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### WHAT IS THE *PORTRAITS* SERIES?

With the support from the Bill & Melinda Gates Foundation, the **INSTITUTE FOR HIGHER EDUCATION POLICY** plans to regularly release short research briefs that describe different aspects of low-income young adults' involvement in postsecondary education. As the first in the series, the ***A Portrait of Low-Income Young Adults in Education***—the first brief in the series—explores the overall population of young adults and focuses on their highest level of educational attainment. Subsequent briefs will explore low-income adults' educational aspirations and academic preparation, movement in and between institutions, financial aid and debt burdens and, ultimately, educational outcomes.

## A PORTRAIT OF LOW-INCOME YOUNG ADULTS IN EDUCATION

This brief takes a broad look at low-income young adults in an effort to contribute to the national discussion on improving degree completion by increasing participation among all disadvantaged populations—especially those who attempt to succeed in postsecondary settings under financial stress. Understanding the linkages between low-income young adults' involvement in postsecondary education and their transition to the labor market is critical to improving the additive value of these experiences.

At a time when the overarching educational goal of the Obama administration, federal and state policymakers, and prominent philanthropic organizations is to increase the number of individuals who enter college and, more importantly, attain a postsecondary credential, there are still substantial segments of the population for whom higher education is inaccessible, unaffordable, and out of reach. Perhaps the most notable of these groups are poor young adults who face considerable barriers to obtaining a credential with true labor market value.<sup>1</sup>

In 2008, there were 35.2 million young adults, of whom 15.5 million were from families living at, near, or below the poverty level (U.S. Census Bureau 2008a). Despite facing numerous socio-economic and academic challenges, nearly 60 percent of low-income young adults were attending or earned a credential from a postsecondary institution during this time. Although encouraging, this statistic combines three distinct groups of low-income young adults: (1) Those who were enrolled in postsecondary education; (2) those who had been enrolled in postsecondary education at some earlier point, but had not attained a degree; and (3) those who had earned a postsecondary credential, but were still considered poor.<sup>2</sup>

<sup>1</sup> From 2006 to 2017, projections of postsecondary enrollment forecast a 10 percent increase of those 25 years old or younger and an increase of 19 percent of those 25 years old and over (National Center for Education Statistics 2008).

<sup>2</sup> The findings discussed in this brief are descriptive in nature. Causality is neither implied nor inferred.

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The second and third groups are especially problematic from an educational, economic, and social perspective, and thus motivate the discussion of the first **Portraits** brief. In fact, a persistent percentage of low-income young adults (roughly one in 10) holds a postsecondary degree, but has yet to leave behind the tight grasp of poverty. To this end, the **Portraits** series will address at least two important policy questions:

- ❖ Are low-income young adults able to take full advantage of their postsecondary education?
- ❖ Are there realistic and appropriate levers, which, when exercised, will result in improved educational and labor market outcomes for this population?

In the course of answering these questions, the **Portraits** series will provide snapshots and, where appropriate, trends in key aspects of postsecondary experiences and outcomes in the lives of low-income young adults. The findings of the **Portraits** series may be relevant to multiple audiences (policymakers, practitioners, and the general public) as the challenges of postsecondary education completion that exist today for this disadvantaged population increasingly come to light.

## **THE SOCIO-DEMOGRAPHIC AND ECONOMIC CONTEXT**

Before examinations of the above questions can begin, low-income young adults must first be situated in the broader socio-demographic, economic, and education context. Policymakers and employers must wrestle with projected workforce shortages and a concomitant need for an increasingly educated and diverse citizenry to fill existing and emerging occupations. Several socio-demographic and economic trends add urgency to this goal:

- ❖ By 2018, a predicted workforce shortage caused by a mass retirement of about 76 million "baby boomers" (Carnevale 2008).
- ❖ By 2012, the majority of jobs, including the fastest-growing occupations, will require some form of postsecondary credential (Carnevale 2008; Carnevale and Desrochers 2008).
- ❖ By 2012, an increased need in occupational "upskilling" will translate into an extra 20 million jobs requiring a bachelor's degree or higher (Carnevale 2008, p. 27).

- ❖ By 2050, the working-age minority population—driven mainly by the growth in the Hispanic population—will account for approximately 55 percent of the total U.S. population (U.S. Census Bureau 2008b).

In short, current and future economic conditions necessitate a greater demand for postsecondary education. Learning beyond high school has become a basic requirement for individual success in the labor market (Institute for Higher Education Policy 2005; Perna 2007) as well as a driver for workforce development (Carnevale and Desrochers 2002) and social mobility (Goldrick-Rab and Shaw 2005). Clearly, with over half of new jobs requiring some form of postsecondary education, the challenges facing low-income young adults have taken on added significance.

## **THE EDUCATIONAL CONTEXT**

Attention to the status of low-income young adults in postsecondary education is particularly important given their substantial representation in the college-going population. Without the inclusion of low-income young adults in postsecondary education, national postsecondary attainment goals and the anticipated economic boost that a more educated workforce generates will not be achieved.

In 2008, 47 percent of all low-income young adults were or had been enrolled in postsecondary education (U.S. Census Bureau 2008a). However, low-income young adults in postsecondary education face greater academic and financial risks than their more well-off peers (Cunningham and Santiago 2008; The Pell Institute 2004), which can stymie their progress towards a degree (Engle and Tinto 2008).

More critically, as future analysis will show, low-income young adults are less likely than their non-poor peers to attend selective institutions and more likely to attend postsecondary institutions that do not lead to occupations commonly associated with increased earnings (Austin and Oseguera 2004; Difelicianantonio 2008; Mortenson 2005). The size and magnitude of the barriers—socio-economic and academic— associated with degree completion and greater financial security for low-income young adults cannot be overstated. Therefore, a better understanding of this vulnerable population, including where they first access postsecondary education, by policymakers and all Americans is a prerequisite to identifying and designing new policies while enforcing effective existing practices to help students cross the finishing line.

## DATA SOURCE

This brief uses the most recent data from the American Community Survey (ACS), which is annually collected by the U.S. Census Bureau. ACS provides detailed socio-demographic information of approximately three million addresses nationwide. Attributes of interest include demographic (sex, age, race/ethnicity), social (enrollment, attainment, citizenship status), and economic (household poverty status). All estimates were weighted to represent the national population of 18 to 26 year olds. ACS reports the highest level of education completed at the time of the survey using 15 various categories. The attainment levels were combined into four categories: (1) Less than high school diploma, (2) high school diploma/GED), (3) college enrollment, and (4) degree attainment.

## WHO ARE LOW-INCOME YOUNG ADULTS?

For the purposes of the *Portraits* series, low-income young adults are defined as 18 to 26 year olds living in poverty. Low-income young adults are not a monolithic group but rather consist of a broad mix of individuals experiencing socio-economic hardships in slightly different ways. Despite enormous variety among these men and women, racial and ethnic minorities, single parents, poor and working students, students with disabilities, foster youth, they all struggle to make a living and a transition from education to employment. Among the 35.2 million young adults, 18 percent were living in near poverty while over a quarter lived in deep poverty (**TABLE 1**). More to the point, 60 percent of low-income young adults were living in deep poverty and the economic status of young Black and Native American adults was even more bleak.

**TABLE 1: Demographic Characteristics of Young Adults by Poverty Status, 2008**

	NOT IN POVERTY (%)	TOTAL POVERTY (%)	NEAR POVERTY (%)	DEEP POVERTY (%)
	56.0	44.0	17.7	26.3
RACE/ETHNICITY				
WHITE	59.6	40.4	15.4	24.9
BLACK	43.0	57.0	22.5	34.5
HISPANIC	52.6	47.4	23.7	23.7
ASIAN/PACIFIC ISLANDER	60.4	39.6	14.1	25.5
NATIVE AMERICAN	40.7	59.3	25.7	33.7

CONTINUED

**TABLE 1: Demographic Characteristics of Young Adults by Poverty Status, 2008 (CONTINUED)**

	NOT IN POVERTY (%)	TOTAL POVERTY (%)	NEAR POVERTY (%)	DEEP POVERTY (%)
	56.0	44.0	17.7	26.3
<b>GENDER</b>				
MALE	58.7	41.3	16.8	24.5
FEMALE	53.1	46.9	18.6	28.3

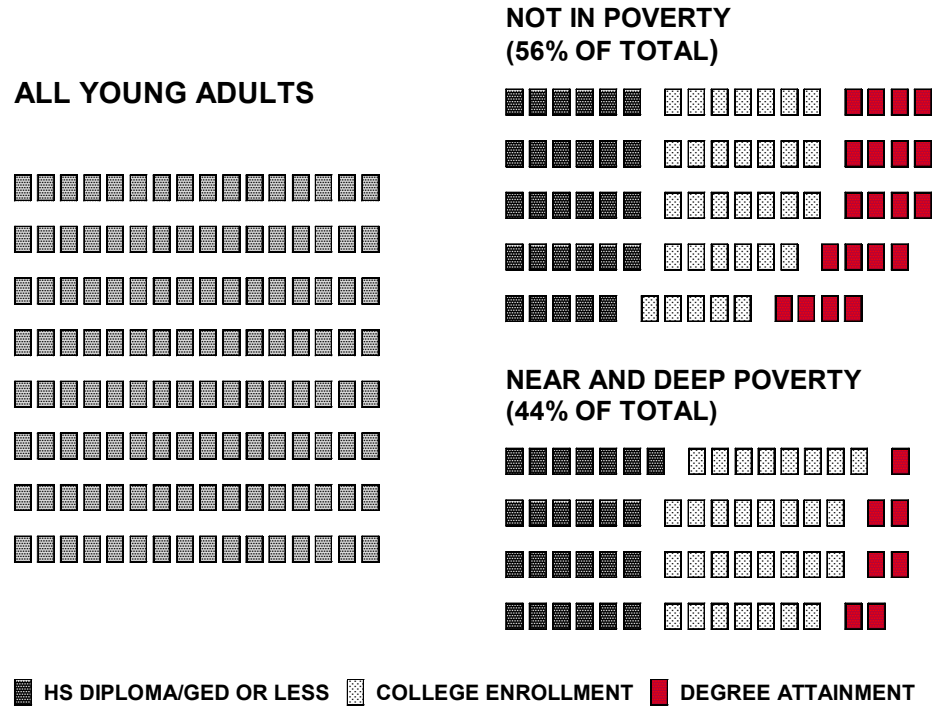
SOURCE: U.S. CENSUS BUREAU 2008

Young women and those from racial/ethnic minorities are disproportionately more likely to experience deep poverty. In 2008, Blacks and Native Americans were more likely to be from families living in deep poverty (35 percent and 34 percent, respectively) than their counterparts from other race/ethnicities. One quarter of the remaining racial/ethnic groups lived in deep poverty. The percentage of young adults living in near poverty was markedly lower for Asians and Whites (14 percent and 15 percent, respectively) compared to Blacks, Hispanics, and Native Americans (between 23 percent and 26 percent). Lastly, among young adults, females were more likely to be living in poverty and, in particular, deep poverty than their male counterparts.

### **EDUCATIONAL ENROLLMENT AND ATTAINMENT PATTERNS**

Low-income students are entering postsecondary education at record-high rates (Goldrick-Rab and Roksa 2008). **FIGURE 1** puts the status of low-income young adults in postsecondary education in perspective. In 2008, low-income young adults accounted for 44 percent of all U.S. young adults. Of young adults in poverty, one in four had earned a high school diploma or its equivalent while 18 percent left high school without attaining a credential. Yet despite being in poverty, a substantial proportion of young adults—more than half—sought some form of postsecondary education.

**FIGURE 1: Young Adults by Poverty Status and Highest Level of Educational Attainment, 2008**

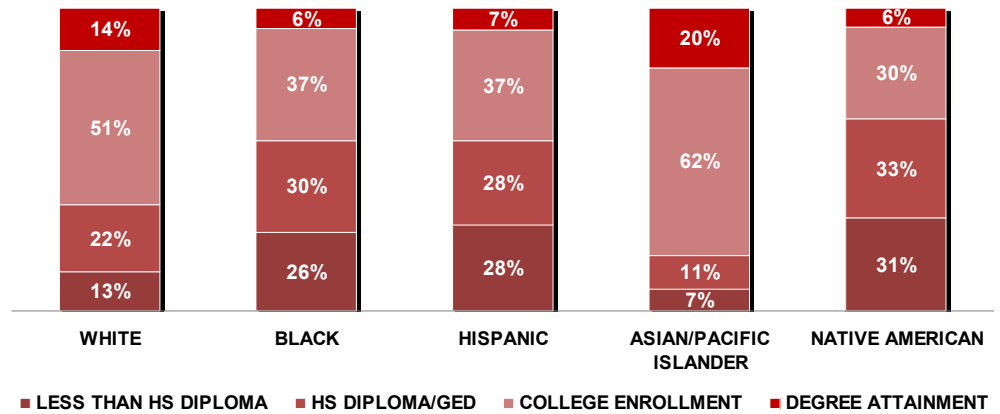


NOTE: EACH BOX REPRESENTS APPROXIMATELY 244,000 YOUNG ADULTS.  
SOURCE: U.S. CENSUS BUREAU 2008

Educational attainment patterns across race/ethnicity reveal that low-income young Whites and Asians fare better than their Black, Hispanic, and Native American peers in terms of college enrollment (**FIGURE 2**). This is mainly due to greater high school dropout rates of underrepresented minority students (Cataldi, Laird, and KewalRamani 2009).

Black, Hispanic, and Native American students from low-income backgrounds represented larger shares of high school non-completers in 2008 (between 26 percent and 31 percent, respectively) than Whites and Asians (7 percent and 13 percent, respectively). This finding is key in understanding that certain low-income young adults are susceptible to “falling through the cracks” even before college can be considered.

**FIGURE 2: Highest Level of Education Attainment by Low-Income Young Adults by Race/Ethnicity, 2008**



SOURCE: U.S. CENSUS BUREAU 2008

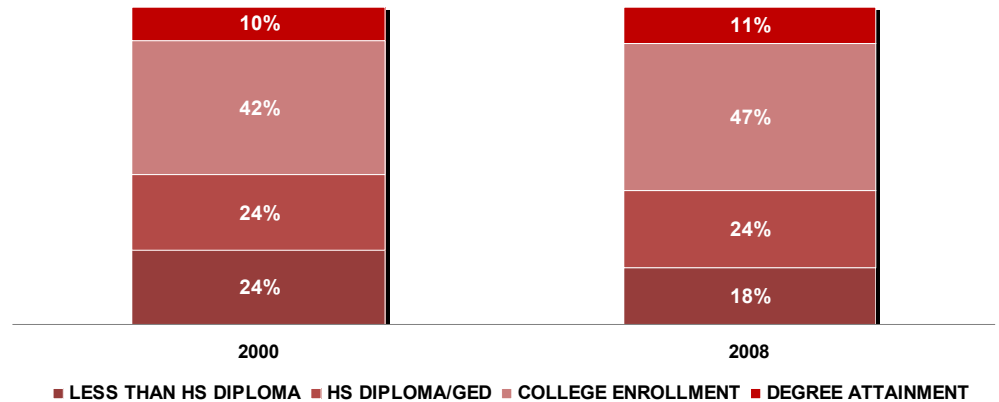
Among young adults in poverty, a larger share of Whites and Asians (51 percent and 62 percent, respectively) had reached postsecondary education compared to young Native American (30 percent) and Black and Hispanic students (37 percent each).

### TRENDS IN PRE-COLLEGE ATTAINMENT AND COLLEGE ENROLLMENT

Data from the years spanning 2000 to 2008 reveal several notable trends that further illuminate the potential of low-income young adults to increase their involvement in postsecondary education. The share of low-income young adults without a high school diploma has declined by 6 percentage points and now stands at 18 percent (FIGURE 3). In other words, the proportion of low-income young adults who no longer have the option—in a traditional sense—of entering postsecondary education has decreased by 25 percent.

Over the same period, however, the share of high school completers has remained the same—a quarter of all poor young adults had earned a high school diploma or GED and, with that, was at least minimally prepared for transitioning to college and potentially out of poverty.

**FIGURE 3: Highest Level of Educational Attainment by Low-Income Young Adults, 2000 and 2008**



SOURCE: U.S. CENSUS BUREAU 2008

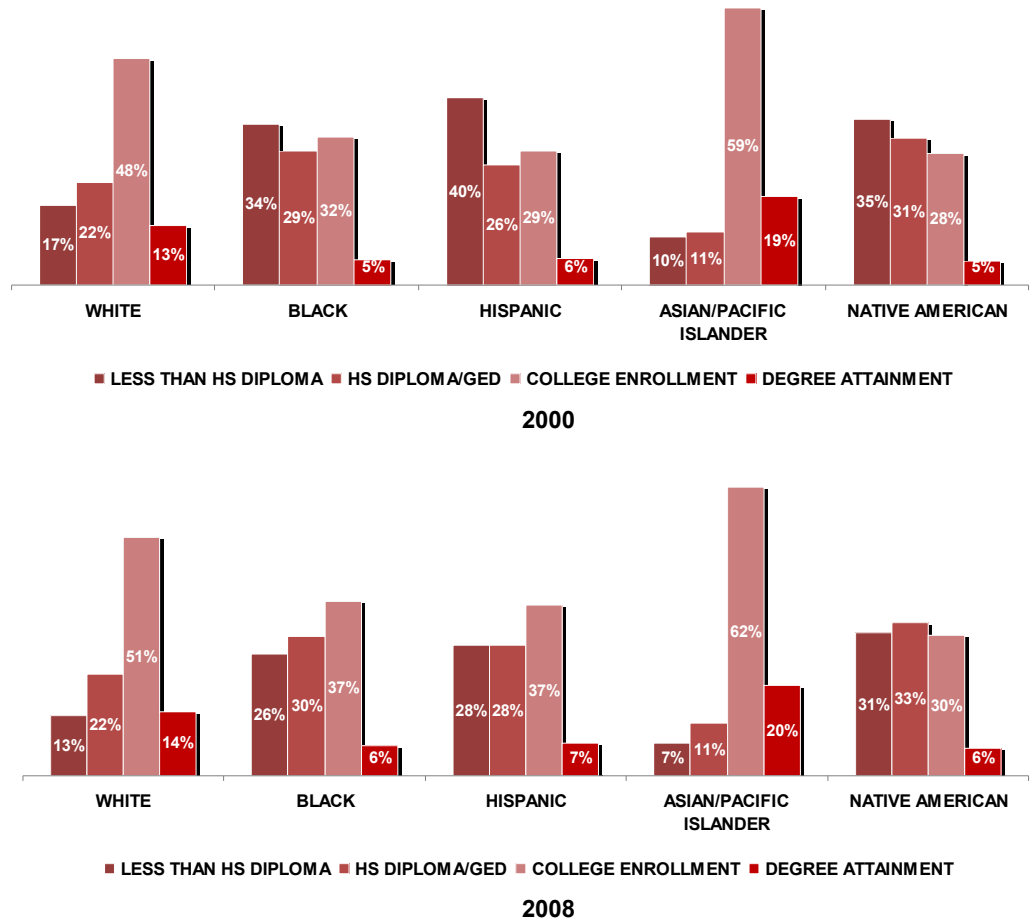
Lastly, a greater percentage of low-income young adults are capitalizing on the opportunity to take part in postsecondary education. Between 2000 and 2008, the proportion of low-income young adults enrolling in postsecondary education has increased by 5 percentage points and represents almost half of all low-income young adults.

A review of the same trends across all racial/ethnic groups (**FIGURE 4**) shows that the share of low-income young adults with less than a high school diploma has shrunk for all groups. The decline was most dramatic for Hispanics—the proportion of high school non-completers decreased from 40 percent to 28 percent. Among young low-income Blacks, the share of high school non-completers has been reduced from 34 percent to 26 percent.

Regardless of their racial/ethnic background, the proportion of low-income young adults enrolled in college has been increasing over time, with those of Blacks and Hispanics growing at a slightly faster rate. Between 2000 and 2008, the proportion of low-income young adults enrolled in postsecondary education increased by 5 percentage points for Blacks and 8 percentage points for Hispanics, compared to 3 percentage points for Whites and Asians (**FIGURE 4**). This trend is particularly promising given the growth of minority groups in the national population.



**FIGURE 4: Change In Highest Level of Educational Attainment by Low-Income Young Adults by Race/Ethnicity, 2000 and 2008**



SOURCE: U.S. CENSUS BUREAU 2008

### TRENDS IN POSTSECONDARY DEGREE COMPLETION

Many young adults expect to reap the financial benefits associated with a postsecondary education and those from low-income backgrounds believe that a college degree provides a critical step out of poverty. Yet while a sizable proportion of low-income young adults had enrolled in postsecondary education by 2008, approximately one in 10 of young adults had completed a degree or credential but were still poor. In other words, the economic benefits were not immediately felt by these college completers.

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White students from low-income backgrounds were twice as likely as their Black, Hispanic, and Native American counterparts to attain a postsecondary credential but remain poor (**FIGURE 4**). Most strikingly, the percentage of low-income young adults earning postsecondary degrees has stayed the same over the decade.

The representation of college graduates who fail to transcend the poverty threshold is worrisome and many questions linger. It prompts one to think about students' mismatched expectations about college and poor academic preparation. It invokes deterrents related to debt accumulation that could have been avoided by pursuing a different type of degree or a credential or, perhaps, students' competing work and family obligations. This finding also invites one to think about the value of a college degree and the extent to which postsecondary education can lift adults out of poverty. In any case, the implications of this alarming trend are enormous, given an expected shortage in the share of college educated populace, current demographic trends, and increasing importance of postsecondary education.

## **FUTURE BRUSHSTROKES**

To glean further insight into the low-income young adults' status and involvement in postsecondary education, subsequent *Portraits* briefs will address the following broad questions:

- ❖ What are low-income young adults' attendance and enrollment patterns? To what extent have they shifted over time?
- ❖ What degree aspirations do they have and to what extent are they academically prepared for postsecondary education?
- ❖ How do they finance their postsecondary education? What are their borrowing patterns and debt burdens?
- ❖ What are their educational economic outcomes, including certificate and degree attainment rates and participation in the labor market?

Each brief will shed light on the pathways that low-income young adults follow en route to degree attainment. Future briefs will attempt to uncover the main factors that can explain their relatively poor levels of postsecondary success and identify policy mechanisms that can be employed to improve educational and labor market outcomes for this population.

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**INSTITUTE FOR HIGHER EDUCATION POLICY**  
1320 19th Street, NW, Suite 400  
Washington, DC 20036

202 861 8223 **TELEPHONE**  
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