Understanding Access to Higher Education

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Introduction

In the November 2005 Policy Alert the National Center for Public Policy and Higher Education stated “If current trends continue, the proportion of workers with high school diplomas and college degrees will decrease and the personal income of Americans will decline over the next 15 years.” If the current trajectory continues, the average level of education of the United States workforce will decline in part due to the retirement of the baby boomers and in part due to demographic changes that project the doubling of the minority portion of the workforce. The change in education attainment coupled with the shift from an industrial to knowledge based economy create challenges with which higher education must wrestle.

Why is college so important?

Post-high-school education isn’t just a good thing to have these days. In our global, information-based society, it is an individual necessity and a national imperative. The evidence clearly demonstrates this imperative. Between 1980 and 1997, 34 million new jobs were created that required some form of postsecondary education, while about 7 million jobs were eliminated that required only a high school diploma.¹ Currently, almost six of 10 jobs are held by workers with

at least some postsecondary education or training. In 1959, that was true of only two in 10 jobs.ii By 2020, shortages of workers with some college-level skills could increase to more than 14 million.iii In March 2004, the national average total personal income of workers 25 and older with a bachelor’s degree was $48,417, roughly $23,000 higher than for those with a high school diploma.iv Collectively, increasing a country’s average level of schooling by one year can increase economic growth by 5 to 15 percent.v

But, postsecondary education is not just about money. College provides a plethora of societal benefits including decreased reliance on government support, greater productivity, reduced crime rates, increased charitable giving, improved health, and higher savings levels, among other benefits. In September 2004, 21 percent of the U.S. population age 25 and older who had a high school diploma reported ever volunteering, compared to 36 percent of those with a bachelor’s degree or higher.vi In November 2000, 56 percent of U.S. citizens who were age 25 and older and had a high school diploma responded that they had voted in the 2000 presidential election, compared to 76 percent of bachelor’s degree recipients. vii

**Why we have big problems**

The higher education system of the United States is no longer seen as the premier educational system. Five issues surface as challenges to this system. First, the cost of attending college is becoming a barrier to the system – affordability is a concern for much of the population. Second, the statistics of those with high school and college diplomas is not encouraging. Third students are not academically prepared for the educational rigors of college and they and their families are not financially prepared. Fourth, the segments of the population with the lowest rates of success are the segments of the population the demographics indicate are increasing most

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vii Ibid
dramatically. Fifth, the students in the United States no longer compare with the students of the other countries. Each of these issues will be briefly addressed below.

- **College costs are becoming prohibitive for many.**
  - Students attending public, four-year institutions paid 10.5 percent more in tuition and fees in 2004-05 than they did the previous year. At private institutions, those basic costs rose 6 percent, on average, during the same period. And community colleges charged 8.7 percent more in tuition in 2004-05 than they did in 2003-04. viii
  - Between 1994-95 and 2004-05, tuition and fees at public four-year universities rose by 51 percent. Tuition and fees at private four-year schools grew by 36 percent over the same period. ix
  - In 1979-80, the maximum Pell Grant covered 99 percent of average tuition, fees and on-campus room and board at public two-year institutions. In 2002-2003, the percentage decreased to just 68%. Similar figures for public, four-year colleges were: 77% in 1979-80 and 41% in 2002-2003; for private four years – 36 and 16 percent respectively. x
  - Nationally, college costs after financial aid at a public four-year institution constituted 68.6 percent of the lowest-income quintile’s family income in 2004, compared with just 8.2 percent of the highest-income quintile. xi
  - Currently there are 400,000 college-qualified students per year who are unable to attend a four-year college for financial reasons. In this decade, 4.4 million students will be unable to attend a four-year college, and 2 million will attend no college at all because of prohibitive costs. xii

- **High school and college completion rates are dismal.**
  - An estimated 7 percent of America’s lowest-income citizens attain their bachelor’s degree by age 24, compared to 39 percent for those individuals from the middle income group, and 52 percent for those from the highest income group. xiii
  - In 2002, for every 100 ninth graders, 68 graduate from high school, 39 go directly to college, 26 are still enrolled in college their sophomore year, and 18 graduate within six years (bachelor’s degree) or three years (associate’s degree). xiv
  - Thirty-eight percent of white students who began at a community college earned a degree or certificate within six years versus 26 percent of African Americans and 29 percent of Hispanics. xv
  - A solid majority of beginning, degree-seeking four-year students—63%—get a B.A. within six years. Only 37% get a B.A. in four years. Barely a quarter of all

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viii College Board, *Trends in College Pricing*, 2004
ix Ibid
xii Advisory Committee on Student Financial Assistance, *Empty Promises*, 2002
xiii Pell Institute, *Indicators of Opportunity in Higher Education*, 2004
xiv National Center for Higher Education Management Systems, HigherEdInfo.org
four-year institutions graduate more than 50% of their students in four years or less.\textsuperscript{xvi}

- Nationally, college participation and completion rates have increased for nearly all demographic groups; yet large disparities continue to exist in the proportional rate of attainment between demographic groups. A quarter of American colleges and universities have a graduation rate gap between white and African American students of 20 percentage points or more.\textsuperscript{xvii}

### Six-Year Graduation Rates at Four-Year Institutions, by Race, Income and Gender:

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<th>Source: Carey, Kevin, A Matter of Degrees, Education Trust, Washington, D.C., 2004</th>
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<th>Six-Year Graduation Rate</th>
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<tr>
<td>Total</td>
<td>63%</td>
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<tr>
<td>Low-Income</td>
<td>54%</td>
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<tr>
<td>High-Income</td>
<td>77%</td>
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<tr>
<td>African American</td>
<td>46%</td>
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<tr>
<td>Latino</td>
<td>47%</td>
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<tr>
<td>White</td>
<td>67%</td>
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<td>Men</td>
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- Students’ and families’ preparation for college – academic and financial – are inadequate.
  - Almost 50 percent of all first-time community college students are assessed as under-prepared for the academic demands of college.\textsuperscript{ xviii}
  - Nearly one-third of first-year students take remedial or developmental coursework in reading, writing or mathematics.\textsuperscript{ xix}
  - In 2000, only 20 percent of U.S. eight-graders were taking Algebra I.\textsuperscript{ xx}
  - Approximately 81 percent of 6\textsuperscript{th} through 12\textsuperscript{th} graders’ parents with a household income of more than $75,000 had begun saving for college in 1999, while only 38% of those with an income less than $25,000 had done so.\textsuperscript{ xxi}

- The groups of students who face the greatest obstacles to success – low-income students, first-generation students and students of color – are those that are growing most rapidly.
  - In 1999-2000, just 31 percent of low-income students ages 18 to 24 were enrolled in college or had attended college- this compared to 79 percent of high-income students.\textsuperscript{ xxii}
By 2006-07, nearly 16 percent of public high school graduates will be from families earning $20,000 per year or less.xxiii  
More than 9 million Hispanic students are expected to be enrolled in public high schools by 2007-08 – 21 percent of total public high school enrollment. This is up from less than 17 percent in 2001-02.xxiv  
During this time frame, the percentage of white, non-Hispanic public high school students will continue to decline – from nearly 61 percent of public enrollments in 2001-02 to 56 percent by 2007-08. xxv

- As a nation, we are slipping dramatically in terms of educational preparedness and participation.
  - In 2003, U.S. 15-year-olds scored 24th out of 29 nations in math literacy and problem solving skills.xxvi
  - Compared with other industrialized nations, the United States ranks fourth in the education participation rates among adults age 25 to 64. The U.S ranks 13th in the percent of the population that enters postsecondary education and completes a bachelor’s degree or higher.xxvii

What can be done?

If one believes that it is critical to increase the number of Americans with postsecondary education, then we must collaborate and work cooperatively at all levels – government, campuses and students/families. We must work to reduce college costs. We must boost academic rigor and improve preparation and support remediation efforts. We must provide more and better pre-college advice/counseling to parents and students. (See attached Exhibit A “What We Know about Access and Success in Postsecondary Education.”)

Finally, to address these issues, we must understand the policy and legal framework of our system and the intended and unintended consequences that have resulted. There are constitutional law, tax law, state and federal statutory law and antitrust law implications. By

xxiv Ibid
xxv Ibid


xxvi The Organisation for Economic Co-operation and Development, Education At A Glance 2002) (New numbers out Sept. 5th)
understanding the consequences of our legal framework we can begin to imagine ways to expand access to higher education.
Unequal opportunity continues to affect access and success in postsecondary education. In turn, limited educational access translates into limited life opportunities for millions of Americans.

Large and growing gaps in postsecondary educational access and success of students, based on their socioeconomic status, race and ethnicity, undermine the goal of equity delineated in the Higher Education Act of 1965. These gaps indicate that thousands of capable and motivated students face formidable roadblocks to a college education. The primary obstacles to access and success are unmet financial need, inadequate academic preparation, and insufficient information, guidance and encouragement. Students who overcome these barriers and enroll in college often face additional obstacles because college and university policies do not prioritize students’ needs. Frequently, these financial, academic, informational and institutional obstacles penalize low-income students, including students of color, first-generation students and working adults.

Increased diversity in future college-age students will underscore the postsecondary access and attainment challenges facing the nation. Demographic trends show that most of the increase in the traditional college-age population will be students of color and students from low-income homes. Many also will be first-generation — that is, the first in their families to attend college. Economic changes also will increase the number of adult workers returning to postsecondary institutions for retraining, new skills and new opportunities. All of these students — low-income, first-generation, racial and ethnic minorities and working adults — will be needed in the workforce as the baby boom generation approaches retirement age.
Lumina Foundation for Education views postsecondary access and success through four dimensions: preparation, awareness, financial issues and institutional responsibility.

**Preparation** refers to individual motivation and skills, as well as curriculum, teacher quality, and the extent and availability of middle and secondary school resources. In part, the gap in college attendance rates by race and socioeconomic status is caused by similar gaps in the rates of students who participate in college-prep curriculum, graduate from high school, take the SAT or ACT, and apply to postsecondary institutions. Too often, lower involvement in college preparatory activities is directly related to local communities' economic wealth and how primary and secondary schools serve students of color.

**Awareness** refers to information about academic requirements, college prices, the application process, financial aid resources, fields of study, and the availability of academic and social support services. Many families — especially lower income families and those with parents who did not attend college — misperceive postsecondary education costs; moreover, students and their families are unsure about application requirements and financial aid options. The unfortunate reality is that low-income students and students of color do not have adequate access to relevant and timely information about preparing, enrolling and succeeding in college. To ensure that students and their families make informed choices about postsecondary education, we must close these gaps in awareness.

**Financial issues** refer to the shared responsibility of governments, postsecondary institutions, students and their families, philanthropies, and businesses to pay for college. This responsibility is shared because of the social and individual benefits society gains with increased levels of educational attainment. A fundamental barrier to increased college access and success is financial aid. Specifically, the barrier is the inability of federal, state and institutional financial aid programs to make up the difference between family finances and college prices. During the last two decades, the sticker prices of postsecondary institutions have soared, while the purchasing power of need-based grant aid has declined. Although financial aid dollars have increased, in many cases, these dollars have not kept pace with escalating prices and demands. Many state and institutional grant dollars have shifted to merit aid from need-based aid. In addition, loans have replaced grants as the primary method to pay for college. Because of these
changes, students — particularly low-income students — find it increasingly difficult to afford a college education.

**Institutional responsibility** refers to the academic and social services, developmental education programs and campus climate that postsecondary institutions offer to meet their students' needs. More than any other entity, higher education institutions directly influence access and success. Ultimately, postsecondary institutions must develop programs and services to ensure equitable opportunity for their students. These services and programs require administrative policies and resources geared toward access, retention and attainment for an increasingly diverse student body.

The opportunity to enroll in a postsecondary institution and the ability to complete educational objectives (e.g., occupational training, certificate or degree attainment) should define postsecondary access and success. Only a concerted effort by federal and state policy-makers, educational providers and other interested stakeholders can lead to equity and excellence in postsecondary education. By improving students' awareness and academic preparation, changing postsecondary finance structures and enhancing institutional responsibility, the nation can extend this vital opportunity to a larger, more diverse population.

The following research-based evidence represents the knowledge base for Lumina Foundation's strategic direction and shows the inequity across the four dimensions of postsecondary access and success: preparation, awareness, financial issues and institutional responsibility. This evidence informs our program and research agenda to change the patterns of postsecondary access and success. The changes will flow through students and families, postsecondary institutions and public policy.

**Research-based Evidence Related to the Four Dimensions of Access and Success**

Beyond the four dimensions that bear directly on student access and success, other factors affect each of these dimensions. These factors include, but are not limited to, economic development issues (e.g., the availability of jobs requiring a postsecondary degree or certificate) and competing demands (e.g., parenting, employment, health and well-being). In addition to America's schools and colleges, which are accountable for their students, other social sectors —
family and community, government and private organizations — can play a role in supporting policies and practices that expand college access and success.

**Dimension 1 — Preparation**

**Axiom 1** — An effective K-12 educational system should provide core curriculum and the academic and social skills necessary for admission to postsecondary education.

1. High school graduation rates vary by student background characteristics (race, ethnicity, gender and socioeconomic status).  

2. Investment in K-12 education varies among states, and among districts within states, according to relative wealth (e.g., property values) in those states and districts.  

3. Public education is increasingly segregated by race, ethnicity and income; this segregation is not preparing high school students for the diversity they will face in postsecondary education and the workforce.  

4. Secondary school curriculum and high school graduation requirements are not well aligned with college admission requirements.  

5. A rigorous high school curriculum is highly predictive of college enrollment and success; yet, participation in college-preparatory curriculum varies by student background characteristics.  

6. Supplemental college preparatory programs enable some students to overcome the inequities of K-12 education and enroll and succeed in college.  

7. Standardized achievement test scores (e.g., SAT, NAEP) vary by student background characteristics and by school characteristics.  

8. Completion of college application requirements, including taking college entrance exams and applying for admission and financial aid, varies by student background characteristics.  

9. College attendance rates vary by student background characteristics and by school characteristics.  

10. Significant numbers of students enter postsecondary education needing academic remediation in reading, writing and math, and these students disproportionately attend community colleges.

**Dimension 2 — Awareness**

**Axiom 2** — To make sound decisions, an informed public must understand college prices, the availability and extent of financial aid, and the range of accessible postsecondary institutions.

11. Students and parents lack reliable information about college, including price; this lack of accurate knowledge is strongly related to social and economic background.  

12. College aspirations vary by student background characteristics and location of residence, but aspirations are seldom the primary reason students do not enroll in college.

**Dimension 3 — Financial Issues**

**Axiom 3** — Governments (federal, state and local), philanthropies, businesses, postsecondary institutions, and participating students and families share responsibility for college costs.
13. The share of college costs paid by students and families is increasing, while the share paid by governments is declining.  
14. Students are increasingly working during college, which can reduce full-time enrollment and, if in excess of 15 hours weekly, can undermine student success.  
15. Rising tuitions lead to lower enrollments overall or different college choices, especially for low-income students and students of color.  
16. College affordability varies among states and among different types of students.  
17. Community colleges are the most affordable institutions for all students.  

**Axiom 4** — Federal, state and institutional financial aid programs and policies are necessary to close the gap between family finances and college prices.

18. College prices continue to rise much faster than financial aid and family incomes, increasing the gap between family finances and college prices, especially for low-income students.  
19. Need-based grants are the most powerful financial aid tool that governments and private organizations can use to increase college enrollment, especially for low-income students and students of color.  
20. Merit-based financial aid and tuition tax credits disproportionately flow to students from the highest income levels.  
21. During the last two decades, the trend in federal financial aid programs is to increasingly rely on student loans rather than student grants.  
22. Non-need-based financial aid programs are growing at federal, state and institutional levels faster than need-based financial aid programs.  
23. Need-based grants, educational debt levels and college tuition affect student persistence and attainment, especially for low-income and minority students.  
24. Financial aid programs are not geared toward adult learners who have competing responsibilities associated with family and work.  
25. Educational debt burdens are growing for college graduates, especially for low-income students; African-Americans; and those pursuing careers in social services, humanities, nursing and education.  

**Dimension 4 — Institutional Responsibility**

**Axiom 5** — Colleges and universities should have administrative policies and resources (academic, social and cultural) geared toward access, retention, and attainment consistent with their mission and market niche.

26. Educational attainment rates at public and private four-year colleges and community colleges vary considerably by student background characteristics.  
27. Community colleges serve the largest numbers of low-income students and students of color, and these students have more risk factors that impede student success.  
28. Colleges must adapt to the unique needs of working adults by delivering curriculum in new ways, offering more weekend and evening courses, and providing family support services that facilitate adults' enrollment in degree or certificate programs.
29. Institutional practices in academic and student services have a strong influence on student retention and attainment.  
30. Campus climate should be inclusive and welcoming for all students, especially first-generation students and students of color.  
31. Developmental education can help students overcome academic underpreparedness and successfully complete degree or certificate programs.

Endnotes


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