

Study finds shifting gaps in educational attainment among students of different incomes

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A new NYU Steinhardt study published in the journal *AERA Open* looks at income-based gaps in educational attainment. While the difference in high school graduation rates between high- and low-income students shrunk, inequality may have shifted to higher education, with gaps growing in college attendance and completion.

The last 35 years have been marked by increasing income inequality, with stagnant earnings for low-income families and sharp increases for those at the top. As the incomes of affluent and poor American families have diverged, so, too, have the educational outcomes - both test scores and school completion - of children in these families.

However, a 2014 study published in the *American Economic Review* on intergenerational mobility had surprising findings. The research showed that the gap in <u>college attendance</u> rates between children from the lowest- and highest-income families was more or less constant over time, suggesting that despite growing income inequality, children's chances of mobility have remained stable.

In the current study, the researchers investigated trends in income-based gaps in education. They compared family income measures with how much schooling children completed, looking at high school graduation, college enrollment, and college completion rates.



"Our study sought to understand if rising income inequality has, in fact, made it increasingly harder for children to get ahead," said Kathleen M. Ziol-Guest, research associate professor in the Department of Humanities and Social Sciences at NYU's Steinhardt School of Culture, Education, and Human Development and the study's lead author.

While the 2014 study used data from cohorts of children born from 1971 to 1986, Ziol-Guest and her colleague extended their analysis for another 17 years to study children born from 1954 to 1986, a total of 31 birth cohorts from the Panel Study of Income Dynamics (PSID). The researchers also examined two cohorts of the National Longitudinal Survey of Youth (NLSY79 and NLSY97).

Their findings support the earlier research showing little change in college enrollment among the cohorts used in the 2014 study. However, the researchers found significant increases in college enrollment gaps when looking at the longer historical view used in this study. They also found further strong evidence of growing gaps in college graduation.

In contrast, gaps in high school graduation fell, providing at least one optimistic sign of catching-up among low-income individuals.

"That the gap in <u>high school</u> graduation closed over the study period suggests a possible decline in inequality, but may also represent less a decline in inequality than a shifting of inequality to higher levels of education," Ziol-Guest said.

The researchers note that their data do not enable them to say why they saw an increasing gap in four-year college graduation rates. They point to possible factors, including differences in college persistence or a shift toward two-year colleges, particularly for low-income students.

"Given our findings with respect to <u>college</u> graduation, it is possible that



income may increasingly matter for access to and completion of degrees at four-year schools, but perhaps not two-year colleges," Ziol-Guest said.

More information: K. M. Ziol-Guest et al, Parent Income-Based Gaps in Schooling: Cross-Cohort Trends in the NLSYs and the PSID, *AERA Open* (2016). DOI: 10.1177/2332858416645834

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