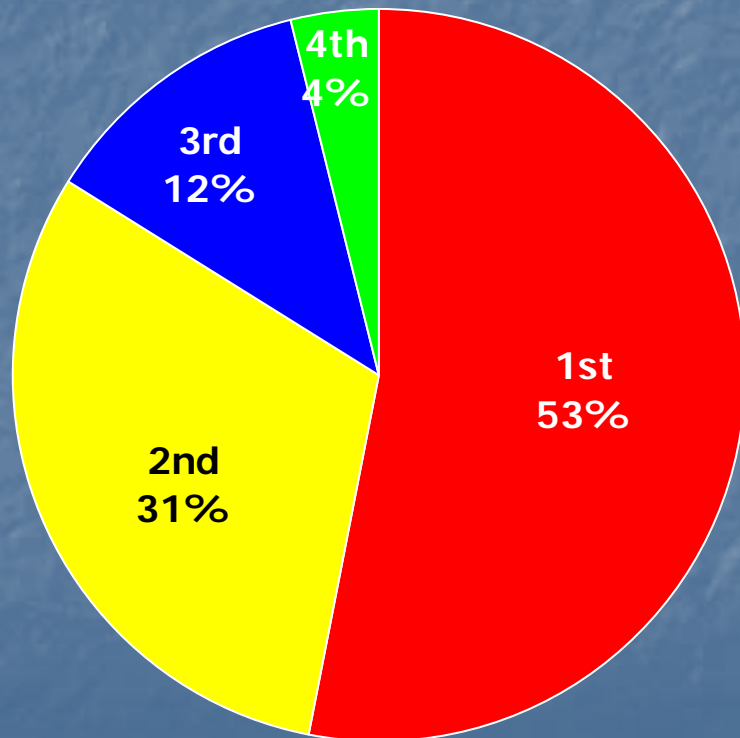


# State grants by income quartile

2003-2004 dependent students

State need grants, \$2.3B

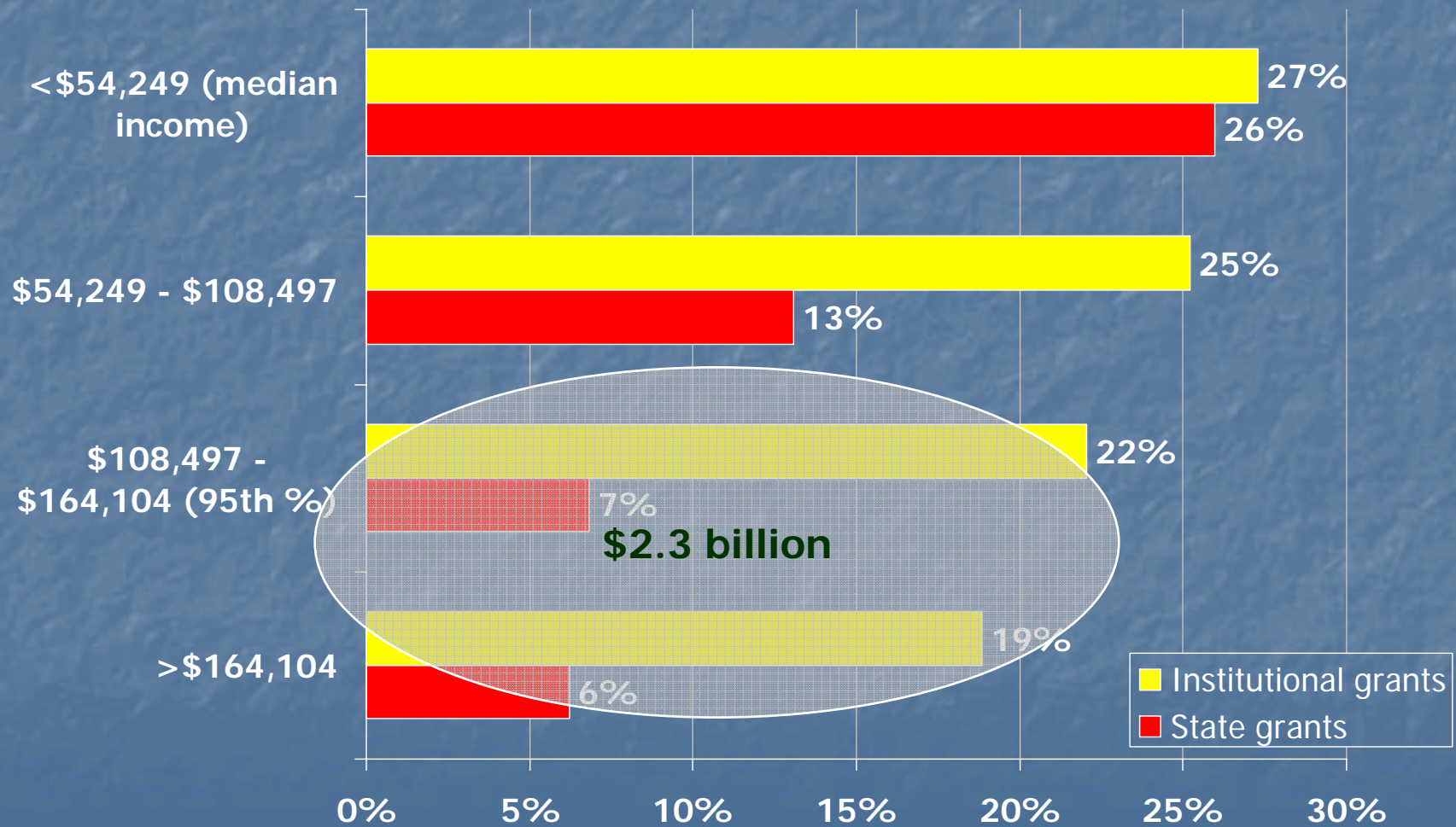
State merit grants, \$0.741B



Students attending a single institution full time

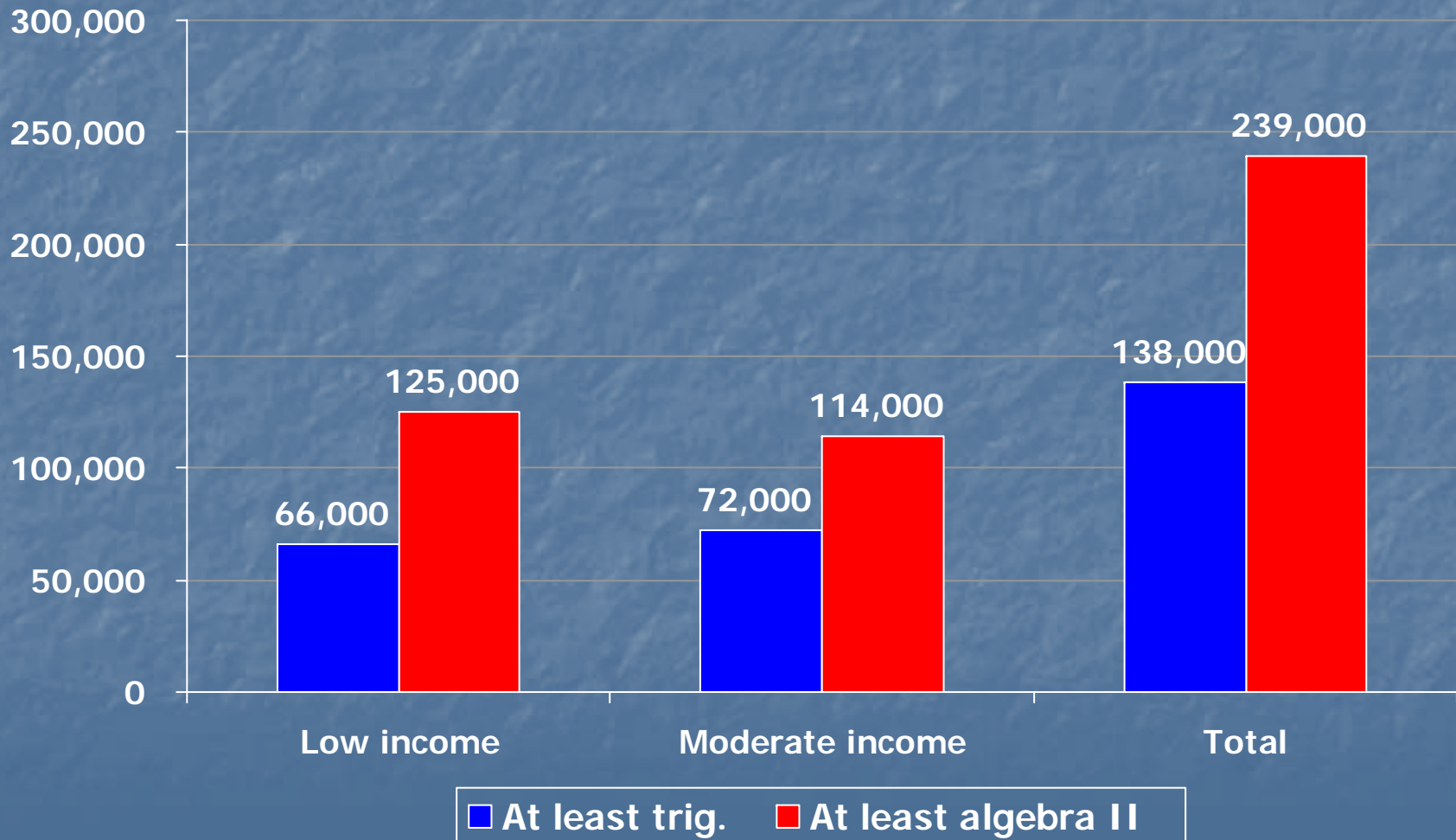
# Grants to high-income students

Proportion of dependent students receiving grants, by income group (2003-2004)



# "Lost" bachelor's degrees

Projected number of bachelor's degrees lost to 2004 HS grads due to financial barriers (conservative projection)



## Some promising trends

- Education Conservancy
  - Reducing the “arms race” in college admissions, from both the institutional and student stand perspectives
- Carolina Covenant and similar programs
  - Guarantee full ride without loans for qualified students
  - But. . . . .
- 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 21<sup>st</sup> Century Scholars, Oklahoma OHLAP
  - Spellings Commission, *Chronicle* op-ed