

THE WALL STREET JOURNAL.

Big Gap in College Graduation Rates for Rich and Poor, Study Finds

New Report From the University of Pennsylvania and the Pell Institute for Study of Opportunity in Higher Education

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Feb. 3, 2015

College completion rates for wealthy students have soared in 40 years but barely budged for low-income students, leading to a yawning gap in educational attainment between rich and poor that could have long-lasting implications for the socioeconomic divide.

In 2013, 77% of adults from families in the top income quartile earned at least bachelor's degrees by the time they turned 24, up from 40% in 1970, according to a new report from the University of Pennsylvania's Alliance for Higher Education and Democracy and the Pell Institute for the Study of Opportunity in Higher Education. But 9% of people from the lowest income bracket did the same in 2013, up from 6% in 1970.

"Education is one of the levers that we have in place to address income inequality. It offers the promise of achieving the American dream," said Laura Perna, executive director of the Penn program. Yet the study's findings suggest that "education isn't fully living up to this promise."

One small sign of progress is that more poor students are enrolling in college than they did 40 years ago. Forty-five percent of dependent 18- to 24-year-olds from the lowest income quartile—with family income of \$34,160 or less—enrolled in college in 2012, up from 28% in 1970. While the college enrollment rate of the highest-income students—with family income of \$108,650 or more—also increased, to 81% from 74%, the gap between the two did shrink.

Still, most of the poor students who pursue college degrees fail to make it all the way to graduation. About one in five college students from the lowest income bracket completed a bachelor's degree by age 24 in 2013, about flat with the 1970 figure. Among students from top-earning families, meanwhile, 99% of students who enrolled completed their degrees, up from 55% in 1970.

College access has been a major area of focus for the federal government and individual schools, with such initiatives as free campus visits and application assistance for low-income students. The Obama administration's fiscal 2016 budget plan calls for \$860 million to fund its major

college-readiness programs, as well as more than \$300 million for GEAR UP, which targets low-income students specifically.

But keeping poor students on track once they're at college remains a challenge. That's due in part to academic issues, since those students' high schools may not have prepared them for the rigors of a college course load, as well as financial ones.

Federal Pell Grants, which are directed to the neediest students, have been covering a smaller share of overall college costs in recent years. While the maximum amount, \$4,690, took care of more than half the bill for average tuition, room and board in 1974, Pell funding has remained fairly flat. In 2012, the maximum \$5,550 award covered just 27% of those expenses.

While the report focuses on college access and completion, one thing it doesn't cover is whether there would be jobs for those students if everyone actually got a bachelor's degree, said Neal McCluskey, associate director of the Center for Educational Freedom at the Cato Institute, a libertarian think tank.

"If we were to get everybody through a bachelor's degree, where in the workforce would they be absorbed?" he asked, noting that many current college graduates are already working in jobs that don't require such degrees.