

Hardening Class Lines

The Erosion of the Social Contract in Higher Education

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Almost 50 years ago, a NEBHE newsletter editorialized that “institutions of higher learning must not become devices to reverse our historic trend away from a class society. We should continue to open wider doors of opportunity for students of genuine ability without regard to (family) income.” The Higher Education Act of 1965, with its commitment of federal support to new need-based student aid programs, and subsequent legislation establishing Basic Grants, later renamed Pell Grants, seemed to confirm that aspiration. And indeed, the years following NEBHE’s founding saw an enormous expansion in the number of citizens pursuing higher education.

In recent years, however, that social contract between the government and the larger society to make higher education available without regard to family income, has become increasingly threadbare.

An avalanche of recent articles, books, and media reports document the proposition that the more competitive institutions, whether private colleges or public universities, have become, to quote Mellon Foundation President William G. Bowen, “bastions of privilege” as much as “engines of opportunity.” Over the past 25 years, the more competitive and wealthier institutions

have become increasingly populated by the most economically advantaged students.

Public institutions with their more limited resources and lower tuition have become the places of necessity for middle- and lower-income families, if they can afford college at all. Both *The Economist* and *The New York Times* have devoted major efforts to an exploration of the role of higher education in hardening class lines in America.

A Century Foundation paper on college admissions and socioeconomic status by economists Anthony Carnevale and Stephen Rose provides some overwhelming statistics: At the 146 most competitive (and richest) colleges in the United States, 74 percent of students come from the top social and economic quartile; only 3 percent come from the bottom quartile; only 10 percent come from families below the median. Half the low-income students who are able to go on to higher education at all do so at community colleges where wealthier students are a rarity. At elite private colleges and universities, despite large commitments to financial aid, very few students even qualify for a Pell Grant because of their family income. At the University of Virginia, fewer than 10 percent of students have Pell Grants, which are generally awarded to students whose family incomes are under \$40,000. At the University of Michigan, more students come from homes with family incomes of \$200,000 than with family incomes below the national median.

New Hampshire Technical Institute opens in Concord; the state will host seven technical schools by decade’s end.

University of Connecticut President Homer D. Babbidge Jr., assumes NEBHE chairmanship.

1966 American Council on Education publishes its first annual report on attitudes of American college freshmen. Among the findings: 58 percent think it important to keep up with political affairs; 34 percent listened to folk music in the past year. By 1994, 32 percent would consider it important to keep up with politics; the question about folk music would be scrapped.

Massachusetts voters elect Edward Brooke, the first black U.S. senator in 85 years.

Congress passes National Sea Grant College and Program Act, authorizing establishment of sea grant colleges and programs by initiating and supporting marine science education and research.

Congress passes Adult Education Act, authorizing grants to state to expand educational programs for adults.

1967 Community and technical colleges join the RSP.

New England River Basins Commission established.

Median salary for U.S. college presidents is \$24,000.

Congress establishes Corporation for Public Broadcasting.



1968 From Prague to Paris to Cambridge, college students engage in strikes, sit-ins, demonstrations and clashes with police. In New England, the unrest focuses on student power, academic freedom and the Vietnam War. Gov. Ronald Reagan of California blames the turmoil on a conspiracy of left-wing elements; Connecticut Sen. Abraham Ribicoff denounces the Chicago Police for their handling of protesters.



Among those who do go to college, advantaged students have access to far richer resources than poorer students because the institutions they attend are far wealthier; the 10 richest colleges in America, for example, have combined endowments of about \$78 billion. A student at an elite private institution may have as much as \$75,000 of college resources devoted to his education while only a small fraction of that sum will be available, from tuition and government resources, at a local community college or regional public university.

Moreover, the hardening of class lines in higher education has broader class implications because as the rewards for a college degree from a prestigious institution become ever more valuable in the global economy, it is the already advantaged who reap the largest rewards from higher education. In addition, the quality of a liberal education at all institutions suffers when the economic diversity of the student body disappears (an undergraduate at an elite college in Maine wrote recently about what it was like to be in a college where few students even *knew* anyone who was poor).

The growing stratification in higher education is the result of a variety of new factors that are reinforcing one another.

First, because of growing income disparity, tuition has exploded as a percentage of family income for middle- and especially lower-income families over the past 30 years, but has actually decreased slightly for wealthier families. And the widening gulf between rich and poor is reflected in disparities in public schools, in neighborhoods, in school “readiness” and many other dimensions of everyday life that affect one’s course toward higher education.

Second, for hundreds of colleges and universities, the quest for success in a very competitive market has led to an arms race that diverts resources from finan-

cial aid to high-priced amenities such as fancy dormitories and glitzy campus centers in order to attract sought-after students.

In addition, state and federal governments have retreated from support of needy students and the institutions they attend. Financial aid programs cover less and less of college costs. In fact, Pell Grants covered 80 percent of four-year college costs 20 years ago, but just 40 percent today. Individual states—once the primary source of revenue for state colleges and universities—provide relatively less each year for higher education as their budgets are squeezed by rapidly escalating Medicaid, criminal justice and K-12 costs. Students at the less prestigious institutions are hurt most because their institutions, with their smaller endowments and less sophisticated fundraising operations, are most dependent on state aid and tuition revenue.

Also, both public and private institutions have increasingly adopted market strategies that favor wealthier students. Across the country, colleges and public systems are replacing need-based student aid dollars with “merit-based,” aid which helps institutions lure more “desirable” (usually wealthier) applicants who are able to pay at least some of the freight. Others rely on the euphemistic tuition “discounting,” which offers some students admission at below the advertised price for a variety of reasons other than financial need. Many elite institutions favor the “savvy” applicant through early admissions policies, which less well-counseled applicants are less likely to be aware of. Attention to “resume-building” also gives advantage to wealthy students who may be more familiar with ways to enhance their applications. And college recruitment strategies often target wealthier school districts.

Lastly, two powerful players in the marketing and admissions business play roles that tend to harden class

A Half Century of New England Higher Education and Economic Development, continued

Maine creates a new University of Maine System, encompassing the University of Maine at Orono, a network of four-year state colleges and the two-year college at Augusta.

Edson de Castro leaves Digital Equipment Corp. to launch Data General; New England spinoff firms, themselves, are now spinning off new companies.

Maurice H. Saval, president of the American Universal Insurance Co., assumes NEBHE chairmanship.

1969 Yale University admits women for the first time, as large numbers of historically single-sex institutions go coed.

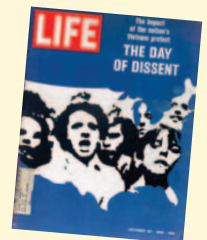
With key input from Massachusetts engineers, U.S. Department of Defense implements the ARPAnet computer network, which would evolve into the backbone of the Internet.

College of the Atlantic is founded in Bar Harbor, Maine, offering a single interdisciplinary degree: the bachelor of arts in human ecology.

1970 Four students killed by national guardsmen at Kent State University in Ohio during antiwar protest, sparking stepped-up demonstrations on New England campuses.

Congress establishes Environmental Protection Agency, laying the foundation for New England’s “envirotech” industry.

Michael J. Zazzaro of Connecticut assumes NEBHE chairmanship.



lines among institutions. The annual college ratings edition of *U.S. News & World Report* plays an enormous role in the marketing of institutions and college choice. Most of the criteria used in the rating system favor rich institutions and the recruitment of wealthier students. One of the criteria, for example, awards colleges points based on their budget per student. This provides a powerful incentive *not* to lower tuition charges. Another measure uses SAT scores which are reliably correlated with family income and parents' experience with college; the most heavily weighted criteria focuses on "reputation" which tends to give momentum to the most established and elite institutions.

The SAT itself is an instrument of stratification in higher education, a measuring stick that generally correlates with family income. Although most competitive colleges use a variety of tools in selecting students for admission, the average or range of SAT scores at an institution plays a disproportionate role in admissions decision-making. Further, wealthier families and schools take extra advantage of test-preparation programs; the new writing sample may, in fact, heighten that advantage. There is also a long history of studies that suggest a cultural bias inherent in the SAT test itself.

If the causes and culprits of the increasing stratification of higher education between the rich and the poor are many and complex, are there any steps we might individually and collectively take? Certainly reducing the gaps between rich and poor overall in the United States would be a most effective strategy for reinvigorating opportunity in education and many other arenas. But there are other, less ambitious, possibilities as well.

For starters, read the latest book by Bowen and his colleagues, titled, *Equity and Education in American Higher Education*. I cannot do justice here to the range and thoughtfulness of their analysis, but several

recommendations stand out. First, the elite institutions, who have long been "need blind" should now be "need conscious"—in short, wealthy institutions who can afford more financial aid should provide a "thumb on the scale" to enroll poorer students. Highly qualified lower-income students, even those with high SAT scores, are now being rejected by elite institutions who are unaware that they have qualified lower-income students in their applicant pools.

Second, admission to college on the basis of "legacy" and athletic prowess should be seriously questioned. It is particularly difficult to rationalize preferential treatment for children of alumni at wealthy institutions that claim to exemplify the idea of a meritocracy.

Third, much more aggressive steps should be taken to target less advantaged school systems in an effort to identify talented students at a much earlier stage in their education and provide the support to help them be successful. A recent report from the Lumina Foundation on the efforts of 15 colleges and universities to reach out and provide programs for low-income students provides some good models for aiding less economically advantaged students.

Fourth, the time has come to re-examine the SAT as an admissions requirement. Bates and Bowdoin colleges in Maine have not required applicants to submit SAT scores for many years. The two colleges have found that those applicants who did not supply SAT scores (and scored significantly lower on the tests) ended up with almost identical grades in college and graduation rates as those who did submit scores. But the major effect of dropping the SAT requirement has been a much larger and more diverse applicant pool.

Fifth, it is time for college leaders, who privately deride the *U.S. News* rating system, to stop cooperating with this deeply flawed system or encourage

1971 Study by University of California business Professor Earl F. Cheit finds colleges and universities facing a "new depression," marked by rising costs and declining revenue.

New England unemployment averages 7.1 percent for the year, compared with 5.9 percent for the nation; more than 50 Massachusetts manufacturing plants close.

1972 New England state colleges join the RSP.

NEBHE issues the first of two reports citing the need for a regional veterinary school in New England;

Tufts University School of Veterinary Medicine opens seven years later.

Members of New England's congressional delegation establish professionally staffed Congressional Caucus and Research Office. The office would be disbanded in the mid-1980s.

Congress passes Higher Education Amendments, introducing Basic Educational Opportunity Grants, later renamed Pell Grants, as the chief source of federal aid geared to lower-income families.

New Hampshire creates School for Lifelong Learning—later renamed Granite State College—as a unit of the public university system geared to adults.



1973 Cheit finds some improvement in financial condition of higher education.

A nine-member advisory board is formed to advise NEBHE on RSP matters.

In the face of sharply rising oil prices, New England governors meet with Eastern Canadian premiers to discuss energy issues, signaling the beginning of regular meetings among the leaders.

Defense closings cost New England 35,000 jobs.



criteria that acknowledges the powerful role of diversity in education. The popular magazine is beginning to feel some heat about this. Its 2006 issue for the first time includes a ranking of colleges and universities according to their “economic diversity,” by which it means the percentage of undergraduates who receive federal Pell Grants for low-income students. At Alabama A&M, for example, the figure is 83 percent. At Princeton, which tied for first in the magazine’s overall rankings of “America’s Best Colleges” this year, the figure is 7 percent. In other words, how institutions perform on this measure still has no bearing on their overall rankings that are so important to prospective students and various benefactors. *U.S. News* might be encouraged to adopt a rating system that makes student diversity—by family income, race and ethnicity, even a student’s age and employment status—part of the methodology. Further, important efforts are underway to develop more thoughtful ratings systems, based less on “inputs” and more on what a college does for a student. University leadership and the media could support and encourage these alternative rating systems.

Sixth, and more important, is the general plight of the public higher education systems, where most of America’s students go to college. A number of public universities now receive less than 10 percent of their revenue from their state government. They should be congratulated for their success in attracting other resources. But most students attend public institutions whose quality and capacity are based primarily on state

support and escalating tuition charges. As public support has eroded, the claim to real access has become increasingly empty.

Finally, financial aid on the basis of financial need must recapture its preeminence in the system of expanding higher education opportunity. For public institutions and state governments to divert resources to so-called merit awards, for private institutions to target key resources to tuition discounting as a marketing tool, and for the elite colleges to provide financial aid to the wealthy as a recruitment tool, is to hasten the course to a more rigid class system in higher education. In the end, the idea of equal opportunity will be gravely weakened, and so will the economy and society that depend upon it.

As higher education analyst and Pell Senior Scholar Thomas G. Mortenson editorialized recently: “Since 1973, the only earned path to the American middle class goes through higher education. This makes higher education the gatekeeper to the middle class in the United States. This makes federal, state and institutional decisions more important to America’s future than they have ever been.”

Robert L. Woodbury is the former chancellor of the University of Maine System and former director of the John W. McCormack Institute for Public Affairs at the University of Massachusetts Boston. He was NEBHE chair from 1990 to 1992.

A Half Century of New England Higher Education and Economic Development, continued

The Council of Presidents of the six public New England Land-Grant Universities is founded to exchange information on academic affairs, government relations, management issues and intercollegiate athletics.

Maine Senate Majority Leader Bennett D. Katz assumes NEBHE chairmanship.

1974 NEBHE receives support from the U.S. Public Health Service to study graduate and continuing education in nursing, as well as the region’s manpower needs in the fields of optometry, osteopathy and podiatry.

NEBHE links nearly 70 academic and public libraries through the New England Library Information Network, and provides on-line bibliographic searches through its Northeast Academic Science Information Center.

Boston School Committee rejects court-ordered busing plan for desegregation, leading to two years of racial violence in the region’s largest city.

Economist Rudolph Hardy proposes creation of a New England Assembly with the power to conduct regionwide planning.

Congress establishes National Center for Education Statistics.

1975 New England suffers deep recession, with regional unemployment averaging 10.3 percent. The U.S. figure is 8.5 percent.

Women represent 45 percent of U.S. college enrollment and hold 5 percent of college presidencies.

Grants account for 80 percent of federal student aid, while loans account for 17 percent; within 15 years, the breakdown would be closer to 50-50.

Robert W. Eisenmenger, first vice president of the Federal Reserve Bank of Boston, assumes NEBHE chairmanship.