

Study: Finishing college a growing divide between rich, poor

By CHRISTINE ARMARIO



Student Michael Kramer poses for a photo at the University of California, Los Angeles campus, Tuesday, Feb. 3, 2015. Kramer, 29, is the first in his family to attend college. The son of a country club maintenance supervisor and a factory worker, he went straight to jobs in retail and plumbing after graduating high school, unable to afford college. He eventually enrolled in a community college while working full time and is now taking out loans to help finish his bachelor's degree at UCLA. NICK UT — AP Photo

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LOS ANGELES — There is a growing divide between who earns a bachelor's degree by age 24, with the gap between the nation's richest and poorest students doubling during the last four decades, according to a report released Tuesday.



The percentage of students from the lowest-income families — those making \$34,160 a year or less — earning a bachelor's degree has inched up just 3 points since 1970, rising from 6 to 9 percent by 2013.



Meanwhile, college completion for students from the wealthiest families has risen dramatically, climbing from 44 to 77 percent.

"It's really quite amazing how big the differences have become between those from the highest and lowest family incomes," said Laura Perna, a University of Pennsylvania professor and executive director of the Alliance for Higher Education and Democracy, one of two organizations that published the study examining college costs and degree attainment.

The study comes amid renewed debate on college affordability spurred by President Barack Obama's proposal to

make two years of college free. If adopted in every state, the proposal would benefit a projected 9 million students a year. It would cost taxpayers an estimated \$60 billion over 10 years — a price the Republican-controlled Congress is likely to be hesitant to embrace.

The widening gap in college completion mirrors a growing divide in income inequality: While pay for the richest 10 percent of the nation has jumped in recent decades, salaries for most Americans have stagnated after accounting for inflation.

"If anything, the returns to education, the benefits from attaining more education, have been growing over the last 20 years," said David Zimmerman, an economics professor at Williams College in Massachusetts. "So to the extent that the education gap is widening between students from more and less advantaged families, than the predicted gap in earnings would widen as well."

Among the report's other findings: The percentage of students from all income levels enrolling in college has increased during the last four decades. There was a 46-point gap between rich and poor in 1970, compared with a 36-point gap in 2012.

But completion gaps are growing: While 99 percent of students entering college from the highest-income families — those making \$108,650 or more a year — graduate by 24, just 21 percent of students from the lowest-income families finish by that age.

Perna said there are a number of factors contributing to the widening divide, including access to the information and support needed to enter college and graduate; college readiness; and the availability of higher education that meets people's needs, particularly for students who might have children, limited access to transportation and full-time jobs.

She also noted that the likelihood of finishing a degree varies dramatically by the type of institution. Students from the poorest families are overrepresented in public two-year institutions, which tend to have lower completion rates, while those from wealthier families are abundant in doctoral-granting institutions.

The Obama administration has expanded the availability of Pell grants and supported a tax credit for tuition costs, but the study says the amount of the maximum Pell grant award has not kept up with the rising cost of college. College costs were more than two times higher in 2012 than in 1975 at the start of the Pell grant program, which provides aid to low-income students based on need.

Pell grants covered 67 percent of college costs in 1975 but only 27 percent in 2012.

"We sometimes think that low-income students are taken care of because of the federal program. But you can see it covers so much less than when it was first established," said Margaret Cahalan, director of the Pell Institute for the Study of Opportunity in Higher Education, the second institution involved in the report.

It analyzed federal education and population data, and the findings fall in line with numerous studies showing that while college enrollment has increased across demographic groups, disparities exist by completion rates and type of institution.

"Most of our work has shown there is an underrepresentation of low-income students in the best colleges and universities," Zimmerman said. "That has an effect on their completing college and their future income."

Michael Kramer, 29, is the first in his family to attend college. The son of a country club maintenance supervisor and a factory worker, he went straight to jobs in retail and plumbing after graduating high school, unable to afford college. He eventually enrolled in a community college while working full time and is now taking out loans to help finish his bachelor's degree at the University of California, Los Angeles.

"We're a country that says everybody should be getting higher education, and nowadays, to get any decent job, you need a bachelor's degree," Kramer said.

But for low-income students like him, Kramer said the high cost of college often means making a difficult choice between fulfilling basic food and housing needs and obtaining a postsecondary education.

"It's a continuous cycle that they get stuck in," he said.

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