Higher education system faces the inequities COVID-19 exposes
27 May 2020, by Jeff Frantz

The COVID-19 pandemic has created a crisis across higher education, for both institutions and learners. But these new challenges are coming to rest on old inequalities that kept many low and middle-income Americans from attending college or earning a degree.

The COVID-19 pandemic has created a crisis across higher education, for both institutions and learners. But these new challenges are coming to rest on old inequalities that kept many low and middle-income Americans from attending college or earning a degree.

The 2020 Indicators of Higher Education Equity in the United States details this uneven landscape that is influenced by family income and history, geography, a wide range of state policies, and the declining value of federal student aid. The report shows that paying for college has never been harder, and those who attend are more likely to leave burdened with debt, whether or not they graduate. The report, building on a series, is published jointly by the Pell Institute for the Study of Opportunity in Education of the Council for Opportunity in Education and the University of Pennsylvania Alliance for Higher Education and Democracy (PennAHEAD).

The lowest income students in the United States face great obstacles paying for college and the impact of the COVID-19 epidemic may compound the uncertainty such students face, particularly as federal aid covers a smaller share of college costs and most states give little in the way of financial grants to the poorest students. At the same time, for the poorest dependent students, far more family income was needed to pay for college in 2016 than even in 2008.

Margaret Cahalan, co-author of the report and Director of the Pell Institute, states:

“We must face the fact that the statistics we track in this report, show systemic inequality at every step of the college journey for low-income and first-generation students. These inequalities are unmasked and made more challenging by COVID-19 pandemic. As we recover and rebuild there is a need for bold ambitious new plans to seize this slightly more open moment as a portal to a more equitable, resilient and environmentally sustainable system.”

Co-author Laura Perna of the University of Pennsylvania Graduate School of Education states:

“Right now, low-income and first-generation students are deciding if they will be able to start college or return to college in the fall. This report spells out many of the extra hurdles these students faced to earning a degree even before the COVID-19 pandemic. With budget cuts looming, policymakers must prioritize these students because if they are forced off the path now, they are the least likely to make it back on.”

The report found that:

- More low-income students attend college, but. While college participation rates for the low-income students have increased substantially since 1990, from 32% to 51% in the lowest income quartile, it is still 24
percentage points lower than college participation rates in the highest income quartile. [Indicator 1a]

- While enrollment has increased, systemic barriers persistently prevent high completion rates for low-income and first-generation students. Longitudinal studies reveal that for every 100 low-income and first-generation students entering college only 21 will have attained a bachelor’s degree by 6 years later compared with 66% of students who are not low-income and first-generation. [Indictor 5c(iii)]

- Independent students are most at-risk of not completing their degrees. Six years after enrollment, about half (49%) of entering independent students were not enrolled and had not attained a degree or certificate. Nine% had attained a bachelor’s degree, 13% an associate’s degree and 16% a certificate. [Indicator 5c(iv)]

- When it comes to attending competitive colleges, socio-economic status (SES) matters most. High school students from the highest family SES quintile had eight times the chance of going to a highly or moderately selective college as those in the lowest SES quintile (33% vs. 4%). [Indicator 2f]

- Inverse relationship between the selectivity of the institution and the% of students who receive Pell grants. % Pell ranged from 17% among the most selective to 67 among the for-profit sector. [Indicator 2e]

- Pell Grant coverage of college costs has precipitously declined in since 1980. The maximum Pell Grant now covers a much smaller percentage of average college costs than it did decades ago. The value of the maximum Pell Grant peaked in 1975-76 when the grant covered about 67% of average college costs; in 2018-19 the maximum Pell Grant covered 25%. [Indicator 3b]

- Net college costs take a bigger percentage of low-income families' income. Since 2008, the net price of higher education for dependent, full-time undergraduates as a percentage of family income has soared for the poorest students, going from 56% of family income in 2008 to 94% in 2016 for the lowest income quartile. [Indicator 4b (ii)]

- Persistent Inequality by Family Income in Degree Attainment since 1970's. Comparing 1970 to 2018, there has been little to no progress in the percentage of bachelor’s degrees awarded to the richest and poorest dependent students by age 24 with only 12 of bachelor’s degrees going to student in the lowest income quartile and almost three-fourths to students in the top half of the income distribution. [Indicator 5b]

- Census data reveals a widening and serious divide among U.S. states in the percentage of young adults ages 25-34 with a bachelor’s degree or higher. States rates range from 23% in Nevada and New Mexico to 53% in Massachusetts, 47% in New Jersey and New York and 46% in Vermont. [Indicator 5f (v)]

- U.S. share in degree attainment level plummets internationally. In 2002, the U.S. was 2nd in bachelor's degree attainment among 30 countries. In 2018, it ranked 18th. [Indicator 6b]

- Countries vary in degree attainment. Across nations, bachelor’s degree attainment ranged from 5% in South Africa to 56% in Lithuania. If Massachusetts were a country, it would be tied for second place internationally in bachelor’s degree attainment, equaling second-place Luxembourg, at 53%. [Indicator 6b]