

People from wealthy families eight times more likely to graduate college

By Evan Blake
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A report released Tuesday found that people from wealthy families are more than eight times as likely to earn a bachelor's degree as those from poor families. The study found that 77 percent of people from families in the highest income quartile had obtained bachelor's degrees by the time they turned 24, compared with only 9 percent of those from families in the lowest income quartile.

The report, jointly authored by the Pell Institute for the Study of Opportunity in Higher Education and the University of Pennsylvania's Alliance for Higher Education and Democracy, found that the percentage of people from families in the lowest income quartile—those making \$34,160 a year or less—who earned a bachelor's degree by age 24 rose three percentage points from 6 percent in 1970 to 9 percent in 2013.

For students from families in the highest income quartile—those making \$108,650 and above, that number has increased much more rapidly, from 44 to 77 percent.

The report found that, among those who enrolled in college, coming from a low-income family made it far more difficult to graduate. It notes that “bachelor's degree attainment rates for those in the bottom quartile have remained low (at 21 percent) and remained virtually unchanged since 1970,” while degree attainment rates for the top income quartile rose steadily from 55 percent in 1970 to 99 percent in 2013. This has produced an enormous graduation rate gap of 78 percent between students from the top and bottom income quartiles, which in 1970 was also a highly unequal 33 percentage points.

The figures revealed in the report are in large measure the result of the systematic de-funding of higher education. The report begins by noting that “the

disinvestment of state funds for public colleges and universities occurring since the 1980s and the declining value of federal student grant aid have all aided in the creation of a higher education system that is stained with inequality.”

The report notes that the share of higher education revenues provided by state and local governments dropped from 57 percent in 1977 to a mere 39 percent in 2012. Simultaneously, the share of revenues provided directly by students and parents rose dramatically from 33 percent in 1977 to 49 percent in 2012.

This transfer of the burden of payment to individual families has taken a huge toll, especially on working class families, and has led student loans to surpass credit card debt as the second-largest form of household debt in the United States. The authors state that the average price for a college education “represented 84 percent of average family income for students in the bottom quartile in 2012, compared with 15 percent of average income for students in the top quartile, and up from 45 percent in 1990.”

The report notes that the average cost of tuition and fees at colleges and universities in the United States has more than doubled from \$9,625 in 1970 to \$20,234 in 2013. The Pell Grant program is the primary federal source of financial aid for low-income students.

Relative to the average cost of attendance, the maximum Pell Grant peaked in 1975, the year the program was founded, when it covered 67 percent of average costs. In 2012, the maximum Pell Grant covered only 27 percent of average costs, the lowest percentage since 1970.

Far from seeking to reverse inequality in education, the Obama administration is seeking to tie college funding ever more directly to “performance.” Later this

spring, President Obama's Department of Education will reveal the final criteria for a college rating's scheme that is intended to ultimately tie federal funding to a school's graduation rates and other metrics. If implemented, this program will further slash spending for universities with a high share of low-income students, further fueling the growth of inequality in education.

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