

Session 4: Beyond Pell: A New Program to Promote Social Mobility


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**CERPP CONFERENCE 2021:
Making Equity **Real****

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- Introduction and Need
 - Our Proposal and Alternatives
 - Part 1: Minding the Gap
 - Part 2: Student Support Services
 - Q&A

- Approximately 10% of high school graduates in the lowest income quartile have attained a bachelors degree by age 24
- More than 60% of high school graduates in the top income quartile have attained a bachelors degree by age 24
- Since the start of the pandemic there has been a 33% decline in financial aid applications from high poverty high schools
- More than a 10% decline in college applications amongst low income students
- Without change, these disparities only deepen — according to Georgetown's Center on Education and the Workforce, 2/3 of new job openings will go to people with at least some education beyond high school.

- In inflation adjusted dollars, the value of the Pell Grant has remained steady
- Since 2008-2009, tuition at public universities has risen by 30%. Tuition at private universities rose by 25%
- State support has varied greatly
 - More or less state dollars to public institutions
 - More or less state dollars for state financial aid programs.

Institutional View



- Students from the bottom income quintile must finance 157% of family income to pay for college those from wealthy families just 14%.
- Colleges continue to favor merit aid. The average merit award given to individual students is about \$1,500 larger than the average award based on need. US DOE
- Rankings, which include many measures that favor wealthier students, are “powerful incentives” to admit higher-income students.

Unequal Access

- Ivies: more from the **top 1%** than from the bottom **half**.
- Ivy Plus: 14% from top 1%, while 4% from bottom 20%
- Highly Selective 4 year public and private: 3 and 7% from top 1%, respectively, while 6 and 4% from bottom 20%
- Non Selective 4 year public: 1% from top 1%; 17% from bottom 20%

Raj Chetty, et al, in Fischer, Karin. Why Higher Ed's Promise Remains Unfulfilled.
CHE, 12.31.2019

The Results of Structural Inequality

“At any given college, students from low- and high-income families have very similar earnings outcomes...This finding suggests that students from low-income families who are admitted to selective colleges are not over-placed, since they do nearly as well as students from more affluent families. This result also suggests that colleges do not bear large costs in terms of student outcomes for any affirmative action that they grant students from low-income families in the admissions process.”

Chetty, Friedman, Saez, Turner and Yagan

https://opportunityinsights.org/wp-content/uploads/2018/03/coll_mrc_summary.pdf

The Biden Plans

- Free community college
- Tuition free public colleges and universities for families with incomes under \$125,000.
- New support for historically Black and Hispanic-serving institutions, Tribal Colleges and others
- Doubling of Pell grants for low-income students

What's Missing?

- These plans are an act of faith (as are most current subsidies to higher education)
- Two critical elements are missing if we hope to see real progress in social mobility
- A commitment on the part of colleges and universities to make good on these new funds
- The accountability that ensures they do.

What's Missing?

- Free College?
 - No provisions to admit or graduate these students
 - Private colleges left out
- Doubling Pell?
 - No provisions to admit or graduate these students
 - No assistance for those who just miss the threshold
- In short, no partnership or performance requirements

A Plan for Results

- Federal grant assistance directly to institutions that commit to admitting and graduating more low- and middle-income students
- Provision of per student subsidies in exchange for annual progress
- Colleges and universities commit to steady and sustained progress and provide additional funds devoted to need-based aid and academic support
- Progress and threshold goals to maintain subsidies

Plan Details

- Federal grant assistance to be expended for need-based aid and/or academic support for these students
- Institutional supplemental funds to be expended similarly
- How much per student federal subsidy, how much institutional supplemental funds and for whom, are TBD in coming months
- Accountability metrics, including academic progress measures and threshold targets, TBA as well

The Idea: Address Unmet Need

Goal:

- Help colleges meet a higher percentage of demonstrated need
- Lower or eliminate the gap between demonstrated need and financial aid awarded

The Idea: Address Unmet Need

- With the exception of the wealthiest and most selective institutions, most colleges cannot meet the full need of all of the students they admit
- Low and low-middle income students with the highest needs are impacted the most
- Interestingly, those with large Pell and state grants, while not having 100% of need met, tend to have smaller (though still significant) gaps because of their eligibility for state and federal aid
- Students just missing Pell eligibility tend to have the largest gaps between need and aid awarded

The Idea: Address Unmet Need

- The Common Data Set, question H2i, gives us the percentage of need met at each institution
- Instructions specifically exclude unsubsidized and parent loans from the definition of meeting need
- CDS asks the institution to indicate whether they are reporting Federal or Institutional Methodology to determine need

The Idea: Address Unmet Need

Unmet need at randomly selected institutions:

Kenyon C (IM): 100%

U Penn (IM): 100%

Lake Forrest C (IM): 88%

Pace U (FM): 75%

U San Diego (FM): 75%

Elon U (IM): 59.6%

Whitman C (FM): 22%

U of Florida (FM): 99%

UC Berkeley (FM): 82.5%

Wm & Mary (FM): 78%

Texas Tech (FM): 68.9%

U North Georgia (FM): 62.3%

U South Alabama (FM): 58%

Murray State U (FM): 45.7%

Northeastern Illinois (FM): 21.2%

The Idea: Address Unmet Need

- Pattern is clear. Wealthier and more selective schools meet a higher percentage of need and have smaller gaps between need and aid awarded
- But most students in the US do not attend the highly selective privates and the public flagships

The Idea: Address Unmet Need

- If needs are not met, students borrow more, as do their parents. They typically complete at lower rates
- The average undergraduate debt at 4-year publics in 2019 was \$27,000 and at 4-year non-profit privates was \$33,700. The average debt for a community college graduate was \$11,094 (NCES)
- A dependent student can borrow a maximum of \$31,000 over five years of full-time study (\$23,000 subsidized) while independent undergraduates may borrow up to \$57,500 (\$23,000 subsidized)

The Idea: Address Unmet Need

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Therefore, a federal program that awards block grants to institutions committed to meeting a higher percentage of need and keeping aggregate loans down to at or below current averages could go a long way not only to improving access for low- and low-middle income students, but also to keeping them in school toward graduation.

The Idea: Address Unmet Need

The devil is in the details....

- How much grant per student would make a difference in affordability and therefore access and completion?
- What match might be required (if any), and could some of the less financially secure institutions even afford to match?

These are some of the questions that we will attempt to answer in the next phase of our research.

The Idea: Improve Student Support

- Goal: Increase investment in student support services (academic support and student services)
- Body of research that links higher expenditures in student support services to higher student success



Greater investment in student support services make a difference in student retention and graduation

(Astin, 1993; Hamrick et. al, 2004; Webber and Ehrenberg, 2009; Chen, 2012; Webber, 2012; Bettinger and Baker, 2014; Oreopoulos and Petronijevic 2016)

The Idea: Improve Student Support

- Successful model to improve student outcomes: CUNY (ASAP) Accelerated Study in Associate Programs (Scriviner et al., 2015; Weiss et. al, 2019)
 - Sample: 900 low-income students at 3 CUNY community colleges
 - 3-year program that incorporated financial aid and student support services
 - **Almost doubled graduation rate (40% vs. 22%) in randomized study**
 - According to evaluator MRDC, largest effect that it has seen in over a decade of research



- CUNY ASAP model replicated in Ohio community colleges (Sommo et al., 2018)
 - Sample: 1,500 low-income students at 3 Ohio community colleges
 - 3-year program that incorporated financial aid and student support services
 - More than doubled graduation rate (19% vs. 8%) in randomized study

The Idea: Improve Student Support

(Sommo et al, 2018)

MDRC POLICY BRIEF

BOX 1: SUMMARY OF OHIO PROGRAM MODEL COMPONENTS

<p>Student Support</p> <ul style="list-style-type: none"> • Enhanced advising • Enhanced career-development services • Enhanced tutoring 	<p>Requirements and Messages</p> <ul style="list-style-type: none"> • Full-time and summer enrollment • Taking developmental education courses early • Graduating within three years
<p>Financial Support</p> <ul style="list-style-type: none"> • Tuition waiver • Textbook assistance • Monthly incentive* 	<p>Course Enrollment</p> <ul style="list-style-type: none"> • A consolidated schedule and blocked courses[†] • First-year seminar[‡]
<p>Program Management</p> <ul style="list-style-type: none"> • Managed locally within each college • Dedicated staffing 	

NOTES: *The monthly incentive of \$50 (in the form of a grocery/gas card) is for meeting advising, tutoring, and career-development-service requirements.

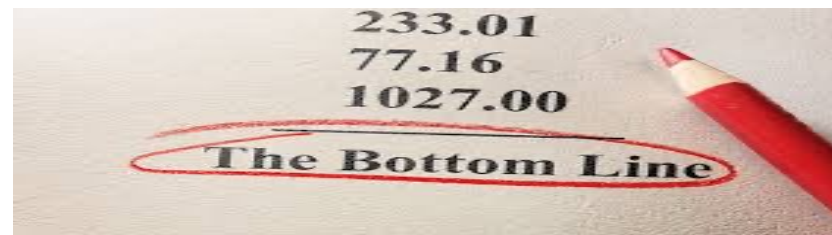
[†]Blocked courses are seats held in specific courses to allow for the condensed schedule.

[‡]The first-year seminar is a student success course taken in the first semester, designed to introduce new students to strategies for being successful at college that could include goal setting, study skills, and career and academic planning.

The Idea: Improve Student Support

- Proposal: Provide subsidy to institutions for financial aid and student support
- Student service spending by institution type annually ([CHE, Feb 16, 2020](#))

- 4-year public: \$1,932
- 4-year private: \$4,667
- 2-year public: \$1,620



- Cost to implement CUNY ASAP (Scriviner et al., 2015)
 - **\$4,800**/program student annually (\$14k over 3 years)
 - As a public investment, for each \$ of investment in ASAP by taxpayers, return was \$3-4 (value of students earning AA degree)
- CUNY ASAP model replicated in Ohio community colleges (Sommo et al., 2018)
 - **\$2,300**/program student annually

Bridging the Opportunity Gap

- How do we ensure higher education institutions in the US become an engine in social mobility—not social reproduction?
- What will it take to move institutions to both **enroll** and **graduate** more low- and middle-income students?

Q & A

Please submit your question in the Q & A section of the Zoom webinar.

OR

Add your questions on the *Ukova* platform on the right side of your screen.

Transition to Small Group Discussion

Thank you for an engaging Q&A session!

At this point, we will transition to
Group Discussions and Takeaways

Attendees, please return to the *Ukova* Agenda
And select the next session.

*(Note: Please wait in the Zoom waiting room
until the host starts the session at the scheduled time.)*