Helping Low-Income Students Get Into College

FREE WEBINAR:
Wednesday, August 17, 2 p.m. EDT
Caralee Adams
Contributing Writer, Education Week
Clearing the Hurdles: Helping Low-Income Students Get Into College

Expert Presenters:

Jennifer Engle, director of higher education practice and policy, The Education Trust

Traci Kirtley, director of programming and evaluation, Admission Possible
An on-demand archive of this webinar will be available at www.edweek.org/go/webinar in less than 24hrs.
Priced Out:
How the Wrong Financial-Aid Policies Hurt Low-Income Students

Jennifer Engle
EdWeek Webinar
The Education Trust works for the high academic achievement of all students at all levels, pre-kindergarten through college, and forever closing the achievement gaps that separate low-income students and students of color from other youth. Our basic tenet is this — All children will learn at high levels when they are taught to high levels.

- Advocacy to help schools, colleges, and communities mount campaigns to close gaps
- Research and policy analysis on patterns and practices that both cause and close gaps
- Technical assistance to schools, colleges, and community-based organizations to raise student achievement and close gaps
Closing the achievement gap in America has never been more urgent.
Over the past 30 years, we’ve made a lot of progress on the access side.
Immediate College-Going Up

College-going is up for all groups.
College-going generally increasing for all income groups

But, poor students still go to college at lower rates than wealthy students did 30 years ago.

<table>
<thead>
<tr>
<th>Year</th>
<th>Low Income</th>
<th>Middle Income</th>
<th>High Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>1979</td>
<td>31%</td>
<td>43%</td>
<td>63%</td>
</tr>
<tr>
<td>1989</td>
<td>49%</td>
<td>55%</td>
<td>71%</td>
</tr>
<tr>
<td>1999</td>
<td>48%</td>
<td>60%</td>
<td>75%</td>
</tr>
<tr>
<td>2009</td>
<td>54%</td>
<td>67%</td>
<td>84%</td>
</tr>
</tbody>
</table>

Not only are there significant gaps in college-going rates, there is also the question of access to what.
Low-income students are more likely to begin college at for-profits and community colleges.

First institution type for dependent students by income quartile:

- **Highest Quartile**: 2% For Profit, 28% Public 2-Year, 43% Public 4-Year, 26% Private 4-Year, 1% Other
- **Third Quartile**: 3% For Profit, 39% Public 2-Year, 40% Public 4-Year, 17% Private 4-Year, 1% Other
- **Second Quartile**: 9% For Profit, 42% Public 2-Year, 32% Public 4-Year, 16% Private 4-Year, 1% Other
- **Lowest Quartile**: 18% For Profit, 42% Public 2-Year, 26% Public 4-Year, 13% Private 4-Year, 1% Other

Source: EdTrust Analysis of BPS:04/06/09, July 2011
And what about graduation?
Low-income students complete bachelor’s degrees at lower rates at 4-year institutions

6-year completion rates at any institution for dependent students by income quartile

- Lowest Quartile: 51.7%
- Second Quartile: 60.1%
- Third Quartile: 67.9%
- Highest Quartile: 77.7%

Overall rate: 63.2%

Source: EdTrust Analysis of BPS:04/09, July 2011
Low completion rates for all students at community colleges

3-year completion rates for dependent students by income quartile at public 2-year institutions

Graduation Rates (%)

- Lowest Quartile: 17.4%
- Second Quartile: 22%
- Third Quartile: 18%
- Highest Quartile: 14.9%

Overall rate: 16.8%

Source: EdTrust Analysis of BPS:04/09, July 2011
Add it all up...
Different groups of young Americans obtain degrees at very different rates.
Young adults from high-income families are 10 times more likely to earn bachelor’s degrees by age 24.

These rates threaten the health of our economy and democracy.
If our poorest young people earned college degrees at the same rate as our wealthiest, the U.S. would already be first in the world in college attainment.

The proportion of poor K-12 students has increased over time.

Closing achievement gaps is key.
So what can we do about it?
College costs have increased at four times the rate of inflation

Meanwhile, earnings among the lowest income families has declined.

It’s not surprising then that families think college affordability is key

But policies at all levels are shifting funds away from the students who need the most support
Federal Pell Grants have failed to keep pace with rising college costs

Total Cost of Attendance Covered by Maximum Pell Grant Award

- **Public 2-Year:**
  - 1979-80: 99%
  - 2010-11: 62%

- **Public 4-Year:**
  - 1979-80: 77%
  - 2010-11: 36%

- **Private 4-Year:**
  - 1979-80: 36%
  - 2010-11: 15%

61% of savings from tuition tax credits go to middle- and upper-income families

Distribution of Tax Credit Savings by Adjusted Gross Income

- 39% Low-income ($0-49,999)
- 61% Middle and upper-income ($50,000+)

Source: Trends in Student Aid 2010, The College Board
91% of savings from tuition tax deductions go to middle- and upper-income families

Distribution of Tax Deduction Savings by Adjusted Gross Income

- 91% Middle and upper-income ($50,000+)
- 8% Low-income ($0-49,999)

Note: Percentages may not add to 100% because of rounding.
Source: Trends in Student Aid 2010, The College Board
At the same time, states also have shifted costs onto students and diverted grant funds away from low-income students.

Source: Trends in Student Aid 2010, The College Board
State funding cuts for higher education mean families pay higher tuition

Annual Percentage Changes in State Tax Appropriations for Higher Education Per FTE Student and in Tuition and Fees at Public Four-Year Institutions, Constant 2009 Dollars

States are shifting away from need-based grant aid

Percent of state grant aid awarded based on need

<table>
<thead>
<tr>
<th>Year</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999-00</td>
<td>78.2%</td>
</tr>
<tr>
<td>2000-01</td>
<td>76.3%</td>
</tr>
<tr>
<td>2001-02</td>
<td>76.0%</td>
</tr>
<tr>
<td>2002-03</td>
<td>76.7%</td>
</tr>
<tr>
<td>2003-04</td>
<td>74.4%</td>
</tr>
<tr>
<td>2004-05</td>
<td>73.0%</td>
</tr>
<tr>
<td>2005-06</td>
<td>72.2%</td>
</tr>
<tr>
<td>2006-07</td>
<td>71.8%</td>
</tr>
<tr>
<td>2007-08</td>
<td>72.6%</td>
</tr>
<tr>
<td>2008-09</td>
<td>72.0%</td>
</tr>
<tr>
<td>2009-10</td>
<td>72.6%</td>
</tr>
</tbody>
</table>

Colleges and universities also make inequitable choices with their grant funds.

In 2007, four-year public and private nonprofit colleges spent nearly $15 billion on grant aid.

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

Institutional Grant Aid at Public 4-Year Institutions by Income Quintile, 1995-2007 (in millions of dollars)

- **1995**
  - Lowest Income Quintile: $437
  - Highest Income Quintile: $179

- **2007**
  - Lowest Income Quintile: $744
  - Highest Income Quintile: $695

Private 4-year colleges now spend nearly twice as much on wealthy students

Institutional Grant Aid at Private Not-for-Profit 4-Year Institutions by Income Quintile, 1995-2007

<table>
<thead>
<tr>
<th>Year</th>
<th>Lowest Income Quintile</th>
<th>Highest Income Quintile</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>$919</td>
<td>$887</td>
</tr>
<tr>
<td>2007</td>
<td>$1,478</td>
<td>$2,673</td>
</tr>
</tbody>
</table>

Low-income students must devote an amount equivalent to 72% of their family income towards college costs

<table>
<thead>
<tr>
<th>Family Income</th>
<th>Average Income</th>
<th>Cost of Attendance</th>
<th>Expected Family Contribution (EFC)</th>
<th>Average Grant Aid</th>
<th>Unmet Need After EFC and Grant Aid</th>
<th>% of Income Required to Pay for College After Grant Aid</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0-30,200</td>
<td>$17,011</td>
<td>$22,007</td>
<td>$951</td>
<td>$9,704</td>
<td>$11,352</td>
<td>72%</td>
</tr>
<tr>
<td>$30,201-54,000</td>
<td>$42,661</td>
<td>$23,229</td>
<td>$4,043</td>
<td>$7,694</td>
<td>$11,493</td>
<td>36%</td>
</tr>
<tr>
<td>$54,001-80,400</td>
<td>$67,844</td>
<td>$23,640</td>
<td>$10,224</td>
<td>$5,352</td>
<td>$8,064</td>
<td>27%</td>
</tr>
<tr>
<td>$80,401-115,400</td>
<td>$97,594</td>
<td>$25,050</td>
<td>$18,158</td>
<td>$4,554</td>
<td>$2,339</td>
<td>21%</td>
</tr>
<tr>
<td>$115,401+</td>
<td>$173,474</td>
<td>$27,689</td>
<td>$37,821</td>
<td>$3,822</td>
<td>$-13,953</td>
<td>14%</td>
</tr>
</tbody>
</table>

$4,600 is the amount that a low-income student would pay for college if contributing the same proportion of family income as a middle-income student. On average, 30 percent of first-time, full-time freshmen at four-year colleges and universities receive Pell Grants, so if at least 30 percent of an institution's full-time freshmen are Pell Grant recipients, the institution is considered nationally representative.
The result of these federal, state, and institutional policies?
Only 8 percent of low-income young adults attains a bachelor’s degree by age 24

Contact Us

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Admission Possible

Making college admission and success possible for low-income students.
Admission Possible, a non-profit organization headquartered in St. Paul, MN, provides students with five critical services:

• ACT/SAT test preparation
• college application assistance
• financial aid consulting
• guidance in the college transition
• support toward college degree completion

We serve students in three metro areas: Minneapolis-St. Paul, MN; Milwaukee, WI; and Omaha, NE.
Description of Program

• **Requirements**
  - 2.0 GPA, family income below median
  - Meet 2x a week after school (160 hrs/yr for two years)
  - Provide eight hours of community service annually
  - Average starting ACT score in 2009-10 was 14.5 (about 10th percentile)

• **Junior Year**
  - Orientation to College Process
  - ACT/SAT Test Prep
  - Campus Visits
  - Summer Enrichment Opportunities

• **Senior Year**
  - Application Assistance
  - Financial Aid
  - Scholarship Applications
  - Freshman Year Transition
Of the 1,600 students in the core high school program, the average family income reported by our students is approximately $25,000, more than 40% are from immigrant families, and 60% are female.

- 31% Hmong
- 16% African Immigrant
- 16% African-American
- 12% Latino/a
- 11% Biracial/Multiracial
- 9% White
- 4% Asian (Non-Hmong)
- <1% American Indian/Alaska Native
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Barrier: Don't have role models for college-going

Solution: Provide a caring adult in the form of an AmeriCorps "coach" and a peer group of 10-15 other college-goers.
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Barrier: Don't know the process

Solution: Structured curriculum with intense amount of time on task.
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Barrier: Test scores that don’t reflect their academic aptitude

Solution: Academic and test-taking strategies that bring up scores; and help solidifying other parts of their application to round out their picture.
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Barrier: Finding the resources to pay for college

Solution: Help students submit the FAFSA and find other scholarship support.
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Barrier: Summer “melt”

Solution: Support through the summer into fall enrollment, and on an on-going basis as they move on to college.
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