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ABSTRACT

This report examines high school dropout and college participation rates in Minnesota and their relationship to such socioeconomic factors as race, family income, and parental education. The analysis uses data provided by the Minnesota Department of Education, the Higher Education Coordinating Board, Minnesota Planning, the Census Bureau, and the Minnesota Private College Research Foundation. Findings reveal that: (1) Black and Native American students in secondary public schools are nearly five times as likely as White students to drop out of school; (2) White and Asian students are much more likely to enroll in college than other groups; (3) college attendance is dominated by students from middle-income and upper-income families; (4) participation at Minnesota colleges by low-income and moderate-income families has declined from 1985 to 1992; (5) students with at least one parent who attended college are much more likely to enroll in college themselves; (6) while the White population of youth ages 15 to 19 is expected to increase by only 4 percent between 1990 and 2010, the similarly aged Black population will increase by 160 percent, Hispanics by 98 percent, Asians by 82 percent, and Native Americans by 62 percent; and (7) there is a strong correlation between education and earnings. The report concludes that, to make a college education available to students and families regardless of race and income, Minnesota needs effective and integrated action by public policy, education, community, and business leaders. (Contains 12 references.) (JDD)

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DIVIDED WE FALL

The declining chance for college among Minnesota youth

from low-income families and communities of color

March 1994

MINNESOTA PRIVATE COLLEGE RESEARCH FOUNDATION

Divided We Fall

The Declining Chance for College Among Minnesota Youth from Low-income Families and Communities of Color

While it is not always popular -- or even preferable -- to speak of people in purely economic terms, the impersonal language of economics can sometimes help us discuss otherwise emotional or heated issues. For example, if we talk about the high school dropout rates of children of color in Minnesota or the widening income gap between those who do and those who do not have a college education as a "problem," it is often easy to dismiss it by labeling individuals as the problem.

But if we step back from these "problems" and look at them -- not as individual inadequacies but as a systemic failure to serve low-income and young people of color -- we may be better able to understand that the young people who are dropping out of high school at such an alarming rate represent lost *assets* to our economy and our society. By helping young people pursue and achieve a college education, we insure their participation in building communities, starting new businesses and contributing to the work force. Seen in this light, programs and services that increase the chances for more young people to reap the economic and social rewards of earning a college degree are *investments* in Minnesota's collective well-being.

It is in this spirit that we describe in the attached report the shrinking chance for a college education for low-income and minority Minnesotans. Based on current high school dropout and college participation rates, a Native American student who entered a public high school in Minnesota in the fall of 1991 has **only an 11.7 percent chance** of entering a Minnesota college four years later. A child from a family that earns $25,000 or less annually is **only one-half as likely** to enroll in college as a young person whose family has an annual income of $50,000 or above.

These data represent more than individual tragedies. They are social failures that touch all of us. For, without the economic benefits that a college degree promises -- a higher standard of living, the ability to pay for their own children's college educations, etc. -- our young people may shift from being seen as *assets* -- taxpayers, workers, contributors -- to being labeled as *liabilities*, burdens on our economy.

As a society, we have a choice: we can invest in our young people now or we can carry them for the rest of their lives. We can fund Headstart, summer academic enrichment programs and financial aid today and nurture students until they become self-supporting members of society. Or we can underwrite social welfare or income maintenance programs and build prisons to house our lost generations.

This is not meant to be fatalistic. Many of our young people will succeed, sometimes despite terrible odds against them. But, over the past decade, those young people have become the exception rather than the rule, and we need to change that.

Is turning this trend around and addressing our failure to nurture our most vulnerable students through to college graduation a daunting challenge? Yes, it is. One of the most daunting challenges our state and nation has ever known.

Are there reasons for hope? There are. There are pilot projects throughout our schools and community centers as well as business-initiated ventures that inspire and encourage the limited number of young people they serve. Minnesota's private colleges are involved in some of these efforts. We need to further pursue these partnerships with our young people.

Are there role models to look to? There are. The generation of Eastern and Northern European immigrants who came to Minnesota in the mid-nineteenth century arrived with little formal education or wealth. Neither did the African Americans, the Hispanics or the Southeast Asian refugees who have populated our state more recently, or the Native Americans whose families have lived in this region since before statehood. There are many success stories from these communities that we can emulate.

We know that we are not alone in our identification of this challenge to our citizens and their leaders. We know, too, that the attached statistics on high school dropout, college participation and degree attainment rates are part of a larger, more complex landscape.

But in our belief that higher education is the best available bridge to span the income gap that increasingly divides our society (the correlation between educational attainment and income are undeniable), we want to add our voice to the chorus of concerned citizens calling for a comprehensive, targeted *investment strategy* that will support and encourage students from early childhood to the day they walk across the stage to receive their college diplomas.

Our growing racial and ethnic diversity in Minnesota should be a strategic advantage as we continue to move into the global economy. Our success will depend on our ability to nurture our young people, our future assets. We simply cannot afford to miss the contributions that our young people can make to their own and to our collective future.

Thank you for your attention. We welcome your reactions and comments on our research.

David B. Laird, Jr.
President
Minnesota Private College Research Foundation

Divided We Fall

The Declining Chance For College Among Minnesota Youth
From Low-income Families and Communities of Color

Executive Summary

The analysis examines high school dropout and college participation rates in Minnesota and their relationship to such socioeconomic factors as race, family income and parental education. The analysis uses state and national data provided by the Minnesota Department of Education, the Minnesota Higher Education Coordinating Board, the Census Bureau and other sources. Among the key findings:

High School Dropout Rates

- High school completion and college participation rates vary significantly by race. In 1991-92, black and Native American students in public school grades 7 through 12 were nearly five times as likely as white students to drop out of school. The annual dropout rate of Hispanic students doubled between 1980-81 and 1991-92.

- Students of color are likely to continue to drop out of high school at a significantly higher rate than white students. According to projections by the Minnesota Department of Education, 62% of all black students and 56% of all Native American students who entered public high schools in fall 1991 may drop out by 1995. Nearly 50% of Hispanic students and 21% of Asian students are projected to drop out prior to graduation. Meanwhile, the four-year cumulative dropout rate for white students entering public high schools in fall 1991 is expected to total only 16%.

College Participation

- White and Asian students are much more likely to enroll in college than non-white students. White and Asian students are more than three times as likely to enter a Minnesota college the fifth fall following their entry into high school as Native American students, and more than two-and-a-half times as likely to enroll as black students. Assuming no change in 1992 college participation rates, students entering public high schools in fall 1991 would have the following chances of entering a college in Minnesota the fall term four years later: Native American students 11.7%; black students 14.0%; Hispanic students 21.7%; white students 38.3%; Asian students 39.5%.

- College attendance is dominated by students from middle- and upper-income families. In 1990-91, 18-to-24-year-old dependent students whose family incomes were over $50,000 were more than twice as likely to enroll in college (two-year or four-year) as dependents with family incomes under $25,000.

- Trends in financial aid applications suggest that participation at Minnesota colleges (public and private) by low- and moderate-income families has declined. Between fall 1985 and fall

1992, the number of financial aid applications from families with constant dollar incomes under $30,000 dropped by 27%. During the same seven-year period, financial aid applications from families with constant dollar incomes over $60,000 increased by 80%.

• Students with at least one parent who attended college are much more likely to enroll in college themselves. During 1990-91, 18-to-24-year-old dependents with at least one parent who had completed four years of college were twice as likely to enroll in college as their peers whose parents had no post-secondary education.

Demographic Projections of Students

• Minnesota will soon be educating significantly more non-white high school students than it does currently. While the white population aged 15-to-19 is expected to increase by only 4% between 1990 and 2010, the similarly aged black population is expected to increase by 160%, the Hispanic population by 98%, the Asian population by 82% and the Native American population by 62%. By the year 2010, non-white Minnesotans will make up 15% of the total population aged 15-to-19, compared to only 8% in 1990.

Income Value of Attending College

• There is a strong correlation between education and earnings. In 1992, the median income of Americans with four-year college degrees was $49,539 compared to $29,006 among those with only a high school diploma -- a 71% difference.

• The median income of Minnesotans aged 24-to-35 who had earned a bachelor's degree was more than 60% greater than the median income of those who had earned only a high school diploma or less. The median income of Minnesotans aged 45-to-64 who had earned at least a four-year degree was approximately $43,000, compared to median incomes of only $24,000 for those with some college but not a degree, and only $17,000 for those with a high school diploma or less.

Conclusion

The analysis suggests that white students from higher-income families are much more likely to graduate from high school and enroll in college than non-white students or students from lower-income families. Demographic projections show that all of the significant growth in the college-age pool over the next 20 years will be among non-white students and their families -- those who traditionally have been the least likely and have had the least opportunity to pursue a college education. To reverse this trend and make a college education and its benefits available to students and families regardless of race and income, Minnesota needs effective and integrated action by public policy, education, community and business leaders.

Divided We Fall

The Declining Chance for College Among Minnesota Youth from Low-income Families and Communities of Color

Minnesota's economic future -- as well as our collective and individual quality of life -- increasingly rests on events happening far beyond state or even national boundaries. International competition, the globalization of product markets, and the ever-accelerating pace of technological change provide both opportunities and threats that were unimaginable as recently as 25 years ago. In the future, only those states and nations that invest in their people will be able to sustain economic growth and social prosperity. Minnesota and the nation as a whole are more in need of comprehensive action integrating economic and social policy today than at any other time since the Great Depression. Education -- broadly available to all citizens -- must be a cornerstone for action, providing the bridge to economic and social well-being.

The following analysis examines college participation and high school graduation, the relationship of socioeconomic factors to college enrollment, and college participation and the attainment of a baccalaureate degree. It concludes with a brief discussion of the relationship of income and educational attainment. The analysis uses data provided by the Minnesota Department of Education, the Higher Education Coordinating Board (HECB), Minnesota Planning, the Census Bureau, and the Minnesota Private College Research Foundation.

GETTING TO COLLEGE

Linking College Participation and High School Completion

In order to enter college, two basic conditions must be met: a student must have completed high school (either through graduation or equivalency) and must have made the decision to enroll in a post-secondary institution. Minnesota has traditionally had among the highest aggregate high school completion rates in the nation. The four-year cumulative graduation rate for public school students graduating in 1991 was 84.1 percent[1]. About two-thirds of those who pursue a college education in Minnesota begin the fall following their spring high school graduation. Historically, about 44 percent of spring high school graduates have started college the following fall.

Almost 60 percent of all Minnesota high school graduates who enroll in college the fall after their graduation select four-year institutions located in Minnesota. Between fall 1983 and fall 1992, the private college share of recent high school graduates varied from a low of 16.8

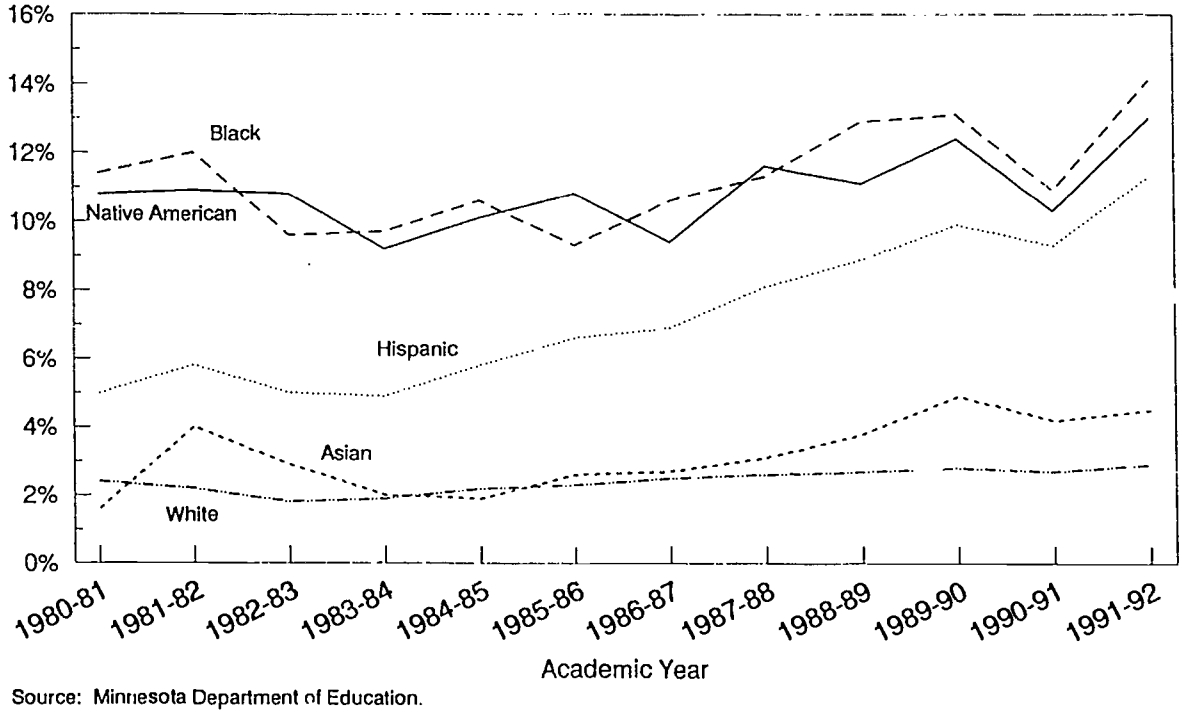
[1] Reported by the Department of Education in the Governor's 1994-95 Biennial Budget. The four-year cumulative graduation rate measures the probability of graduation net of dropouts.

percent in 1983 to a high of 20.7 percent in 1992. Students graduating from Minnesota high schools in the spring of 1992 were more likely to enroll at a Minnesota private college the following fall than at either the University of Minnesota or a public or private technical college.

High school completion and college participation rates vary significantly by race. In 1991-92, black and Native American students in public school grades 7 through 12 were nearly five times as likely as white students to drop out of school. Annual dropout rates by racial and ethnic group were relatively stable between 1980-81 and 1991-92, with the exception of Hispanic students, whose annual dropout rates doubled over the 11-year period[2] (see Graph One).

GRAPH ONE

Annual Dropout Rates by Racial/Ethnic Group
1980-81 to 1991-92



Source: Minnesota Department of Education.
Includes public school students only, grades 7 to 12.

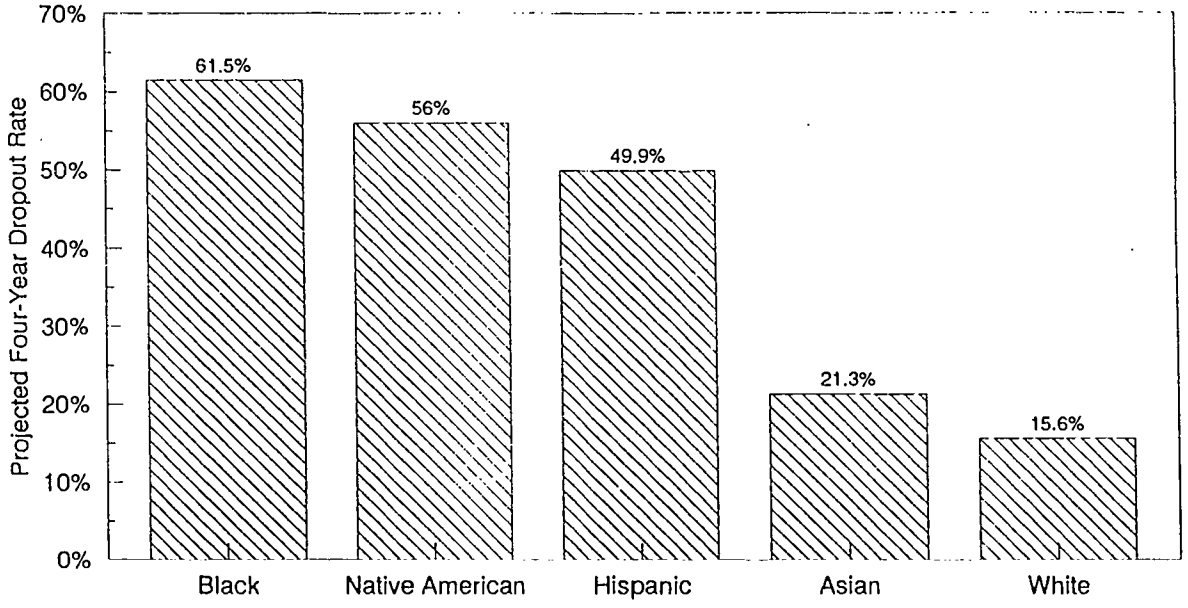
The four-year cumulative dropout rate projected by the Minnesota Department of Education for the public school graduating class of 1995 is significantly higher for non-white students

[2] Comprehensive data on high school completion by racial and ethnic group is available for public school students only.

than for white students[3] (see Graph Two). Overall, 62 percent of all black students and 56 percent of all Native American students who entered public high schools in fall 1991 are projected to drop out by 1995. Nearly 50 percent of all Hispanic students and 21 percent of all Asian students also are projected to drop out prior to graduation. On the other hand, the four-year cumulative dropout rate for white students entering high school in fall 1991 is expected to total only about 16 percent. Four-year cumulative dropout rates at public schools have risen for all racial and ethnic groups since 1984-85. Asian and Hispanic students have experienced the largest percentage change in four-year dropout rates. The cumulative dropout rate for Asian students has risen from 11 percent to 21 percent, and for Hispanic students from 32 percent to 50 percent.

GRAPH TWO

Four-Year Cumulative Dropout Rates by Racial/Ethnic Group High School Class Entering Fall 1991-92



Source: MN Department of Education. 4-yr dropout rates represent the cumulative effect of several yrs of dropouts. Public school stds only

Dropout data by racial and ethnic status track closely with poverty rates. According to the 1990 Census, about 50 percent of all black Minnesotans under age 17, 55 percent of all Native American children, and 37 percent of all Asian children have family incomes below

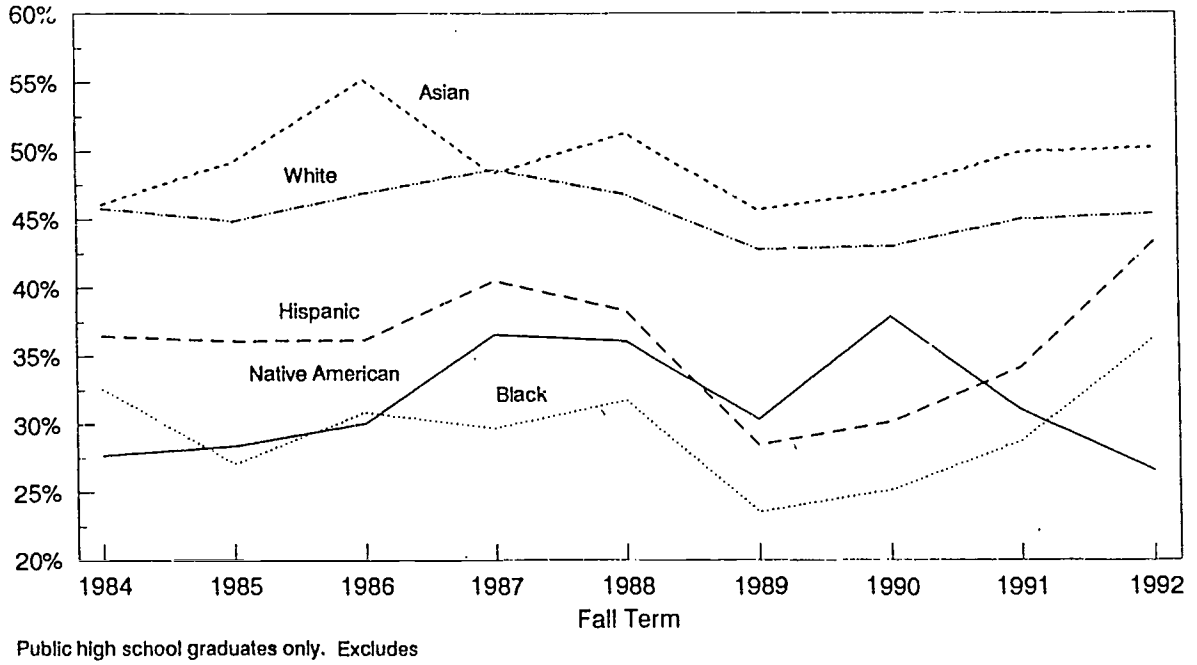
[3] These data do not include those students who, after having dropped out, later complete through coursework or equivalency. In addition, the data may be impacted by those who dropout one year, but return in subsequent years.

the poverty level. Only about ten percent of all white Minnesotans under age 17 have sub-poverty-level family incomes.

Spring-to-fall college participation rates also vary considerably by racial and ethnic status (see Graph Three). According to HECB data, 50 percent of Asian students who graduated from public high schools in the spring of 1992 enrolled in a Minnesota college the following fall. By contrast, only 27 percent of all Native American public high school graduates enrolled in college the next fall. Since 1984, between 35 and 42 percent of all non-white students graduating in the spring have entered a Minnesota college the following fall. Each year about 45 percent of all white public high school graduates enroll in Minnesota colleges the fall after their graduation[4].

GRAPH THREE

Participation Rate of Minnesota High School Graduates by Racial/Ethnic Status in a Minnesota College the Fall following Graduation



Public high school graduates only. Excludes students who did not report racial/ethnic status or year of high school graduation.

Chance for College Five Years After Beginning High School

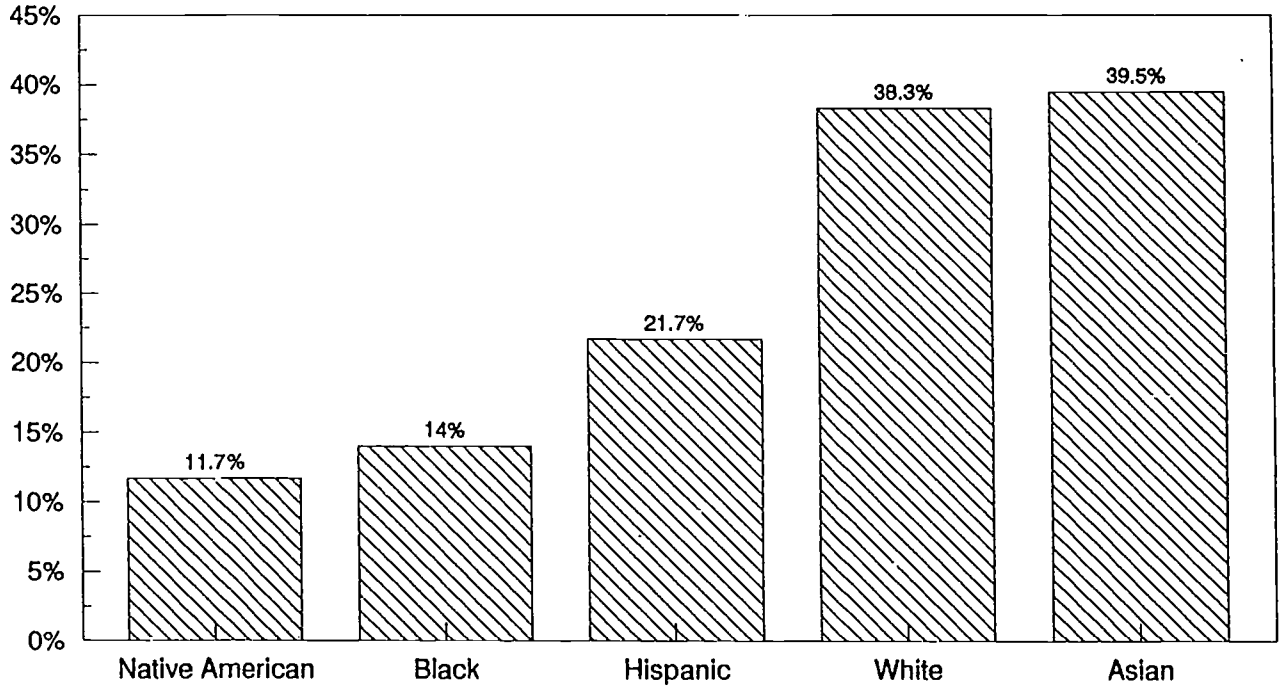
A student's chance for college can be measured simply as the product of the high school

[4] Data are not available on Minnesota graduates enrolling in non-Minnesota post-secondary institutions. However, we can assume that aggregate college participation figures would be higher if those students were included.

completion rate and the college participation rate. As both of these rates vary among racial and ethnic groups, so too does a student's likelihood of enrolling in college vary by racial and ethnic status. White and Asian students are more than three times as likely to enter a Minnesota college the fifth fall following their entry into high school than Native American students, and are more than two and a half times as likely to enroll as Black students. Assuming no change in 1992 college participation rates, the chance of entering a college in Minnesota the fall term four years later[5] for students entering public high schools in fall 1991 is shown in Graph Four.

GRAPH FOUR

Projected Chance for College in the Fifth Fall following Ninth Grade by Racial/Ethnic Status High School Class Entering Fall 1991-92



Source: MDE/HECB. Projection is the product of cumulative dropout rates and college prtcptn rates. Public high school students only.

It is important to note that completion rates and college participation rates are fluid and may vary from year-to-year among racial and ethnic groups. Moreover, some students may complete their equivalency and subsequently enroll in college at a later date. Nonetheless, the differences in college participation among racial and ethnic groups are striking enough to raise significant concerns.

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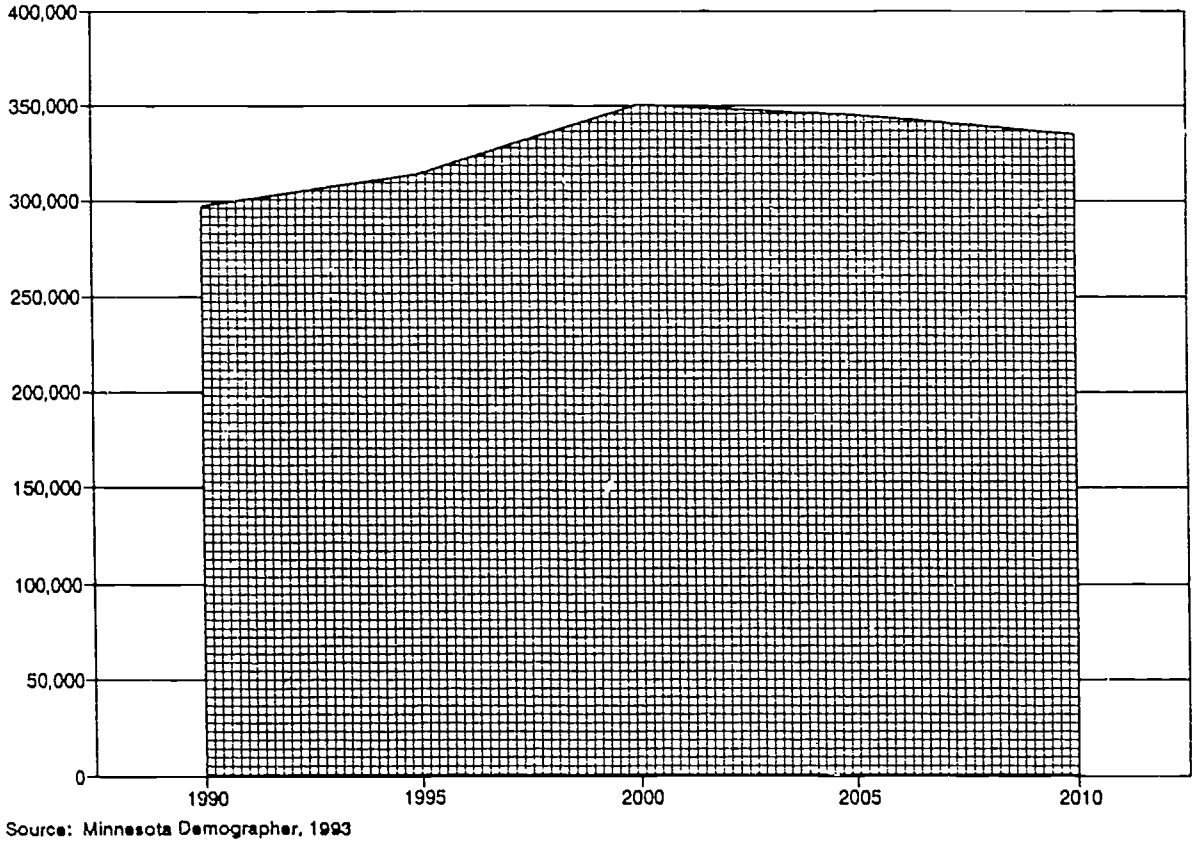
[5] Data are available from the HECB for fall term enrollment only.

Minnesota Demographic Projections for 2010

Population growth among the 15-to-19-year-old age group (the group that comprises the traditional-aged college pool) is expected to be uneven over the 1990 to 2010 period in Minnesota (see Graph Five). After rising by 16 percent by the year 2000, the age group will begin a steady numeric decline, so that by the year 2020, there are projected to be fewer 15-to-19-year-old Minnesotans than there were in 1990. In the year 2010, the 15-to-19-year-old population is expected to be almost 13 percent larger than it was in 1990.

GRAPH FIVE

Population Projections for Minnesotans Aged 15 to 19, 1990 to 2010



Source: Minnesota Demographer, 1993

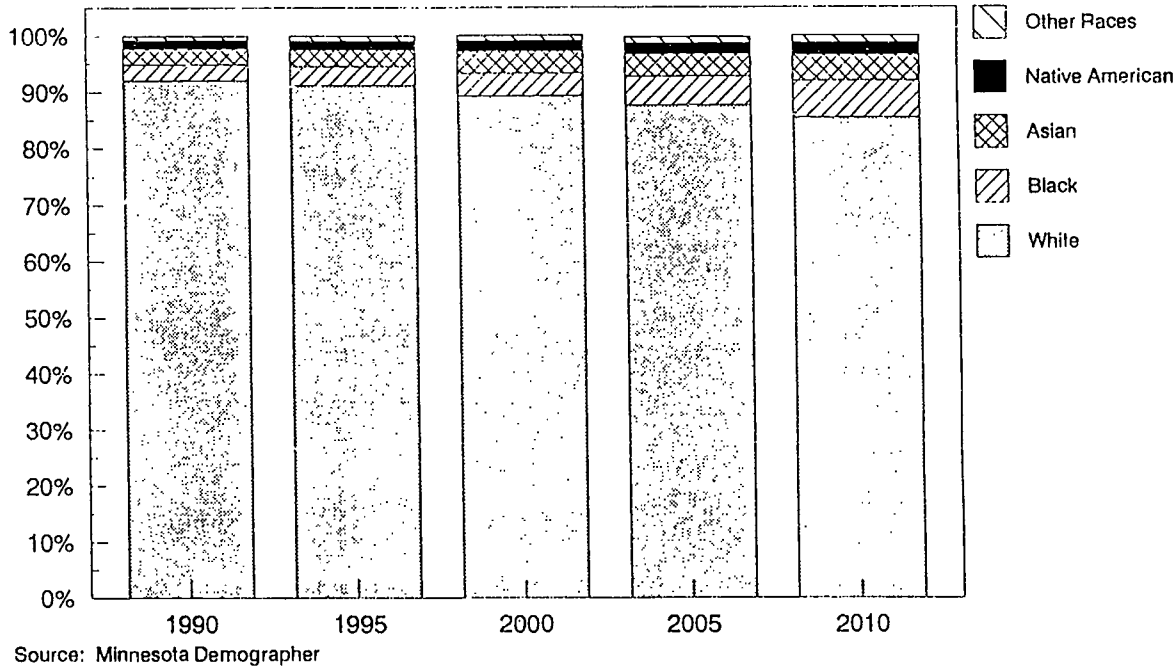
Growth of the 15-to-19-year-old age group also will occur unevenly within Minnesota. By the year 2010, this age group will have grown by 30 percent in the Twin Cities region, by 12 percent in the state's central region (including St. Cloud), and by six percent in the southeast region (including Rochester). The 15-to-19-year-old age group will decline sharply in northwest, northeast, and southwest Minnesota, reflecting general regional population trends that have continued nearly unabated for more than three decades.

Non-white students account for a small but growing portion of total secondary enrollment in Minnesota. According to Department of Education data, non-white enrollment rose from 5.5 percent of total public school enrollment in grades 7 to 12 in 1982-83 to nine percent of total secondary enrollment in 1991-92. Non-white students account for a significantly higher proportion of total enrollment in the Twin Cities metropolitan area than in greater Minnesota.

State demographic trends suggest that non-white students will comprise a significantly larger share of total enrollment by 2010. While the white population aged 15 to 19 is expected to increase by only four percent between 1990 and 2010, the similarly aged black population is expected to increase by 160 percent, the Hispanic population by 98 percent, the Asian population by 82 percent, and the Native American population by 62 percent. By the year 2010, non-white Minnesotans will make up 15 percent of the total population aged 15 to 19 compared to only eight percent in 1990 (see Graph Six). Growth in the non-white population is expected to account for 70 percent of the total increase projected in the 15-to-19-year-old population by 2010.

GRAPH SIX

Population Composition of 15-to-19 Year Old Minnesotans by Racial/Ethnic Status 1990 to 2010



Source: Minnesota Demographer
Does not include Hispanic because any race may be of Hispanic origin.

The growth in the high school-aged population over the next fifteen years will largely occur among students who have traditionally been the most vulnerable, both in terms of high school completion and family income. Barring significant changes in either school completion,

family migration patterns or family income, post-secondary leaders will increasingly face difficult questions about who will comprise the traditional college-going pool and how -- or if -- they will be able to access a college education.

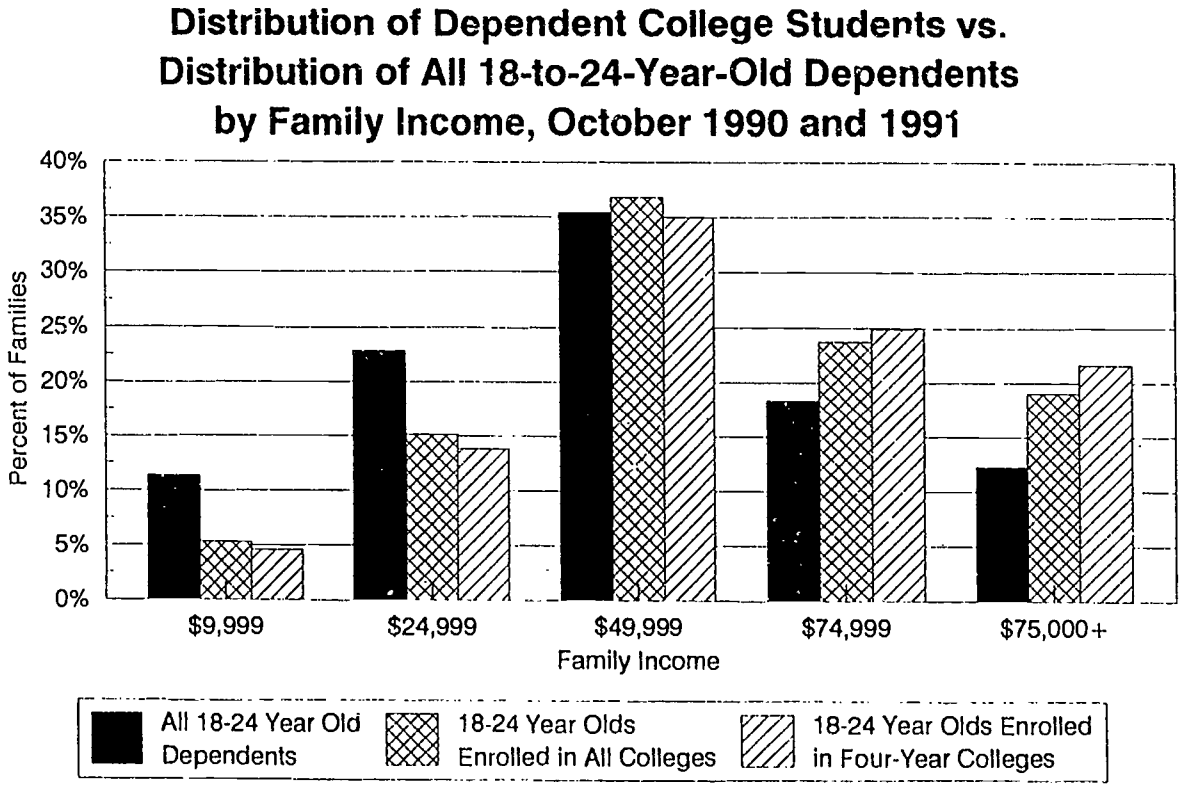
Socioeconomic Factors Influencing College Participation

While high school graduation and a subsequent decision to enroll in college are basic conditions for college participation, opportunities for higher education are more fundamentally influenced by family income and parent educational attainment (two variables not wholly independent of each other). Family income and parent educational attainment provide much of the context in which students make academic decisions and perceive life choices.

Family Income and College Participation

National data have consistently indicated a relationship between family income and college enrollment. Higher income families are significantly more likely to have children in college than families with low incomes (see Graph Seven). In 1990 and 1991, 18-to-24-year-old

GRAPH SEVEN



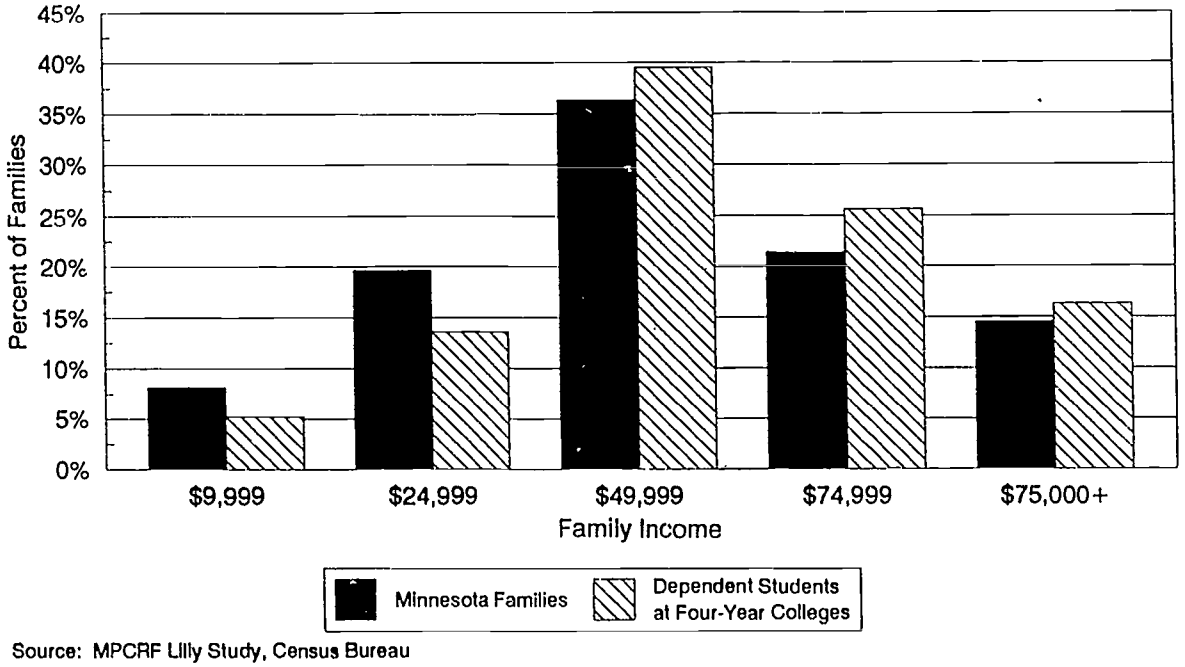
Source: CPS, "School Enrollment" P-20 Series
Distributions scaled to include missing responses.

dependents whose family incomes were over $50,000 were more than twice as likely to enroll in college (two-year or four-year) as dependents with family incomes under $25,000. The participation gap is even wider for enrollment at four-year colleges. Dependents with family incomes over $50,000 were nearly three times as likely to enroll in a four-year college as dependents with family incomes below $25,000.

Patterns of participation at Minnesota's baccalaureate colleges are similar to patterns nationally. Families with incomes over $50,000 are about twice as likely as families with incomes under $25,000 to have dependent children enrolled in a four-year college in Minnesota (see Graph Eight). In 1992, families with incomes in excess of $50,000 comprised 36 percent of all families aged 45 to 64 (the age range that would include most parents with 18-to-24-year-old children), but 42 percent of total dependent-aged student enrollment at four-year colleges. By contrast, families with incomes below $25,000 made up 28 percent of the total 45-to-64-year-old household population, but only 19 percent of the dependent student population at four-year institutions in Minnesota.

GRAPH EIGHT

Family Income Distribution of Dependent Students at Four-Year Colleges vs. All Minnesota Families of Similar Age, 1991-92 Academic Year



Source: MPCRF Lilly Study, Census Bureau
Minnesota families controlled for householders aged 45 to 64.

Time-series data on financial aid applications suggests that participation at Minnesota colleges (public and private) by low- and moderate-income families has declined since 1985. Between fall 1985 and fall 1992, the number of financial aid applications from families with constant

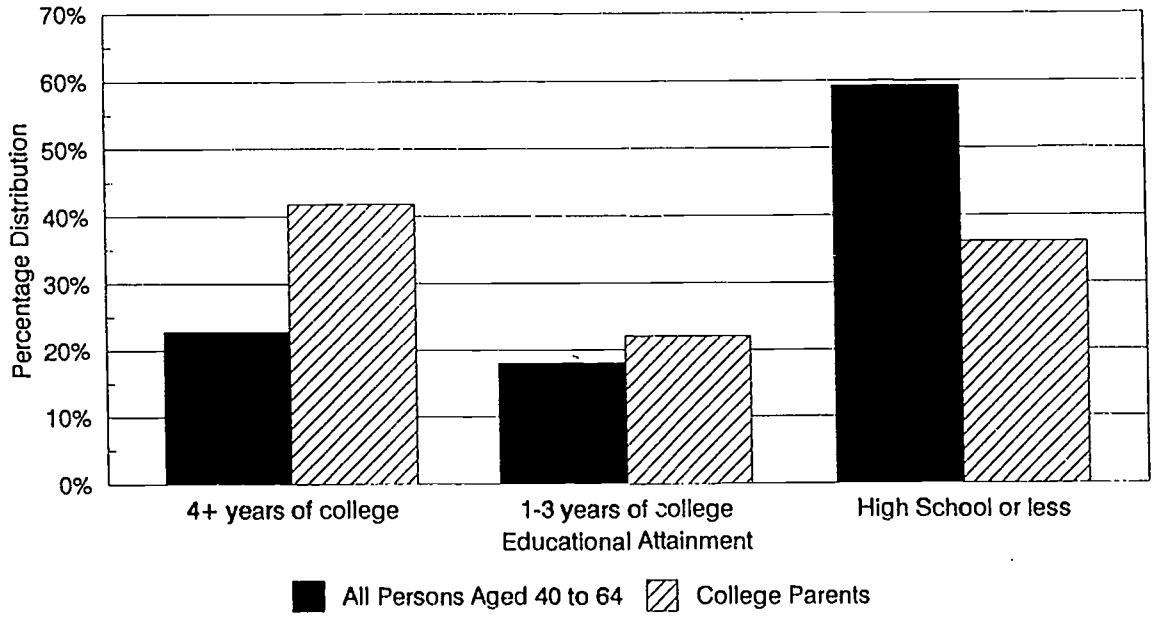
dollar incomes under $30,000 declined by approximately 7,300 -- a drop of 27 percent. Using data from baccalaureate colleges as a proxy for all institutions, we can infer that about 85 percent of all traditional-aged college students with family incomes under $30,000 apply for financial aid. By extension, we may conclude that most of those from low- and moderate-income families who did not apply for financial aid, in fact, did not enroll anywhere. Over the same seven-year period, financial aid applications from families with constant dollar incomes over $60,000 rose by nearly 5,000 -- an increase of 80 percent.

Parent Educational Attainment and College Participation

National data on educational attainment also suggests a link between years of schooling completed by parents and college participation by their children[6]. During the 1990-91 academic year, 18-to-24-year-old dependents with at least one parent who had completed at least four years of college were twice as likely to enroll in college as their peers whose parents had no post-secondary education (see Graph Nine). The gap was wider at four-year colleges: dependents whose parents had completed at least four years of college were three times more likely to enroll in four-year institutions as dependents with non-college educated parents.

GRAPH NINE

Comparison of Educational Attainment of Parents of Dependent College Students to Educational Attainment of All Persons of Similar Age



Source: CPS, Series P-20. Parent data reflects 1990 and 1991 educational attainment of family householder. General population for ages 40-64.

[6] Data provided in the Census Bureau's Current Population Survey is limited to education of only one parent.

On average, parents of college students have significantly more formal education than the general population. Nationally, more than 35 percent of all dependent students enrolled in two-year or four-year institutions in 1991 had parents with four or more years of college, 23 percent had parents with one to three years of college, and only 41 percent had parents with no college education. However, among the total population aged 40-to-64, only 23 percent had completed four or more years of college, 18 percent one to three years of college, and 59 percent no education beyond high school.

Students enrolled in four-year institutions were the most likely to have college-educated parents. Nearly 64 percent of all dependent students enrolled in four-year colleges in 1991 had a parent with at least some college education, a figure more than one and one-half times the proportion of similar-aged adults in the general population. At baccalaureate institutions in Minnesota, 62 percent of dependent students have a parent who has completed at least one year of college.

COLLEGE PARTICIPATION AND ATTAINMENT OF A BACHELOR'S DEGREE

Nationally, the proportion of 18-to-24-year-olds who were enrolled in college increased from 32 percent in 1981 to 41 percent in 1991. State-level census data suggests that college participation rates for 18-to-24-year-old Minnesotans are much higher than national rates. In 1989 (the year in which Decennial Census data was collected), fully two-thirds of all Minnesotans aged 18-to-24 had graduated from high school and completed at least some college.

Even though more than half of all recent Minnesota high school graduates who enroll in college do so at four-year institutions, relatively few complete a baccalaureate degree. In 1989, only 15 percent of all Minnesotans aged 18-to-24 had earned a baccalaureate degree, even though two-thirds had received at least some college education. Assuming that nearly all of the baccalaureate degrees earned by those aged 18-to-24-year-old would have been among those aged 22-to-24, we estimate that only 20 percent of all 22-to-24-year-old Minnesotans had earned at least a bachelor's degree in 1989[7].

Levels of educational attainment are not significantly different for Minnesotans aged 25 and older. Nearly half of all Minnesotans over age 24 have received at least some post-secondary education, though only one-fourth of them have earned at least a bachelor's degree. In other words, less than half of all those who went to college received at least a baccalaureate degree. Nearly 40 percent of those Minnesotans who received at least some college education did not earn a degree of any kind. The Minnesota data are nearly identical to national data: nationally, nearly 40 percent of all persons aged 25 and older have completed at least some college, with 21 percent completing at least four years.

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[7] However, more than eight in ten of those who take the ACT or SAT tests to enter four-year colleges indicate that they intend to earn at least a baccalaureate degree. That many more may complete baccalaureate degrees after age 24 (despite originally enrolling at age 18) raises issues about time to completion.

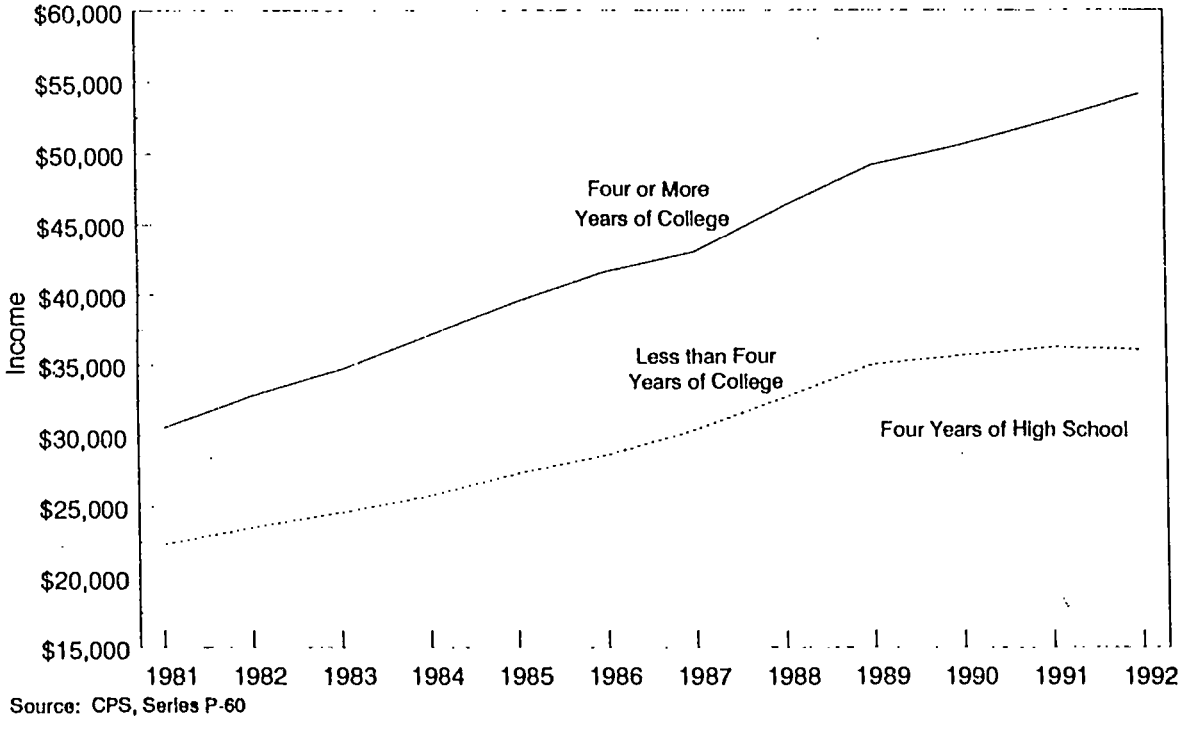
THE INCOME VALUE OF COLLEGE

Educational Attainment and Income

Income is a function of many factors, including personal ability and aspirations, education, profession, geographic location, and circumstance. While education cannot be singled out as the most important factor contributing to income level, national data have consistently identified a correlation between educational attainment and income. On average, those with higher levels of educational attainment also have higher incomes (see Graph Ten).

GRAPH TEN

Median Personal Income by Educational Attainment
Persons Aged 25 and Older
1981 to 1991



Source: CPS, Series P-60

In 1992, the median income of those with baccalaureate degrees was $49,539, compared to $29,006 among those with only a high school diploma -- a 71 percent difference. The income gap between those with at least four years of college and those with no more than a high school education widened from 55 percent in 1981 to 87 percent in 1992. Constant dollar median income among those with at least four years of college rose 10.9 percent between 1981 and 1992, from $30,557 to $33,887. Over the same time period, the constant dollar median income of those with only a high school diploma fell by eight percent. It is important to note that the widening income gap between those who are college educated and

those who are not does not necessarily indicate an increasing demand for college-educated workers, but instead could reflect a diminution in the value of a high school diploma as an entry card for employment. In either case, on average, those who have obtained a college education are financially better off than those who have not.

While time-series data are not available for Minnesota, the 1990 Census revealed similar relationships between educational attainment and income in Minnesota. The median income of Minnesotans aged 24-to-35 who had earned a bachelor's degree was more than 60 percent greater than the median income of those who had earned only a high school diploma or less. The income gap between those with at least a baccalaureate degree and those without widened as age increased. The median income of Minnesotans aged 45-to-64 who had earned at least a baccalaureate degree was approximately $43,000, compared to median incomes of only $24,000 for those with some college but not a four-year degree, and only $17,000 for those with a high school diploma or less.

Educational Attainment and Poverty

National data on poverty also reveals a correlation between educational attainment and the incidence of poverty. In 1992, 55 percent of all persons aged 25 and older had no college education. However, those with no college education comprised nearly 80 percent of those in poverty. On the other hand, those who had earned at least a bachelor's degree made up 22 percent of the population older than age 25, but only six percent of the poor population. In 1992, persons aged 25 and over who had no college education were more than five times as likely to have poverty-level incomes as those of the same age who had earned at least a baccalaureate degree.

Regardless of educational attainment, black and Hispanic Americans were more likely to be poor than whites. Poverty rates were at least double for blacks relative to whites at all levels of educational attainment in 1992, and were nearly double for Hispanics relative to whites[8]. The poverty data suggests that higher levels of educational attainment are not sufficient to overcome other social factors which influence household or family income.

CONCLUSION

Both Minnesota and national data suggest that higher income families are more likely to send their sons and daughters to college than low-income families. In turn, those with higher levels of educational attainment, on average, also have higher incomes, often setting in motion a family cycle of educational affluence. Unfortunately, the benefits of educational attainment are not uniformly distributed. Racial and ethnic status, too, appear to be significant factors influencing both educational attainment and income.

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[8] Poverty rates are measured as the percentage of a particular racial or ethnic cohort with poverty-level incomes. Data are provided by the Census Bureau.

While demographic projections of the traditional-aged college population appear to provide some relief from years of decline, all of the growth in the potential student pool is among students and families who traditionally have been the least likely -- and had the least opportunity -- to pursue higher education. Without integrated action by public policy, education, community, and business leaders, Minnesota faces a future where post-secondary education opportunity -- and the broad personal and social benefits derived from it -- are increasingly limited to a shrinking group of educationally and economically elite.

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