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ACCESS TO SUCCESS IN AMERICA

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The Education Trust

America: Two Powerful Stories

1. Land of Opportunity:

Work hard, and you can become
anything you want to be.

2. **Generational Advancement:**

Through hard work, each generation of parents can assure a better life — and better education — for their children.

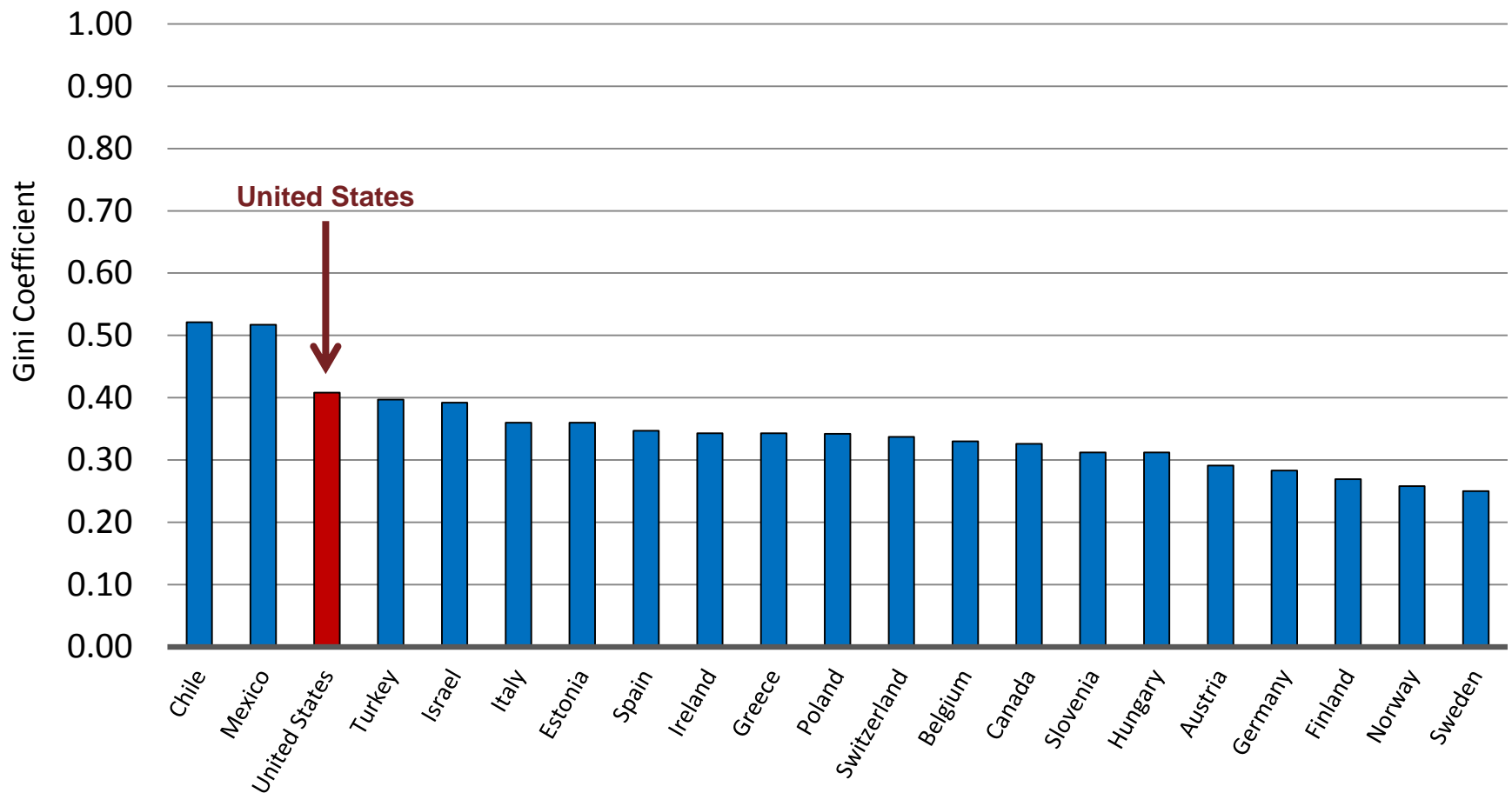
Powerful narratives.

Slipping away.

Within the U.S., income inequality
has been rising.

Big gains at the top of the economic
ladder, while those at the bottom have
fallen backwards.

Instead of being the most equal, the U.S. has the third highest income inequality among OECD nations.



Note: Gini coefficient ranges from 0 to 1, where 0 indicates total income equality and 1 indicates total income inequality.

Source: United Nations, U.N. data, <http://data.un.org/DocumentData.aspx?q=gini&id=271>: 2011

Median Wealth of White Families

20 X that of African Americans

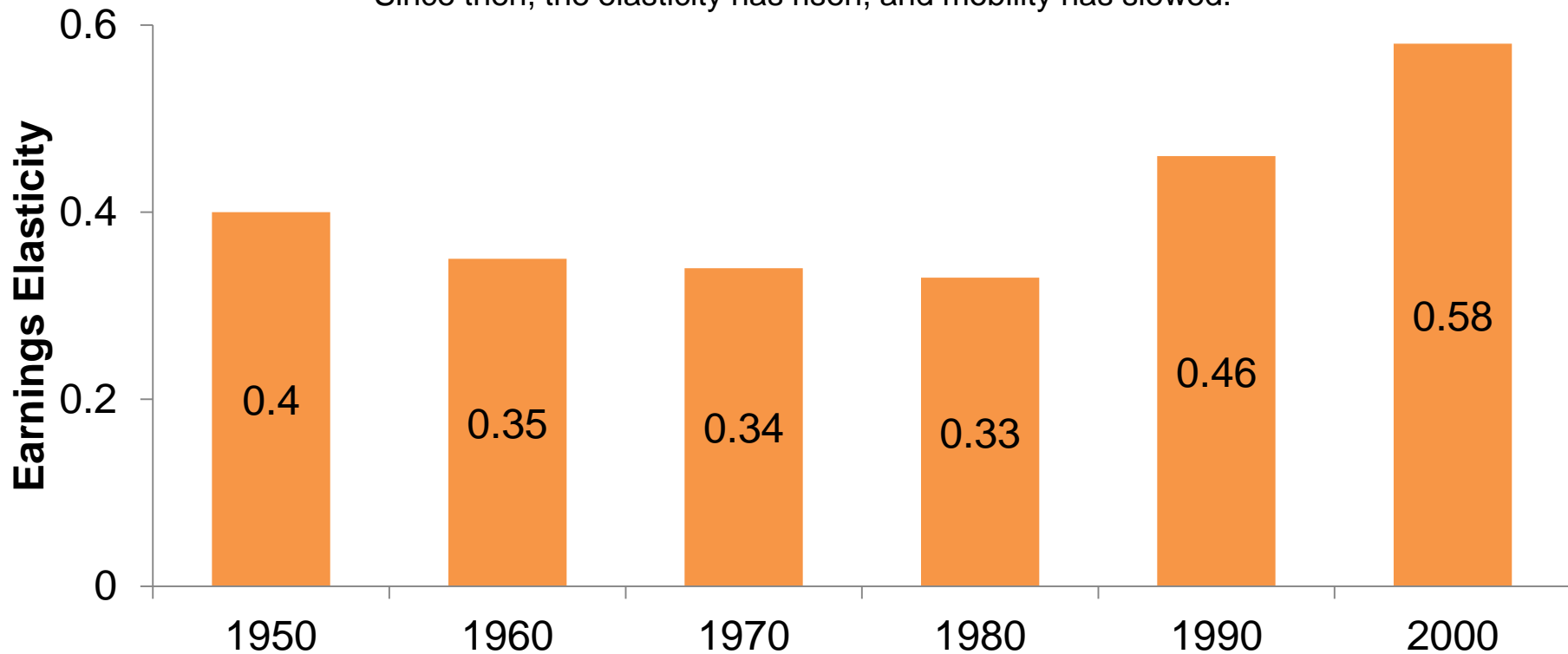
18 X that of Latinos

Source: Rakesh Kochhar, Richard Fry, and Paul Taylor, "Twenty-to-One: Wealth Gaps Rise to Record Highs Between Whites, Blacks, and Hispanics," Pew Social & Demographic Trends, 2011.

Not just wages and wealth, but
social mobility as well.

U.S. intergenerational mobility was increasing until 1980, but has sharply declined since.

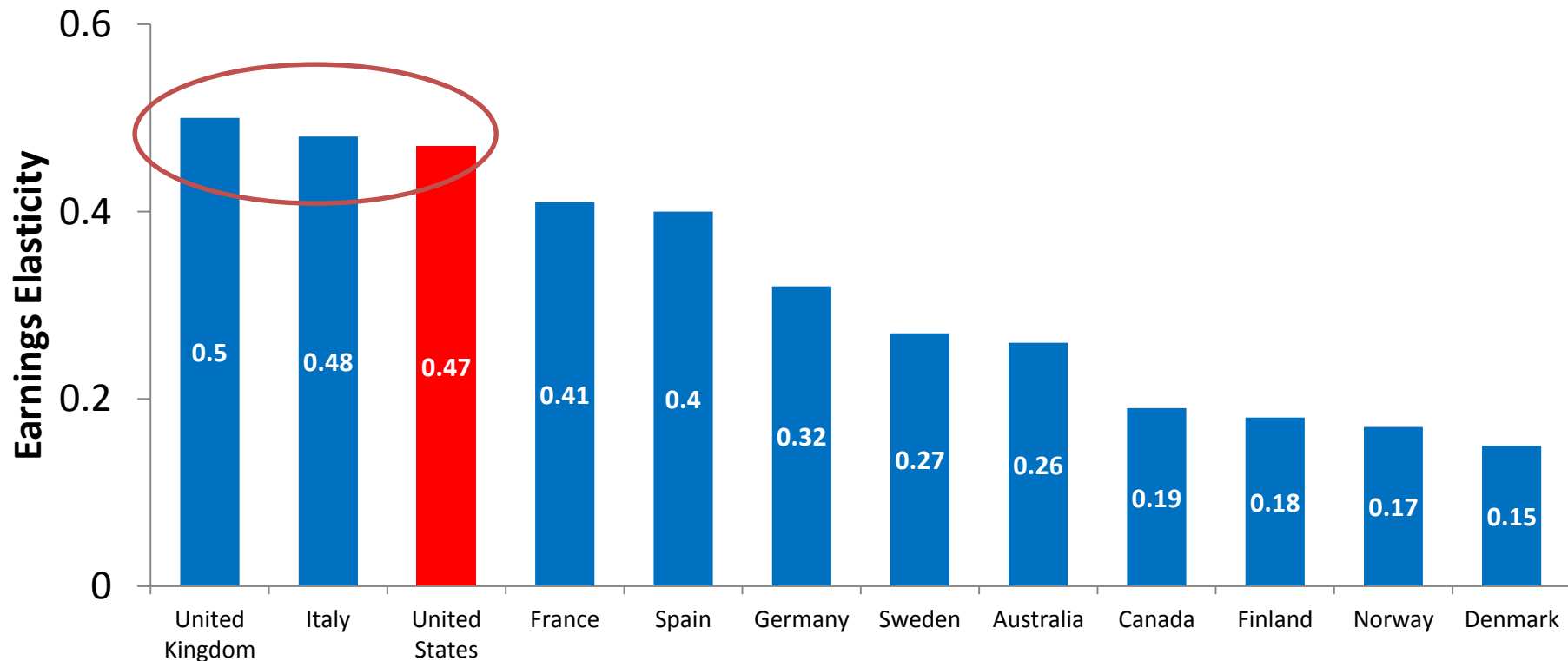
The falling elasticity meant increased economic mobility until 1980.
Since then, the elasticity has risen, and mobility has slowed.



Source: Daniel Aaronson and Bhashkar Mazumder. *Intergenerational Economic Mobility in the U.S., 1940 to 2000*. Federal Reserve Bank of Chicago WP 2005-12: Dec. 2005.

The US now has one of lowest rates of intergenerational mobility

Cross-country examples of the link between father and son wages

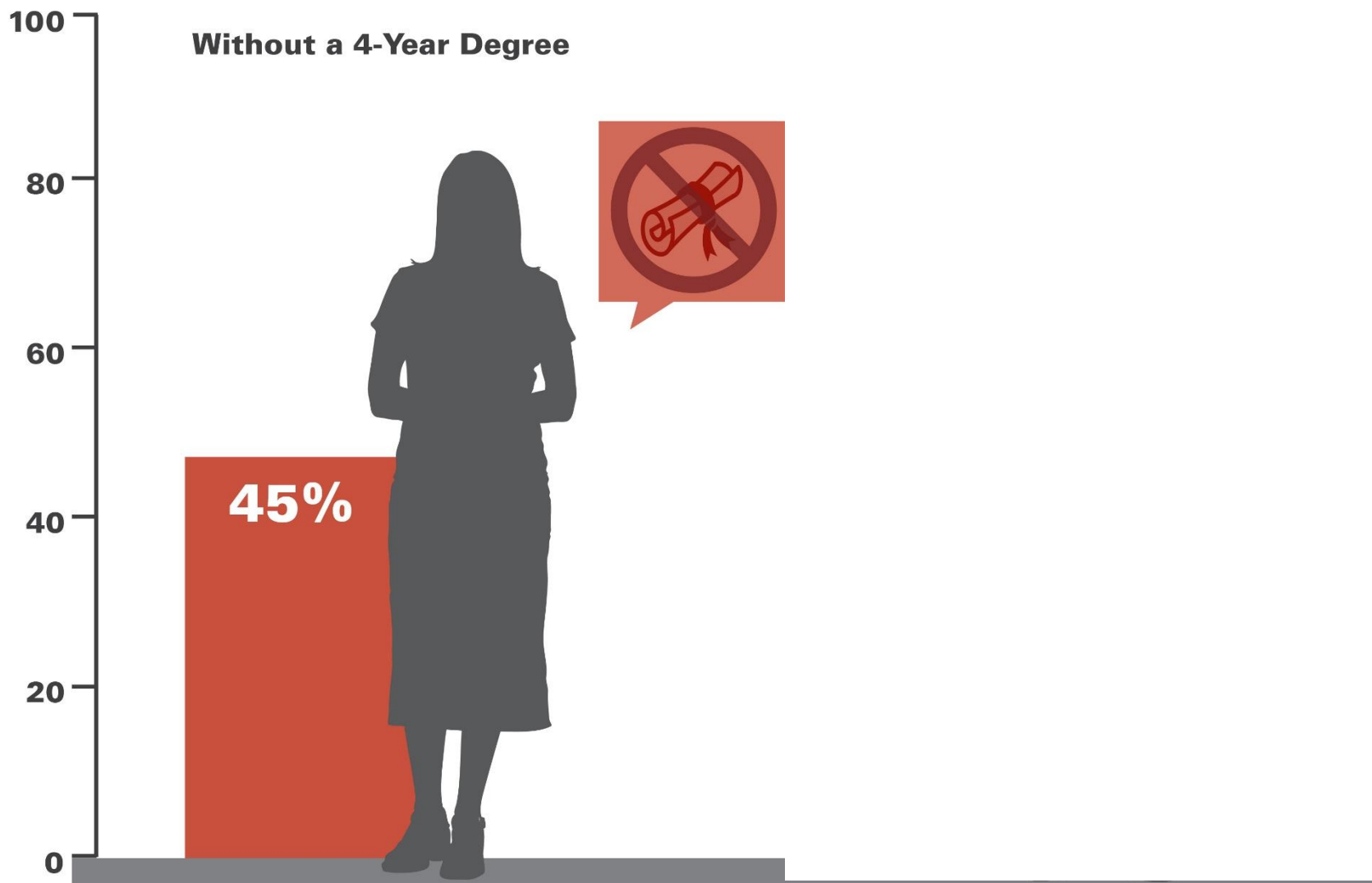


Source: Corak, Miles. *Chasing the Same Dream, Climbing Different Ladders*. Economic Mobility Project; Pew Charitable Trusts, 2010.

At macro level, better and more equal
education is not the only answer.

But at the individual level, it really is.

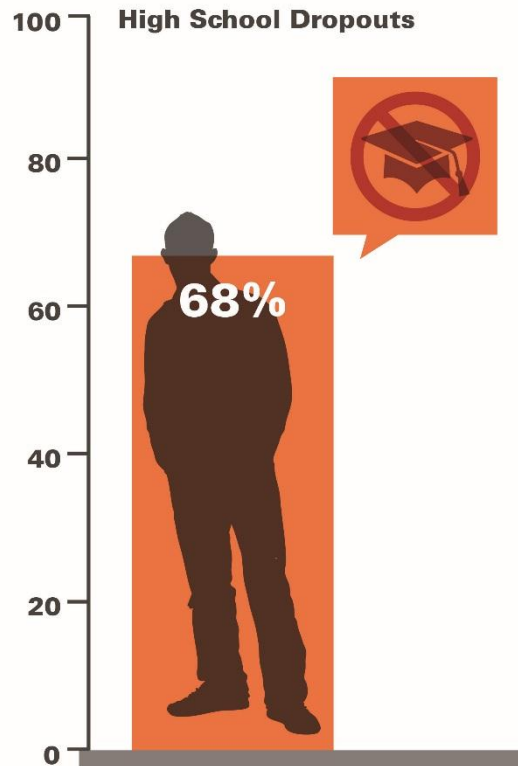
Chances of Staying at the Bottom If You're Born at the Bottom



Source: Haskins, Holzer, and Lerman. Promoting Economic Mobility by Increasing Postsecondary Education.
Economic Mobility Project, Pew Charitable Trusts, 2009

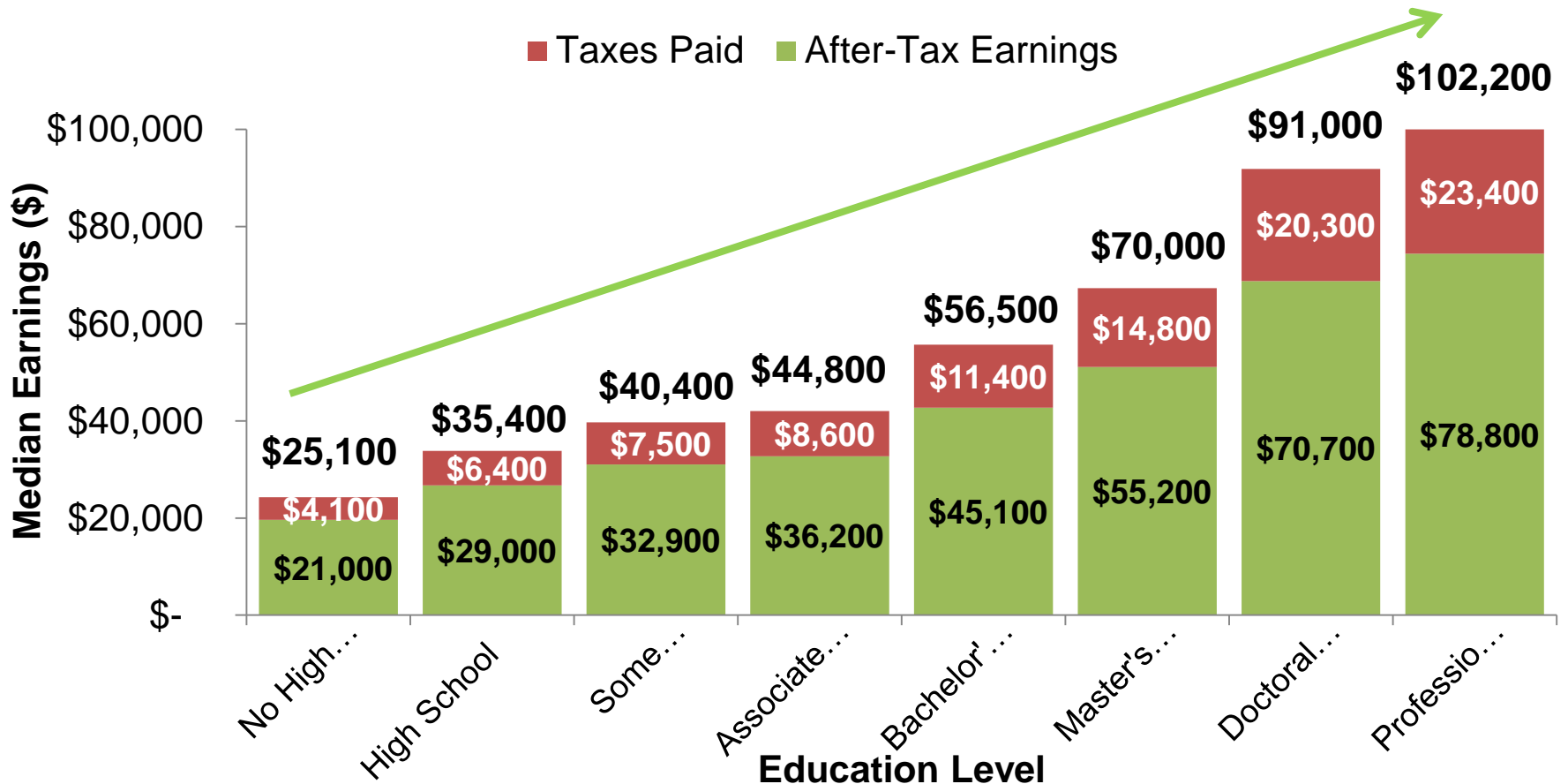
Among black men, education makes a huge difference in life outcomes

Cumulative Risk of Imprisonment by Age 34 for Young Black Men:



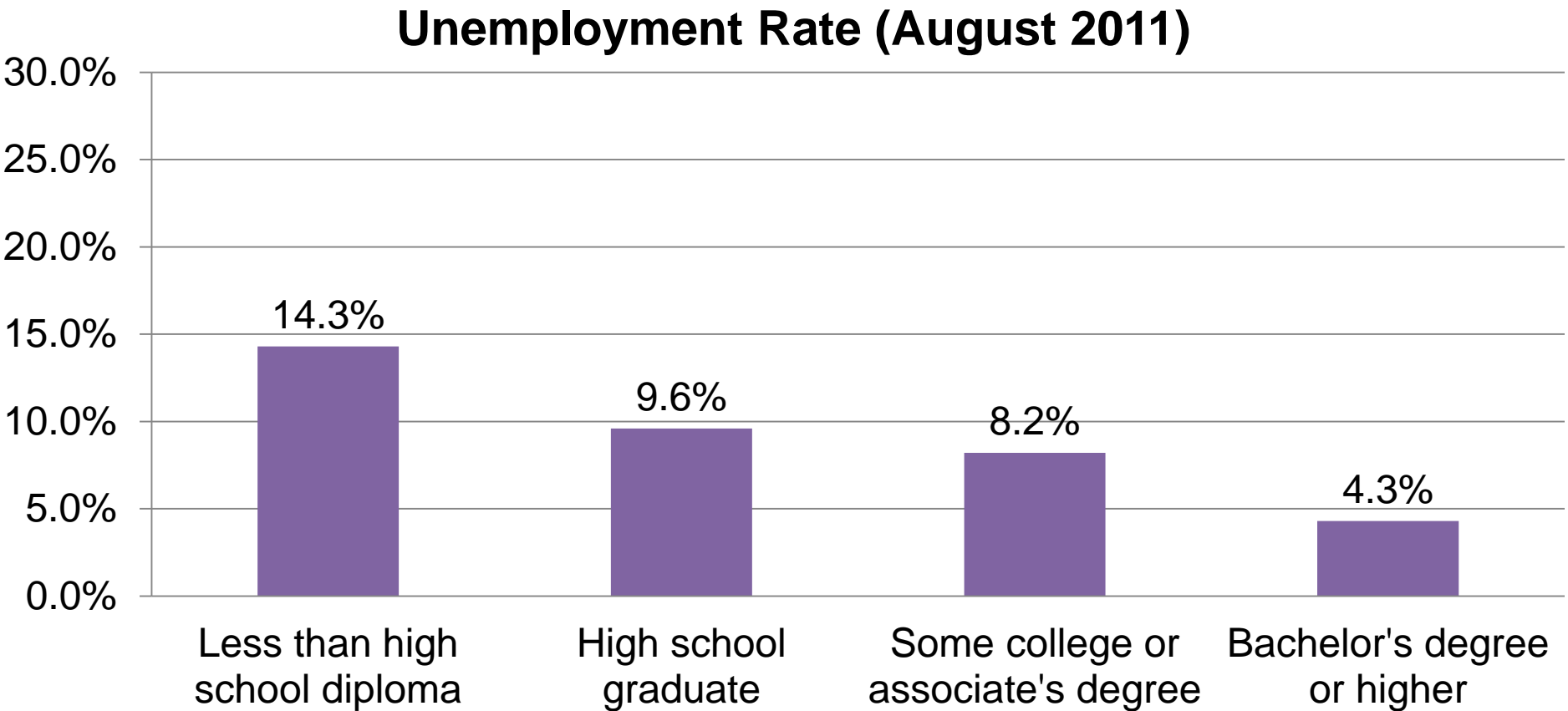
Source: Bruce Western and Becky Pettit

College Grads Earn More



Source: College Board, Education Pays, 2013, Figure 1.1: Median Earnings and Tax Payments of Full-Time Year-Round Workers Ages 25 and Older, by Education Level, 2011

College Grads Less Likely to be Unemployed

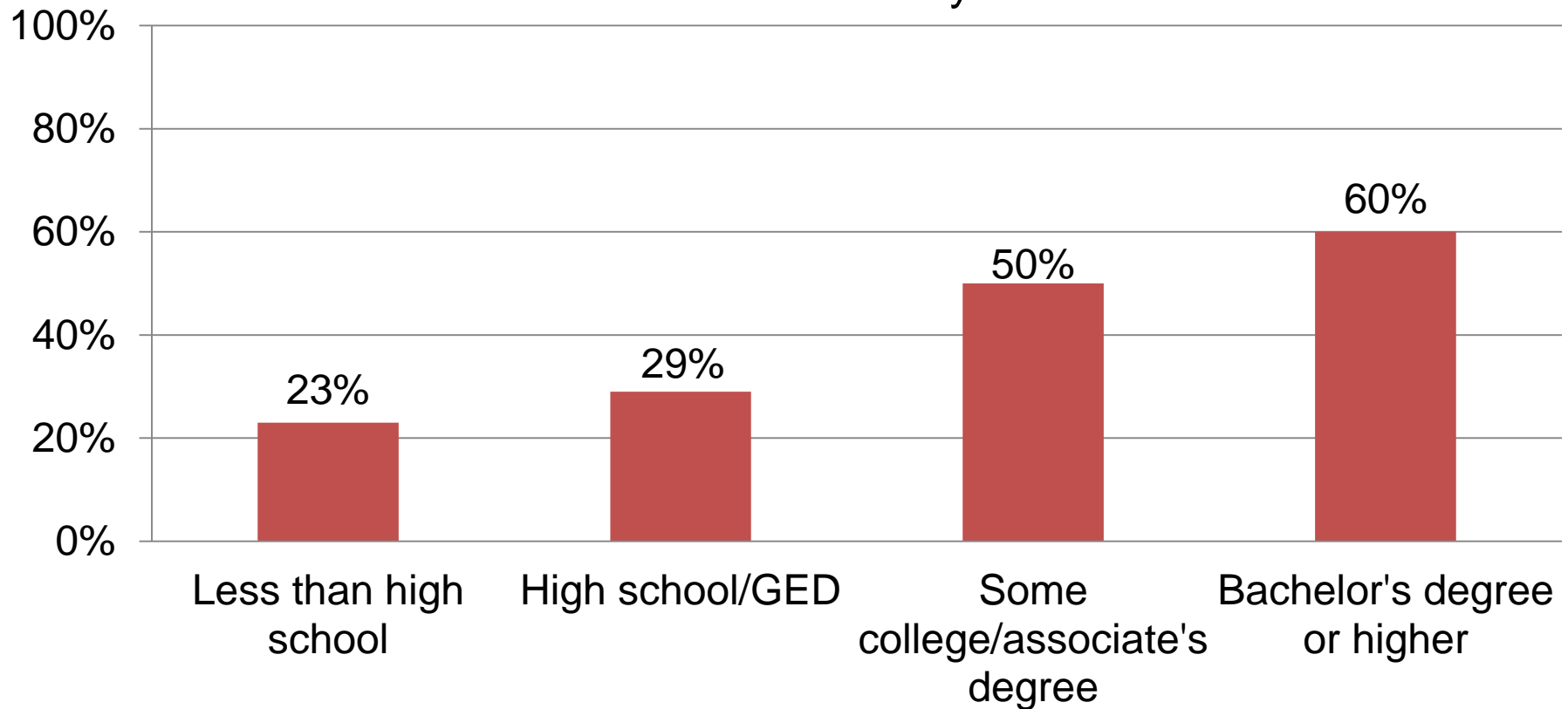


Source: U.S. Bureau of Labor Statistics, Table A-4, <http://www.bls.gov/news.release/empsit.t04htm>

They also stand out on the
other things we value.

College graduates more likely to vote

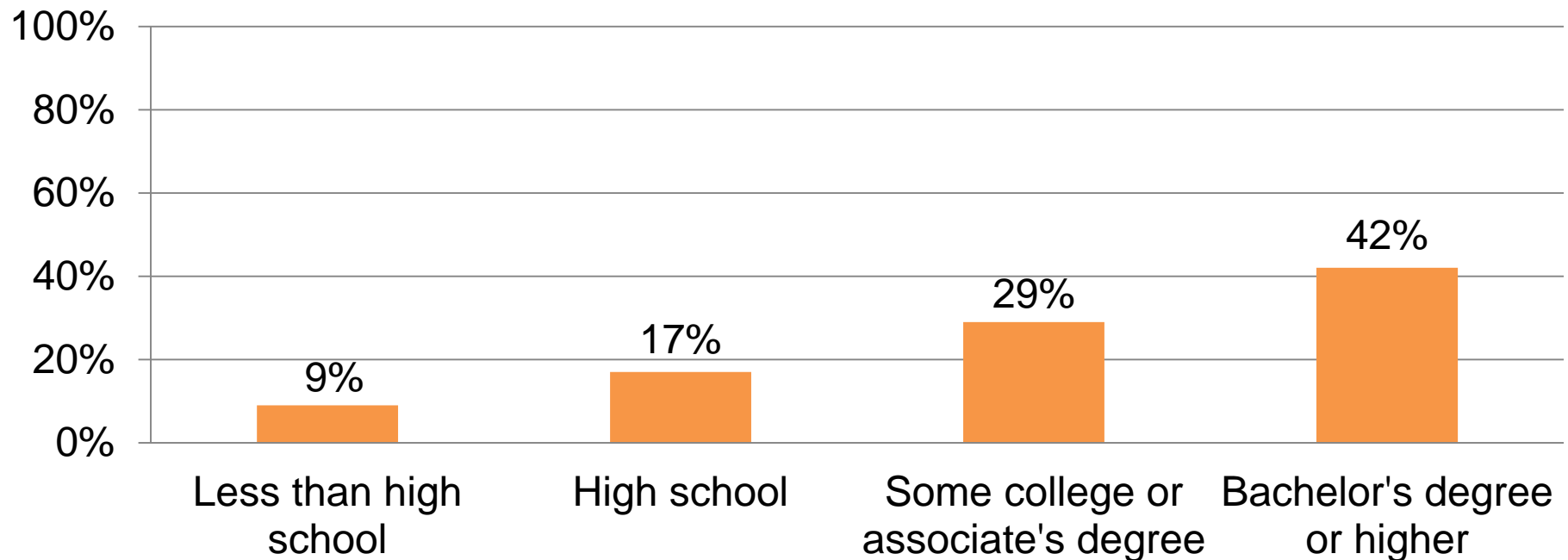
Percent of US Citizens Aged 18-24 Who Voted in the 2012 Presidential Election by Education Level



Note: Data include both those who are and are not registered to vote.
Source: Education Pays 2013, The College Board

College graduates more likely to volunteer

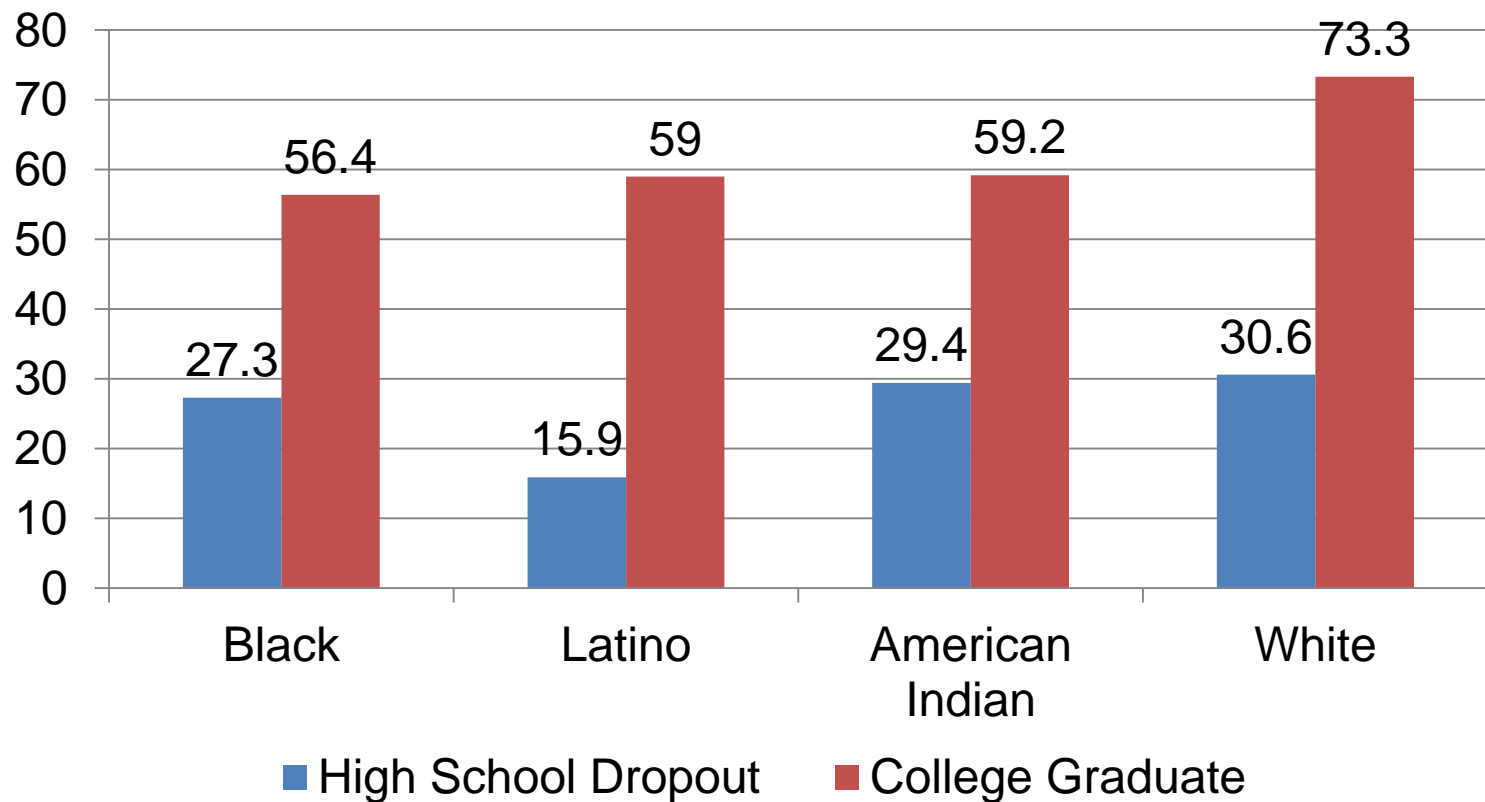
Percent of Adults 25 and Over Who Volunteered in 2012 by Education Level



Note: Data represent percentage of total population that reported volunteering from September 2008 to September 2009

Source: Education Pays 2013, The College Board

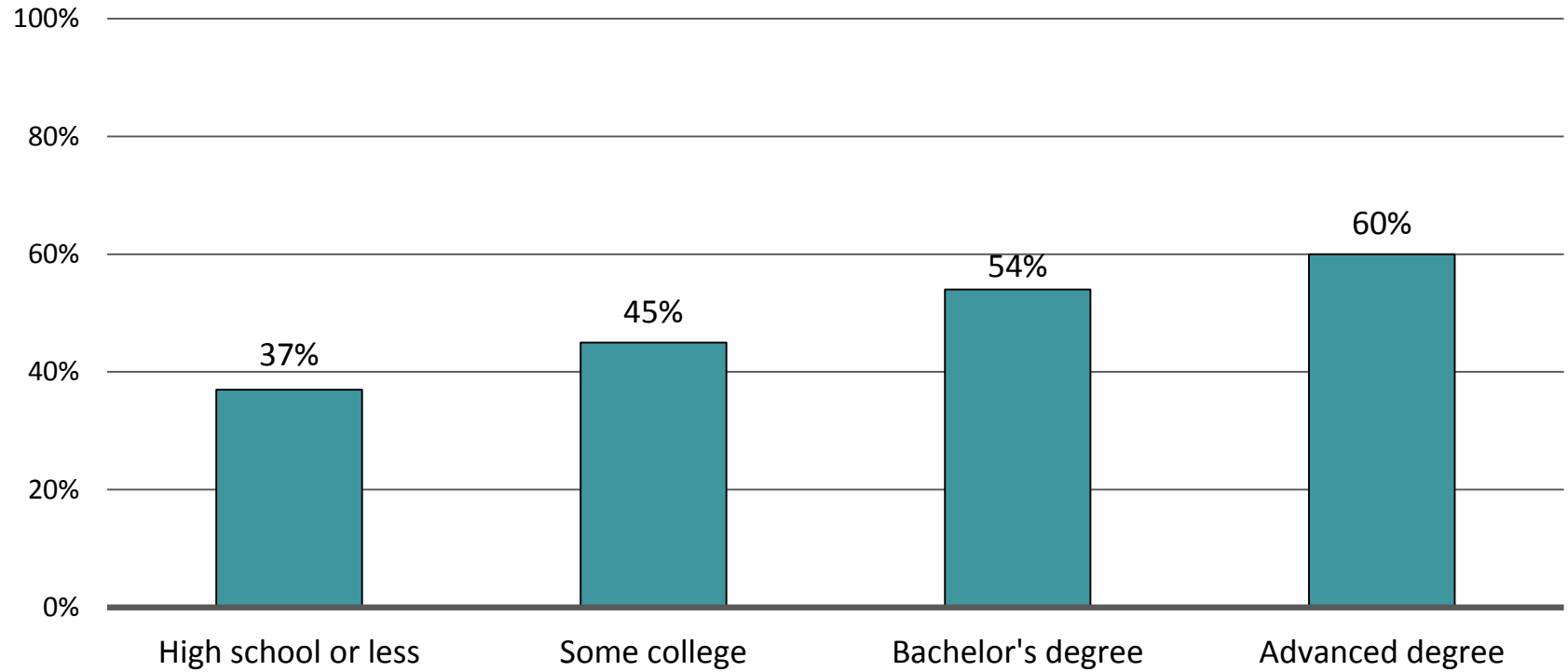
College Grads of all races far more likely to be in “Very Good” or “Excellent” Health



Source: Robert Wood Johnson Foundation Commission for a Healthier America, 2009

College Grads Even Have Better Mental Health

Percentage of respondents reporting themselves to be in excellent mental health



Source: Gallup, "Strong Relationship Between Income and Mental Health" (2007)

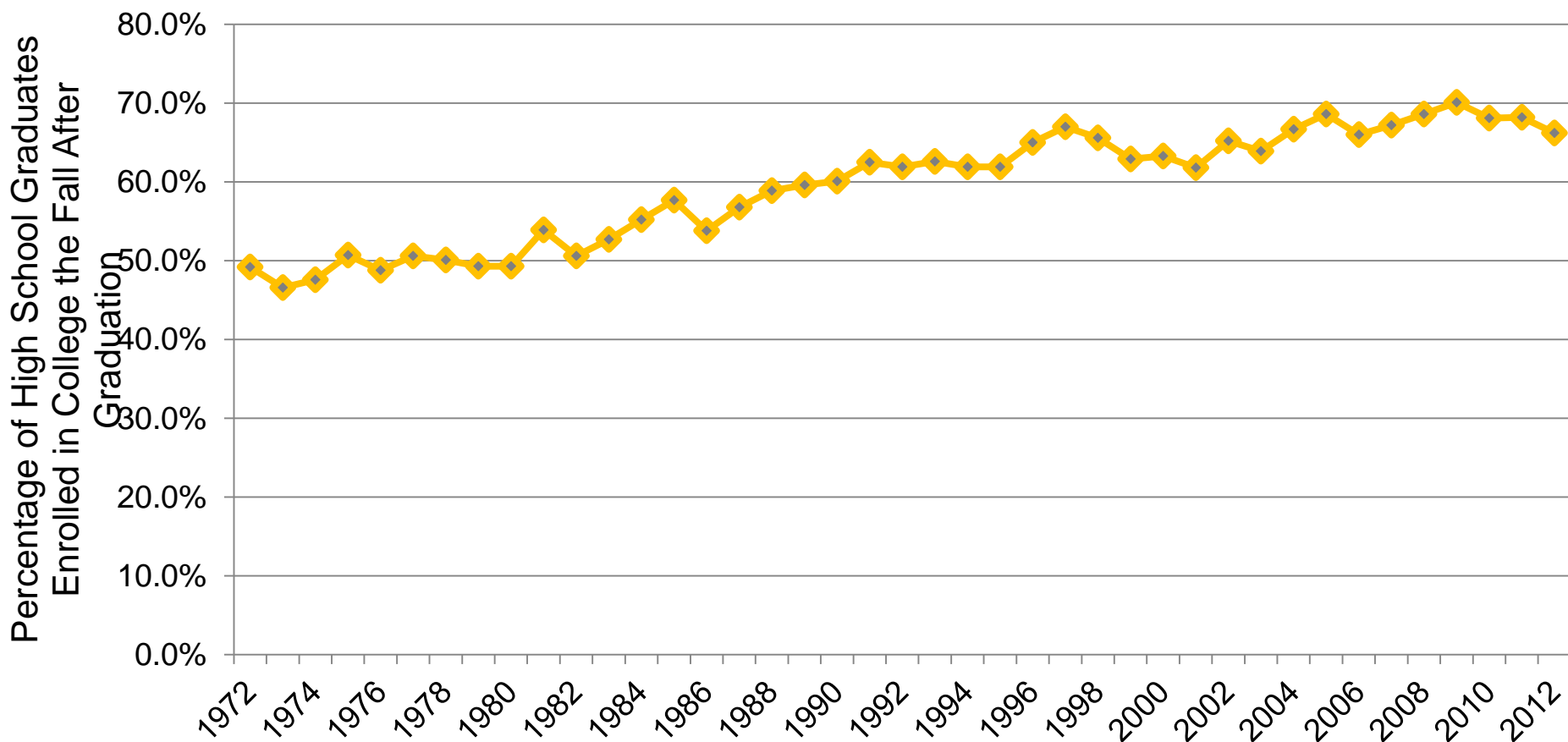
What schools and colleges do, in other words, is hugely important to our **economy**, our **democracy**, and our **society**.

So, how are we doing?



Over past 30 years, we've made
a lot of progress on the access
side.

Immediate College-Going Up

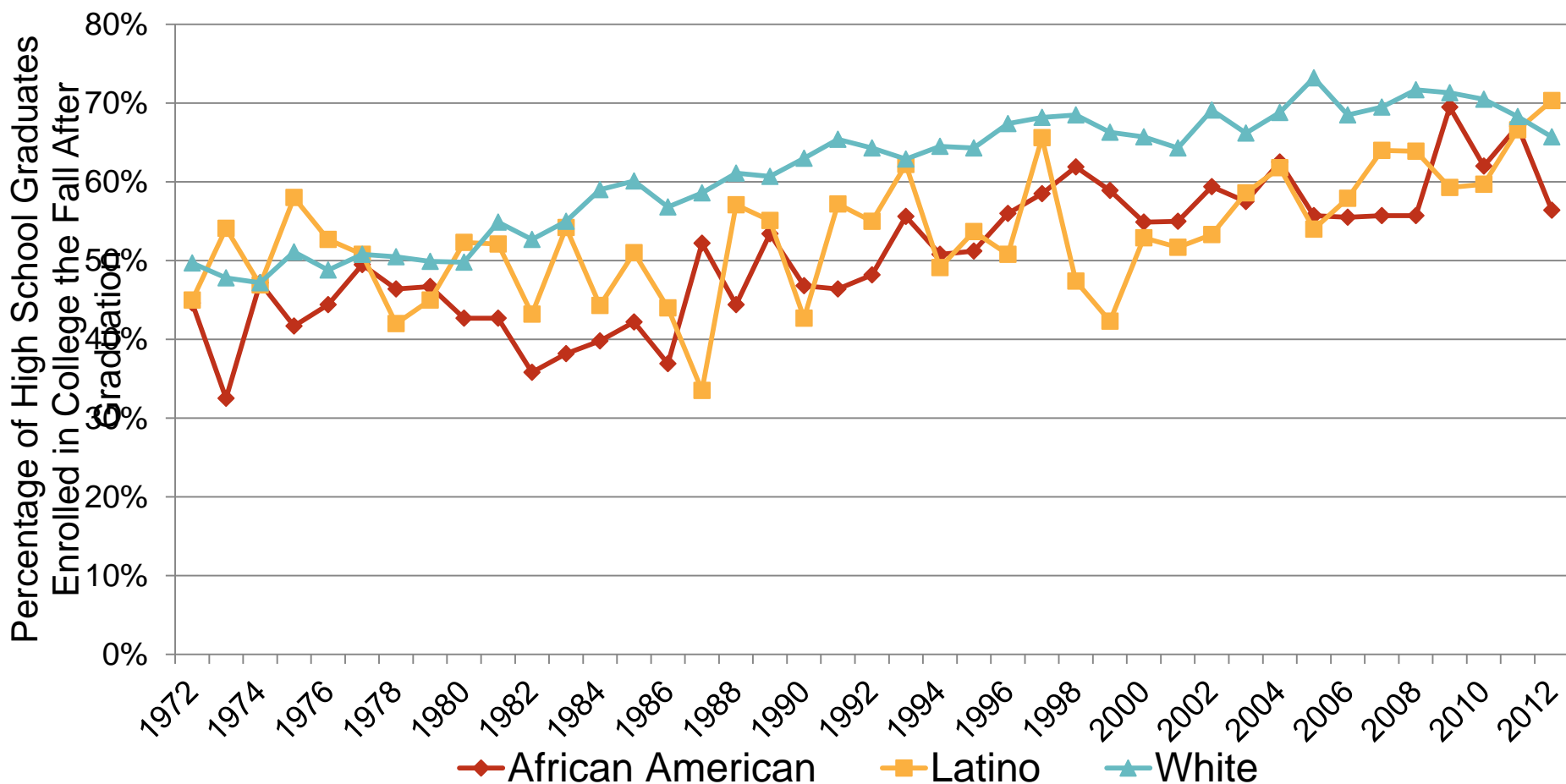


Note: Percent of high school completers who were enrolled in 2-year or 4-year college the October after completing high school.

Source: NCES, *The Digest of Education Statistics* 2013 (Table 302.10).

College-going is up for **all**
groups.

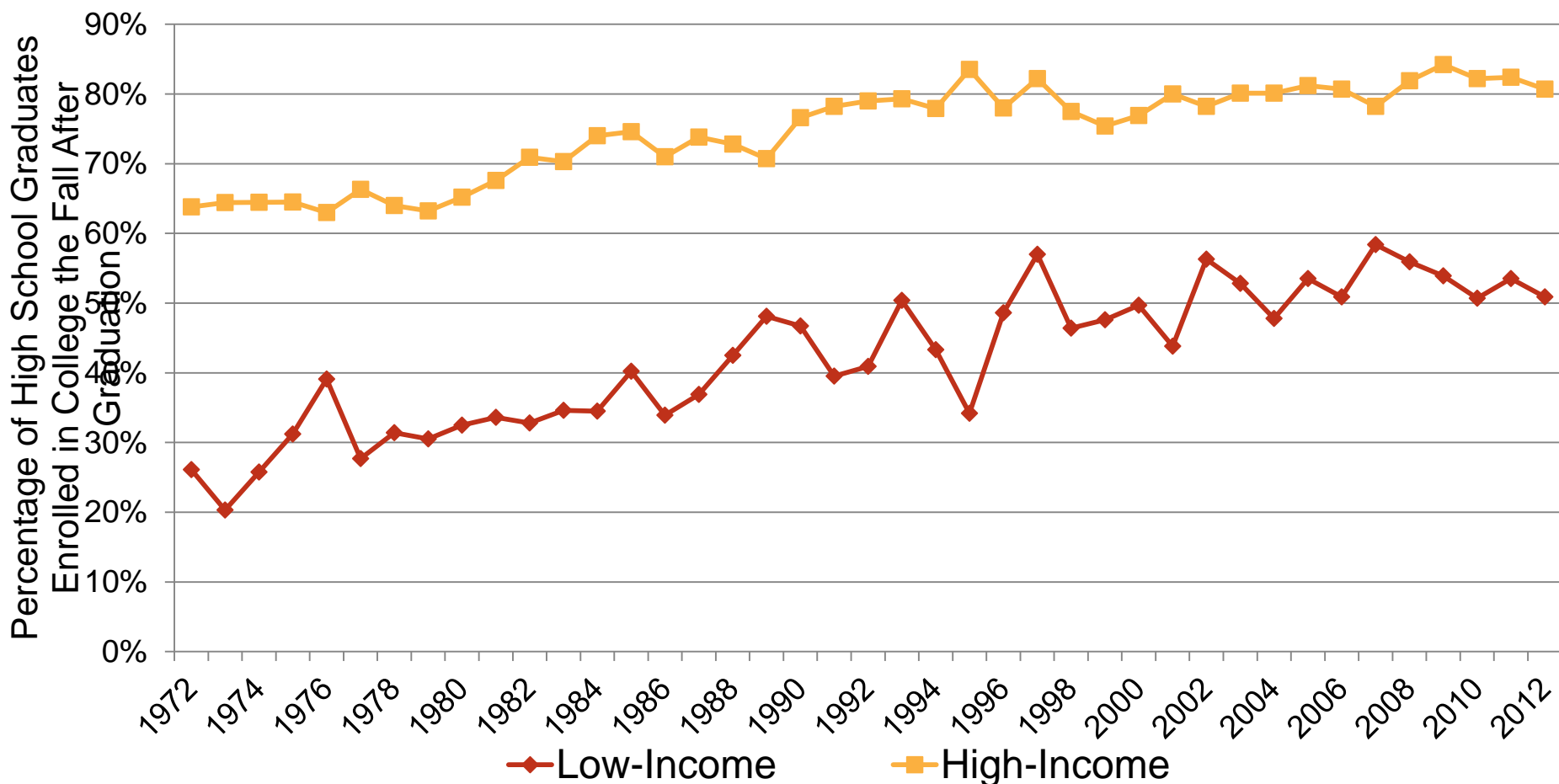
Immediate College-Going Increasing for All Racial/Ethnic Groups: 1972 to 2012



Note: Percent of high school completers who were enrolled in college the October after completing high school

Source: NCES, *The Digest of Education Statistics 2013* (Table 302.20).

College-Going Generally Increasing for All Income Groups



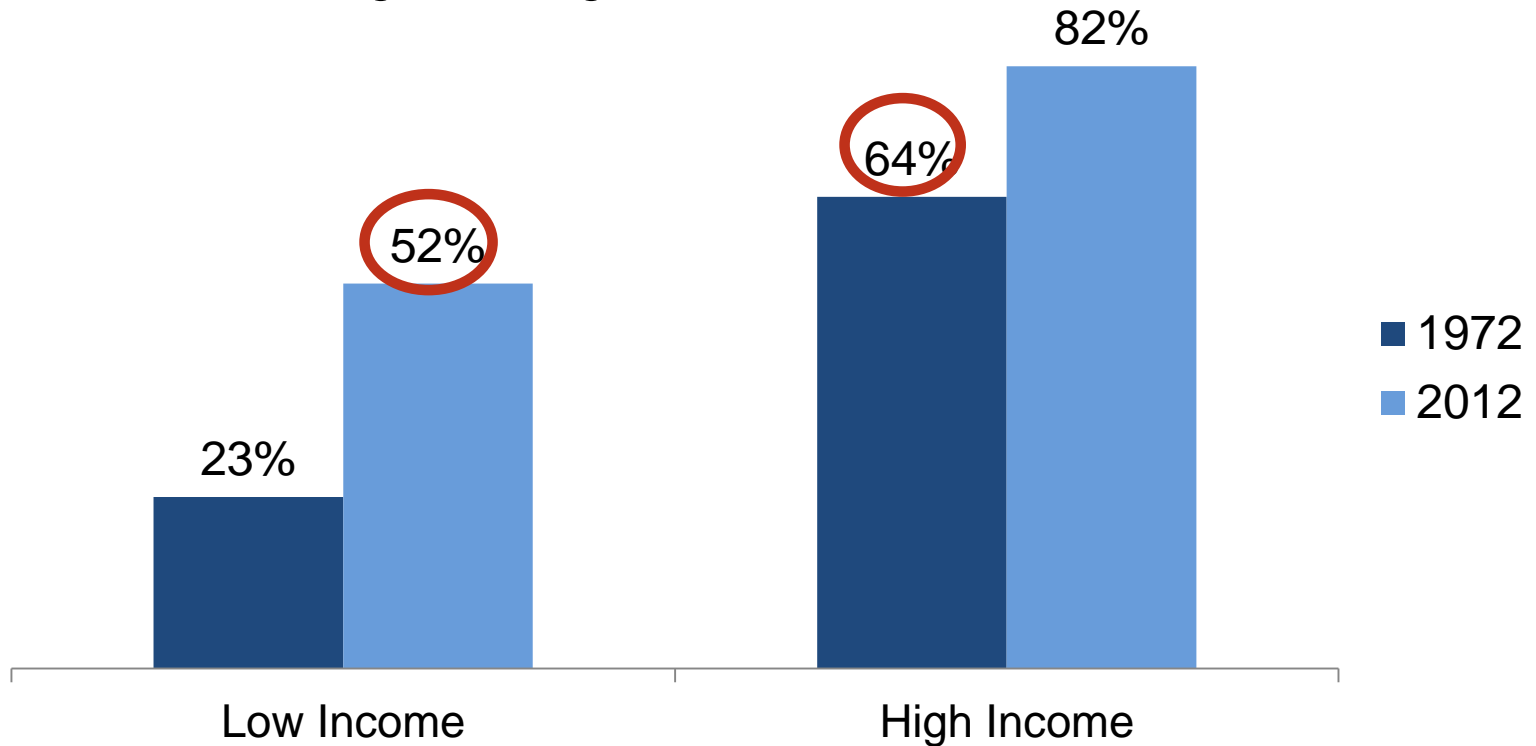
Note: Percent of high school completers who were enrolled in college the October after completing high school

Source: NCES, *The Condition of Education 2010* (Table A-20-1) and *The Digest of Education Statistics 2013* (Table 302.30).

But though college going up
for low-income students...

Low-Income Students Today Still Not Reaching the College-going Rate for High-Income Students in 1972...

Percentage of high school graduates immediately enrolling in college, 1972-2012



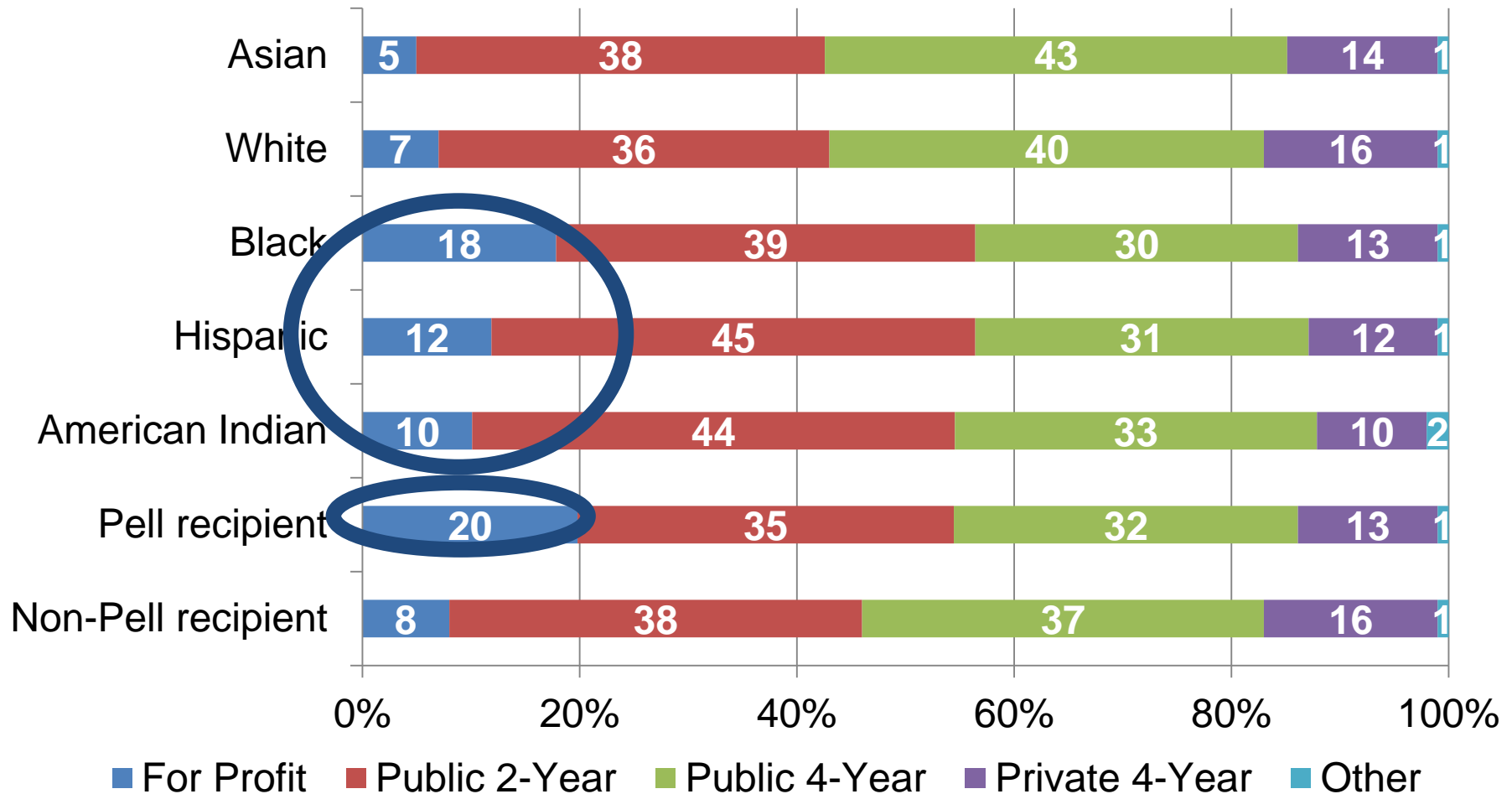
Note: Data for black, Hispanic, and low-income represent two-year moving average because of small sample sizes.

Source: NCES, *The Condition of Education* 2010 (Table A-20-1) and *The Digest of Education Statistics* 2013 (Table 302.30)

**But access isn't the only
issue:**

There's a question of access to what...

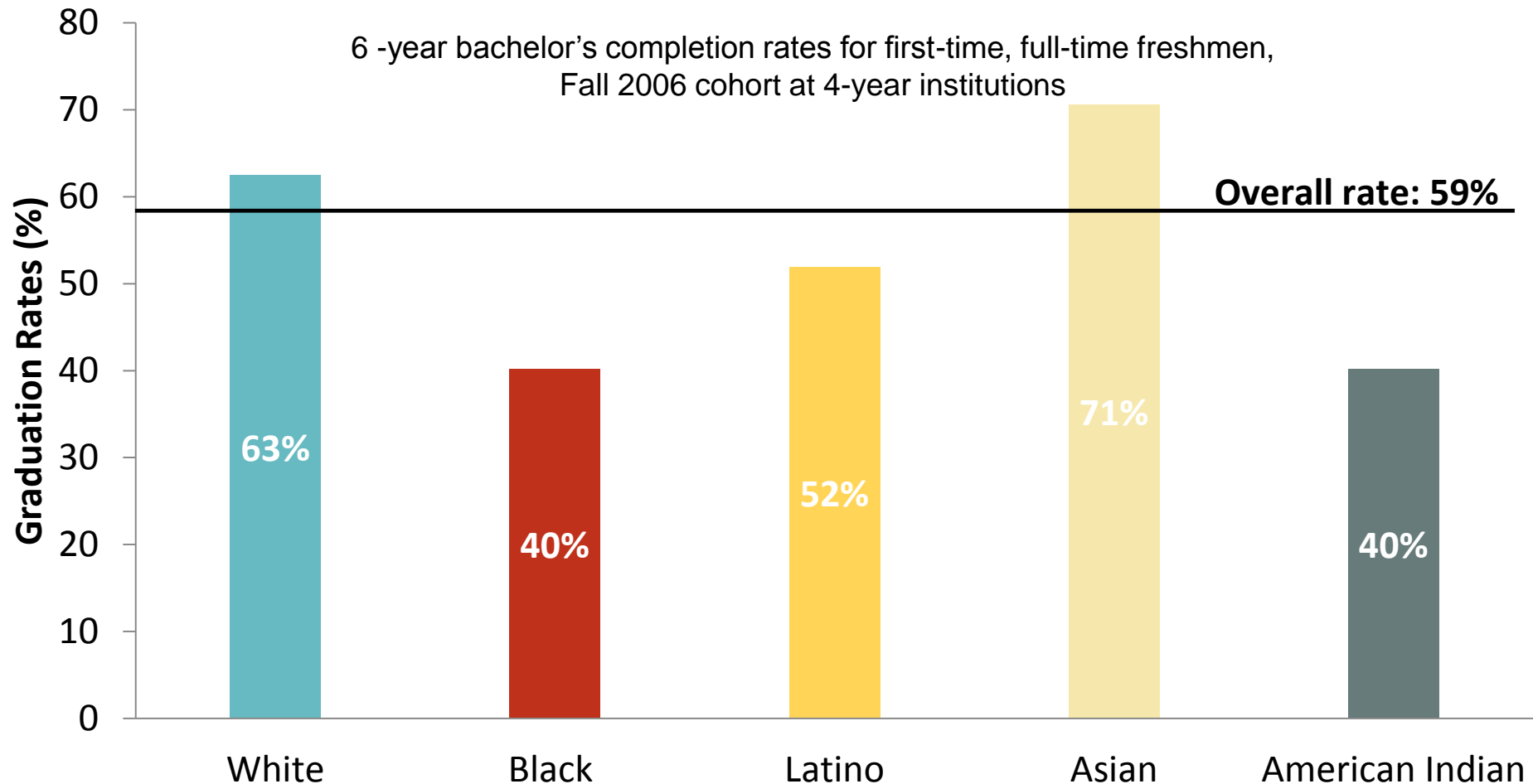
Low-Income Students and Students of Color Twice as Likely to Enter For-profit Colleges, Where They are Least Likely to Graduate and Most Likely to End up with Debt



Ed Trust analysis of IPEDS Fall enrollment, Fall 2012 (by race) and IPEDS Student Financial Aid survey, 2011-12 (by Pell recipient status).

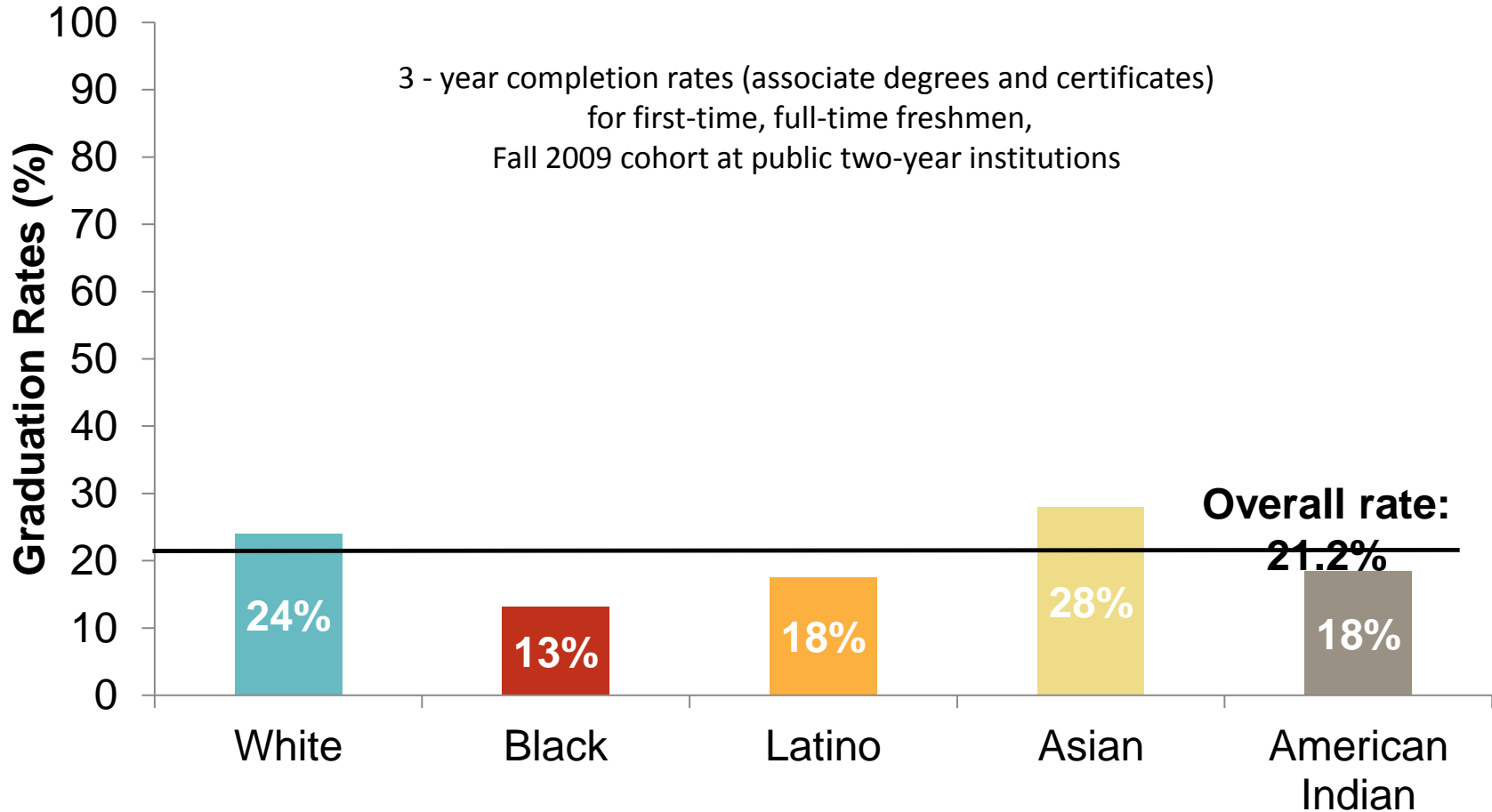
And what about graduation in colleges
more generally?

Black, Latino, and American Indian Freshmen Complete College at Lower Rates Than Other Students



Source: NCES (December 2013). Enrollment in Postsecondary Institutions, Fall 2012; Financial Statistics, Fiscal Year 2012; and Graduation Rates, Selected Cohorts, 2004-2009, First Look (Provisional Data) Table 3.

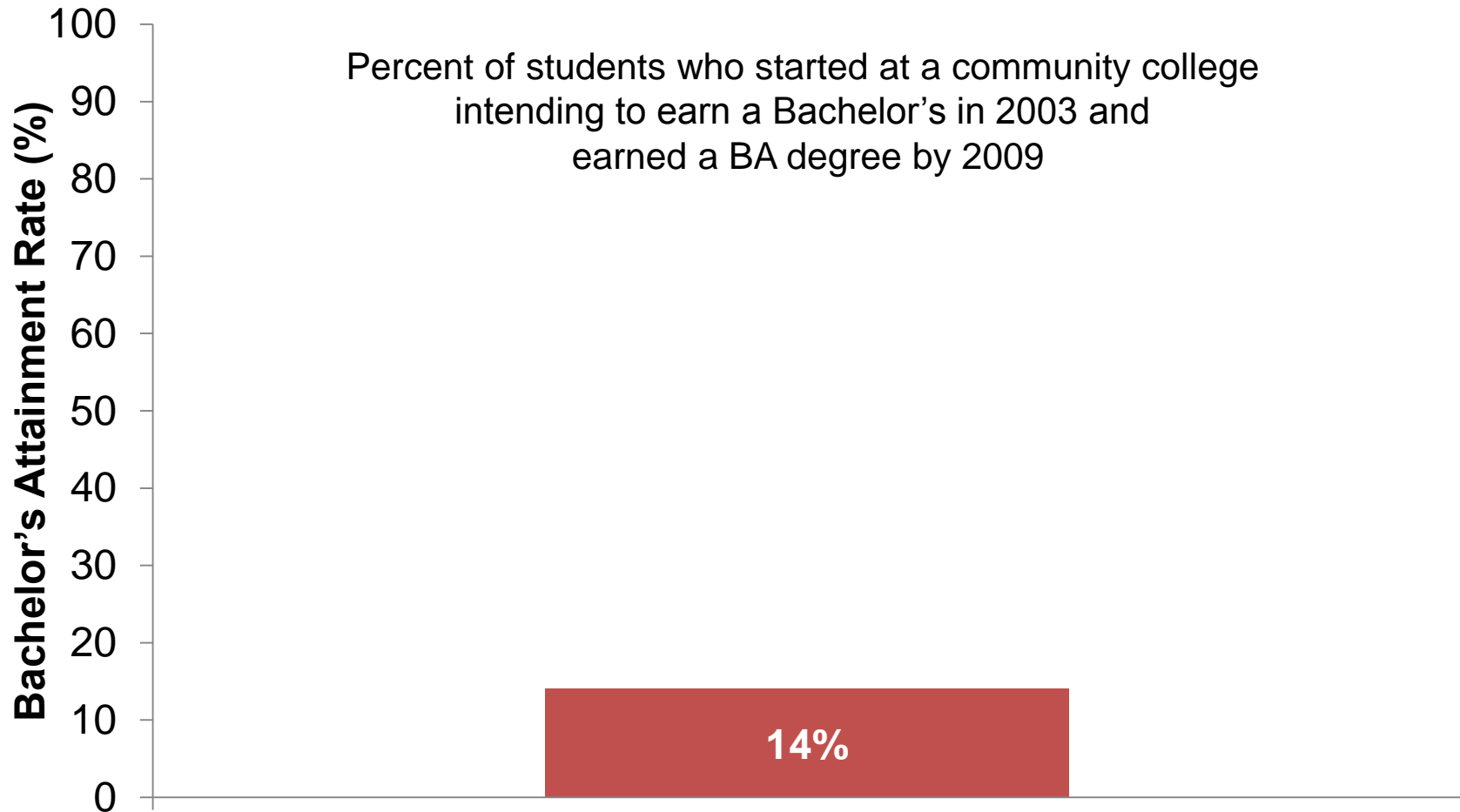
Graduation rates at public community colleges



Source: NCES (Dec. 2013). First Look: Enrollment in Postsecondary Institutions, Fall 2012; Financial Statistics, Fiscal Year 2012; and Graduation Rates, Selected Cohorts, 2004-2009, First Look (Provisional Data) Table 3.

Chance of
attaining a bachelor's degree
within six years,
among students who aspire to a Bachelors
degree and
begin at community college?

Only 14 percent.



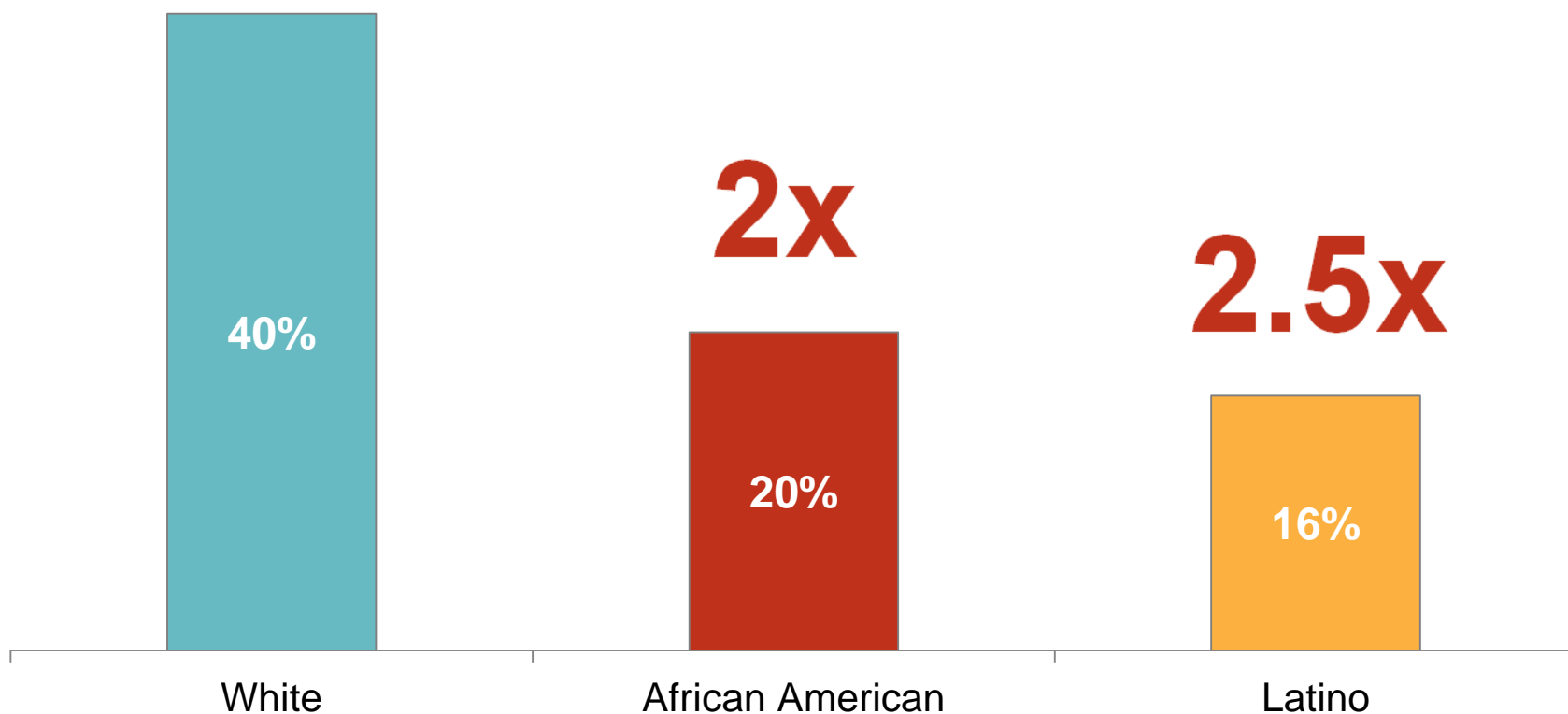
Source: U.S. Department of Education, National Center for Education Statistics, 2003-04 Beginning Postsecondary Students Longitudinal Study, First Follow-up (BPS:04/06).

Add it all up...

Different groups of young Americans obtain degrees at very different rates.

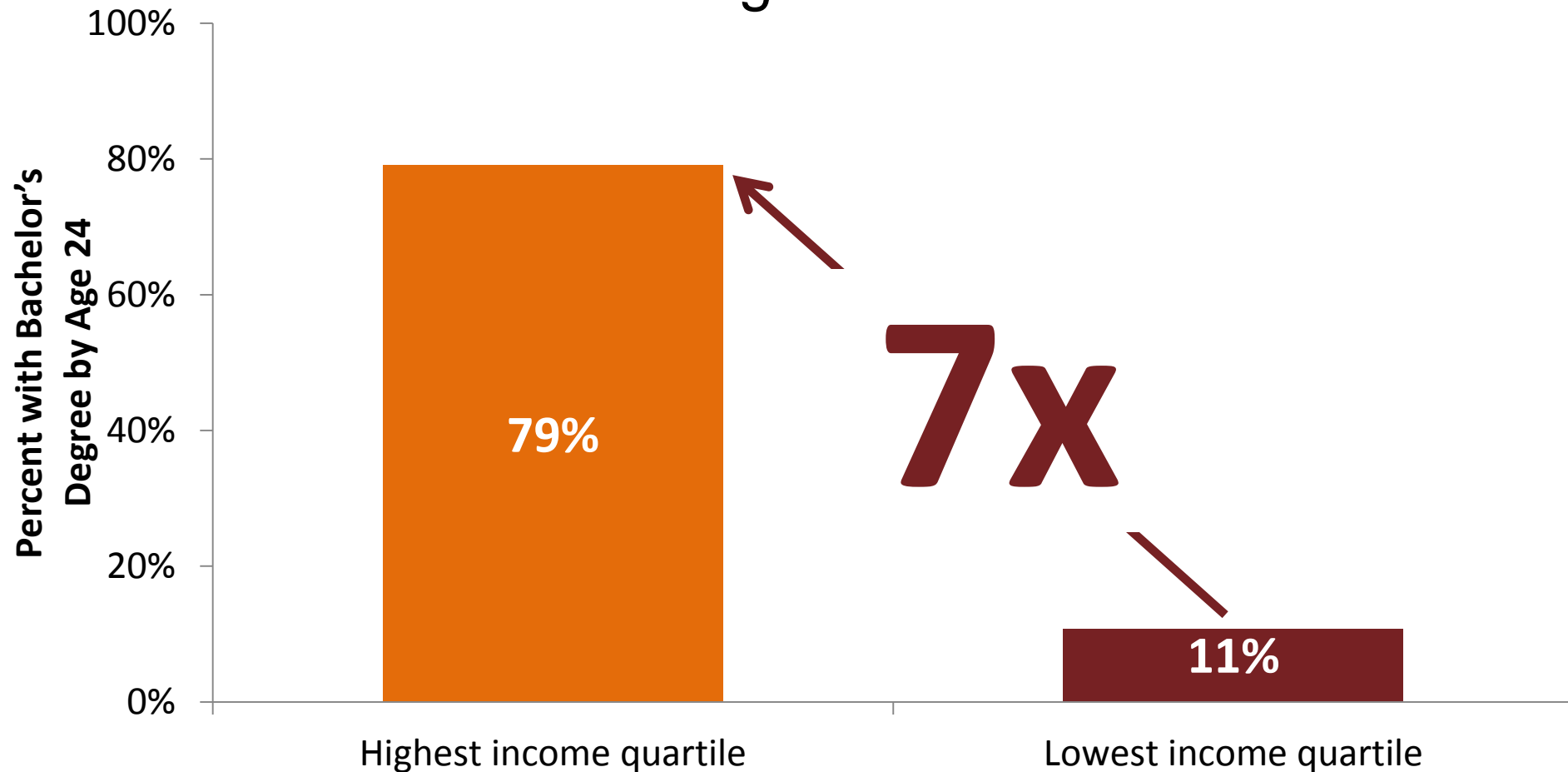
Whites attain bachelor's degrees at nearly twice the rate of blacks and almost three times the rate of Hispanics

Bachelor's Degree Attainment of Young Adults
(25-29-year-olds), 2013



Source: U.S. Census Bureau, Educational Attainment in the United States: 2013

Young adults from high-income families are 7 times more likely to earn bachelor's degrees by age 24



Tom Mortenson, *Bachelor's Degree Attainment by age 24 by Family Income Quartiles, 1970 to 2010*, Postsecondary Education Opportunity, 2012.

WHAT'S GOING ON?

Many in higher education would like to believe that these patterns are mostly a function of lousy high schools and stingy federal and state policymakers.

They are not all wrong.

Low Income and Minority Students Continue
to be Clustered in Schools where we spend
less, expect less, and assign our weakest
teachers...

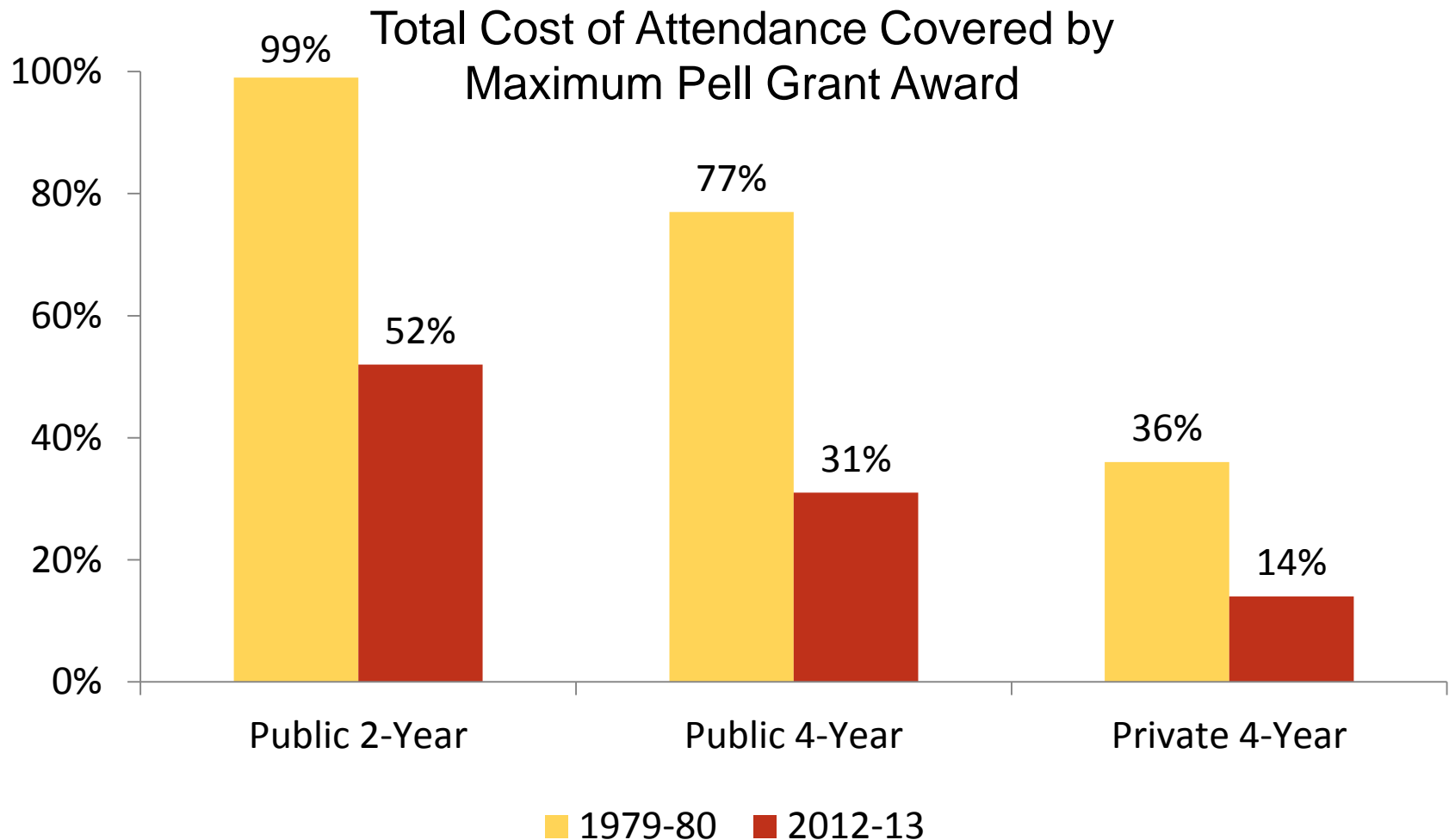


So yes, preparation is part of the problem.



So, too, are misguided government aid policies

Federal Pell Grants have failed to keep pace with rising college costs



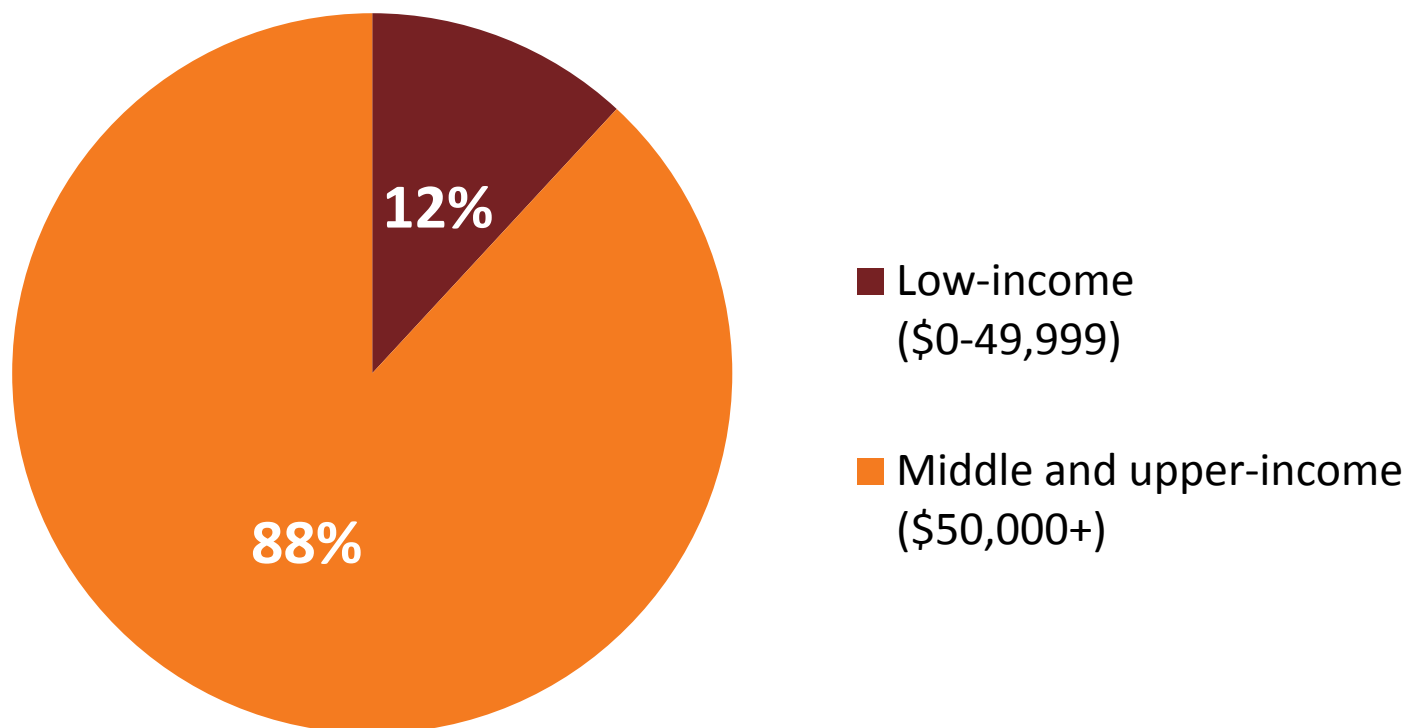
American Council on Education (2007). "Status Report on the Pell Grant Program, 2007" and CollegBoard, Trends in Student Aid, 2013.

Why? Not because we're not spending a lot more on student aid.

But, rather, because we've changed who gets those dollars.

88% of savings from tuition tax deductions go to middle- and upper-income families

Distribution of Tax Deduction Savings
by Adjusted Gross Income



Note: Percentages may not add to 100% because of rounding.

Source: The College Board, *Trends in Student Aid 2013*.

Pattern is the same at state level, even
in tough times.

So yes, government policy is part of
the problem, too.

But

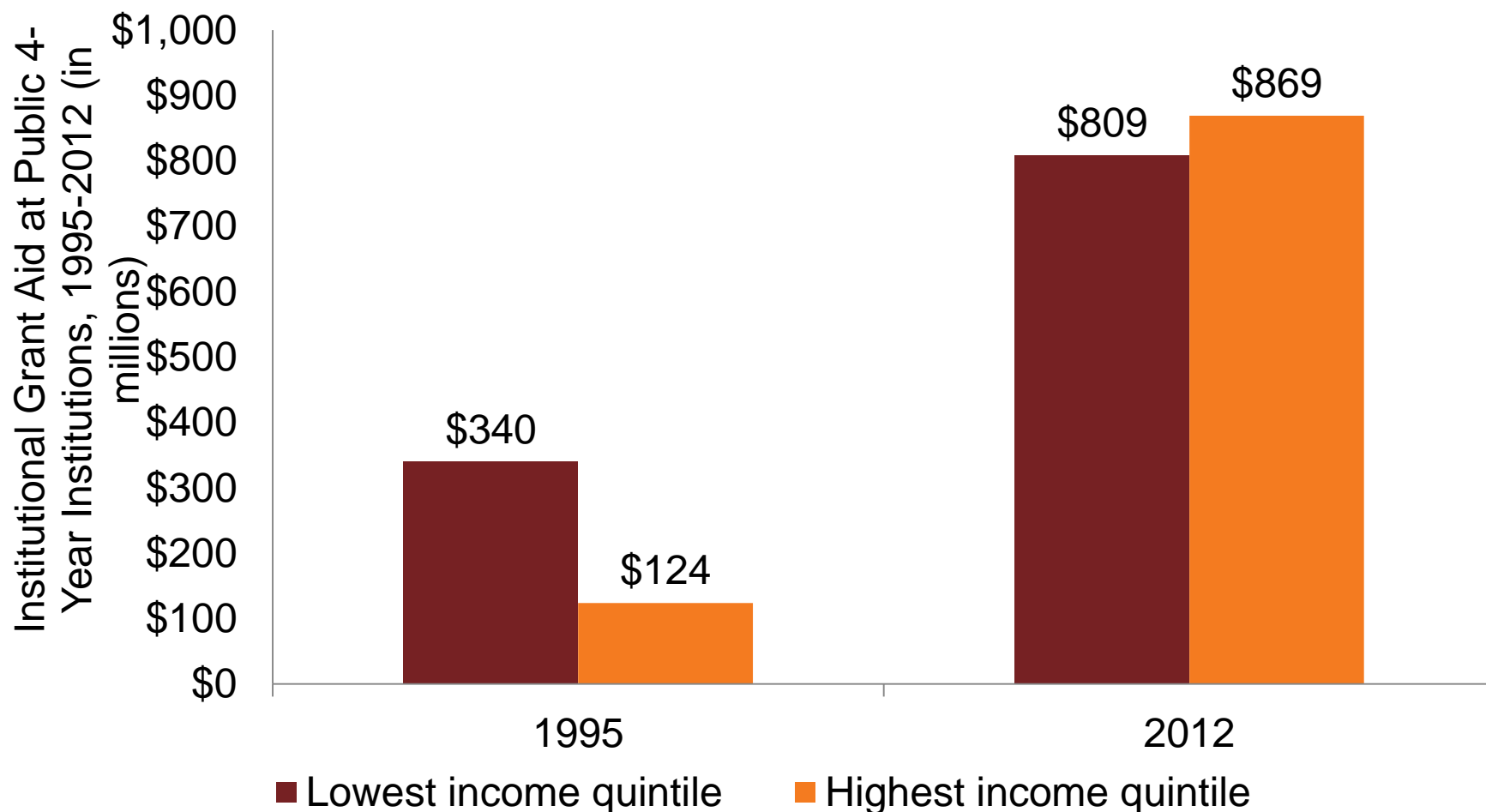
colleges and universities are not unimportant actors in this drama of shrinking opportunity, either.

For one thing, the shifts away from poor students in institutional aid money are MORE PRONOUNCED than the shifts in government aid.

In 2011, four-year public and private nonprofit colleges spent over **\$21 billion** on grant aid.

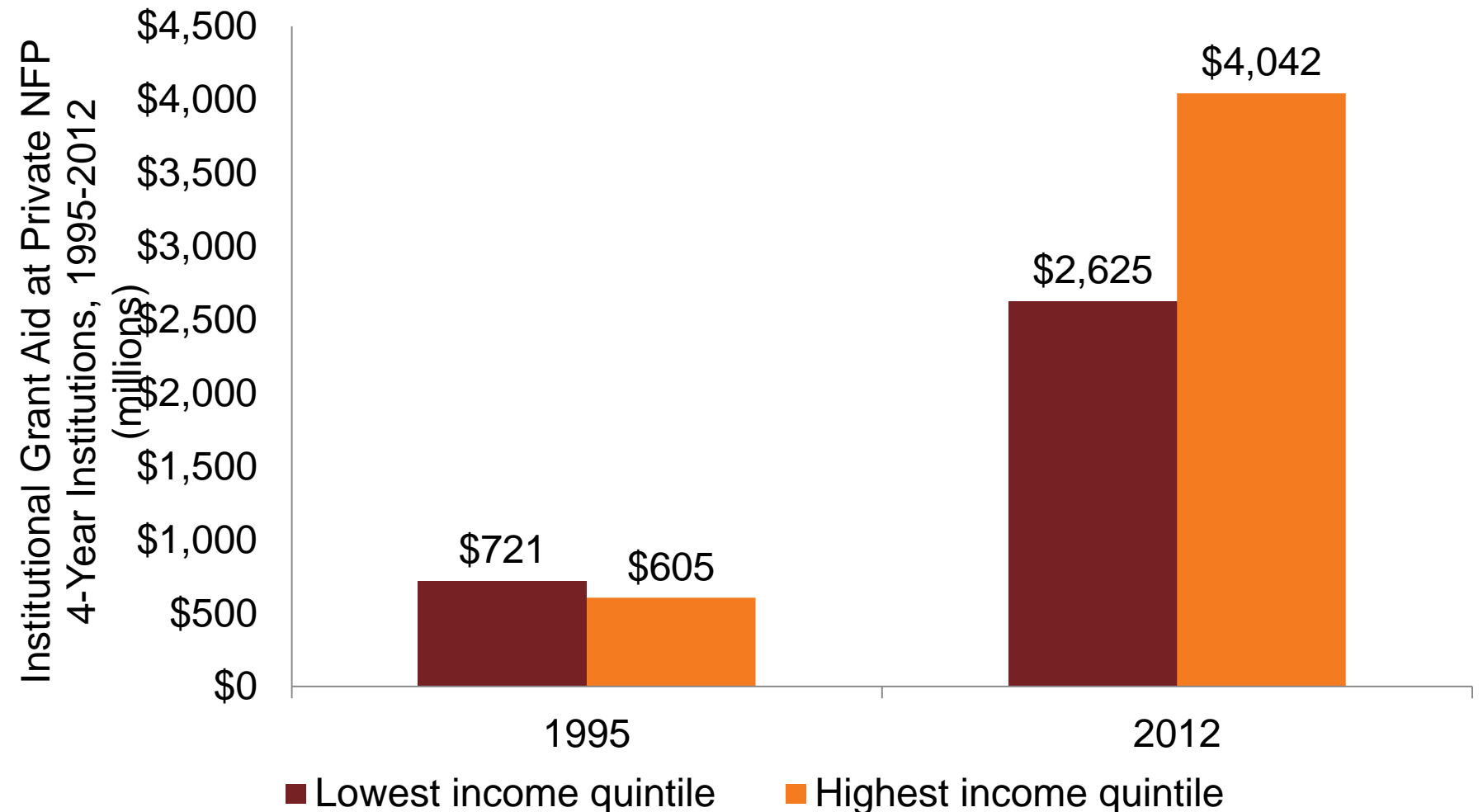
But, they spent a lot of aid on students who didn't need it...

Public 4-year colleges used to spend more than twice as much on needy students, but now spend more on wealthy students



Education Trust analysis of NPSAS:96, NPSAS:08, NPSAS:12 using PowerStats. Results based on full-time, full-year, one-institution dependent undergraduates.

Private nonprofit 4-year colleges used to spend more on low-income students, but now spend nearly twice as much on wealthy students



Education Trust analysis of NPSAS:96, NPSAS:08, NPSAS:12 using PowerStats. Results based on full-time, full-year, one-institution dependent undergraduates.

Result? Low-income students must devote an amount equivalent to 76% of their family income towards college costs

Family Income Percentile	Average Income	Average Cost of Attendance	Average Expected Family Contribution (EFC)	Average Grant Aid	Average Unmet Need After EFC and Grant Aid	Average % of Income Required to Pay Out-of-Pocket Expenses
0 – 20%	\$12,783	\$27,428	\$276	\$13,565	\$13,591	76%
21 – 40%	\$36,205	\$29,345	\$2,138	\$12,246	\$15,006	46%
41 – 60%	\$65,204	\$29,804	\$8,059	\$8,465	\$13,689	33%
61 – 80%	\$97,733	\$30,719	\$16,259	\$6,842	\$9,465	25%
81 – 100%	\$185,819	\$34,370	\$35,925	\$6,041	\$5,281	17%

Source: Education Trust analysis of NPSAS:12 using PowerStats, <http://nces.ed.gov/datalab/>.

Results based on full-time, full-year, one-institution dependent undergraduates at public and private nonprofit four-year colleges

So it's not all about the students or about government. The choices that colleges make are important in who comes...and who doesn't.

Moreover, what colleges do also turns out to be very important in whether students graduate or not.

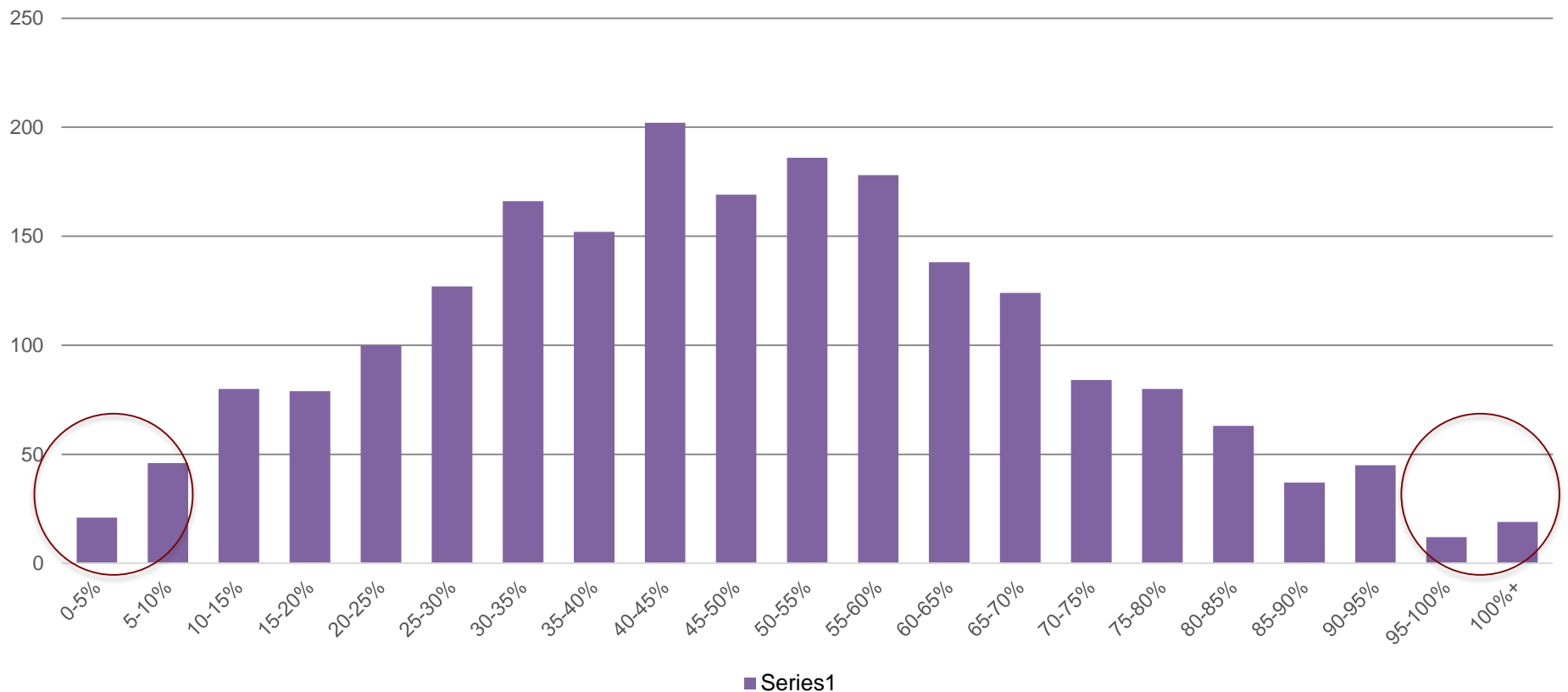
College Completion Rates: 4-Year Colleges

- Fewer than 4 in 10 (38%) entering full-time freshmen obtain a bachelor's degree from the same institution within 4 years.
- Within six years of entry, that proportion rises to just under 6 in 10 (58%).
- If you go beyond IPEDS, and look at graduation from ANY institution, number grows to about two-thirds.

Many Four-Year Colleges Have Very High Graduation Rates and Many, Very Low

Distribution of Graduation Rates (2012)

6-year bachelor's completion rates for first-time, full-time freshmen,
Fall 2006 cohort at 4-year institutions



■ Series1

Source: Ed Trust analysis of IPEDS Graduation Rates


Some of these differences are clearly attributable to differences in student preparation and/or institutional mission.

But...when you dig underneath the averages, one thing is very clear:


Some colleges are far more successful than their students' "stats" would suggest.

College Results Online

www.collegeresults.org

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About College Results Online

College Results Online (CRO) is an interactive, user-friendly Web tool designed to provide policymakers, counselors, parents, students, and others with information about college graduation rates for nearly any four-year college or university in the country. CRO allows users to:

- Examine colleges' graduation rates, and see how those rates have changed over time.
- Compare graduation rates of similar colleges serving similar students.
- Learn about colleges' track records in graduating diverse groups of students.

This information reveals that some colleges do a much better job of graduating students than others. It also shows that at many colleges, significant gaps exist in graduation rates between white students and students of color. But, it also provides powerful examples of colleges that prove that low graduation rates - especially for diverse students - are not inevitable.

[Recent Education Trust reports and analyses on graduation rates](#)

Research Institutions

Similar Students, Different Results

	Median SAT	Size	% Pell	% URM	Overall Grad Rate	URM Grad Rate
Penn State University	1,195	37,763	16%	8.6%	86.7%	74.6 %
Indiana University	1,170	31,427	21%	8.0%	72.0%	52.1%
University of Minnesota	1,245	30,656	23%	7.6%	70.2%	44.4%
Purdue University	1,165	30,812	21%	6.9%	68.1%	54.1%

Source: College Results Online, 2013: www.collegeresults.org.

Historically Black Colleges

Similar Students, Different Results

	Median SAT	Size	% Pell	Overall Graduation Rate
Elizabeth City University	835	3,020	80%	43.7%
Delaware State University	875	3,167	59%	34.6%
Norfolk State University	865	5,373	65%	33.2%
University of Arkansas Pine Bluff	780	3,096	82%	23%
Coppin State University	855	2,832	70%	14.7%

Source: College Results Online, 2013: www.collegeresults.org.

Bottom Line:

- So yes, we have to keep working to improve our high schools;
- And yes, government has to do its part;
- But we've got to focus on changing what our colleges do, too.

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