

Study: Equity gaps widens in higher education

By Paul Fain, Inside Higher Education

Economic and racial stratification is increasing in American higher education, with growing concentrations of needy students at community colleges. Meanwhile, government funding skews toward universities with more advantaged students, due in part to research support and tax breaks.

Those are the findings of a new report from a panel convened by the Century Foundation. The paper, dubbed “Bridging the Higher Education Divide,” includes policy recommendations to address growing inequity in the academy.

“Two-year colleges are asked to educate those students with the greatest needs, using the least funds, and in increasingly separate and unequal institutions,” the report said. “Our higher education system, like the larger society, is growing more and more unequal.”

The report’s authors said community colleges’ relative lack of resources has contributed to the sector’s lackluster graduation rates.

Fewer than 12 percent of community college students earn a bachelor’s degree within six years of enrolling, the report said, while 81 percent of incoming students said they wanted to transfer and eventually earn at least a bachelor’s degree.

The federal government has long sought to level the economic playing field in K-12 schools, according to the report. That has not happened in higher education.

“We propose greater funding in higher education for institutions serving those students with the greatest needs,

...tied to accountability for outcomes,” wrote the panel, which was led by Anthony Marx, the former president of Amherst College and current president of the New York Public Library, and Eduardo Padrón, president of Miami Dade College.

Government support for colleges should incorporate the K-12 concept of “adequacy” funding, the report said, which require extra funding for schools with relatively large numbers of impoverished students.

The U.S. Department of Education should study the issue, according to the report. And state and federal lawmakers should develop funding formulas that take into account where disadvantaged students go to college.

If those strategies don’t work, the report points to the remaining branch of government – the courts – as an option.

“We encourage equity advocates to begin exploring the possibility of filing lawsuits in those states that have a constitutional guarantee that may extend to higher education,” said the report. “Litigation requiring adequate funding at the K-12 level has been successful in a number of states.”

Community colleges have far less money to spend on students than do four-year institutions, which have broader missions and access to more funding streams.

While four-year colleges have many costs – such as paying for faculty members to do research or running large residential facilities – that community colleges do not, they also spend more on student instruction. The two-year sector’s instruction costs were about \$5,000 on per student in 2009, according to research cited in the report, compared with \$10,000 at public research universities and \$20,000 at private research universities.

Public funding contributes to this disparity, albeit somewhat indirectly. Community colleges received \$8,594 per student in

2009 from federal, state and local government sources, the report said. Public research institutions received \$16,966 while public master's institutions got \$8,384.

Private colleges also benefit from a range of tax breaks, said the report, including exemptions on private donations and endowment income.

The money gap is growing in higher education. In the decade before 2009, total operating expenditures at private research universities grew by an average of \$14,000 per student while those of community colleges grew by only \$1.

The policy paper is backed by three new studies. That research addresses the financing of community colleges, the racial and socioeconomic composition of students at two-year institutions, and the role of those factors in student success.

The growing divide in higher education has been driven in part by the increasing percentage of Americans who attend college – which has quadrupled since the 1950s. Inequality has gotten worse as more people go to college, the report notes.

At the most competitive colleges, wealthier students outnumbered those on the low end of the socioeconomic spectrum 14 to 1 in 2006. Yet the ratio of needy to wealthy students at community colleges was nearly 2 to 1. And that socioeconomic stratification has grown in recent decades.

Racial and ethnic divides are also increasing. White students' share of overall community college enrollment dipped to 58 percent from 73 percent in the 12 years before 2006. That shift, which is due in part to the nation's changing demographics, was only three percent at more selective four-year colleges.

The report proposes several fixes, aimed at both policy makers and colleges. They include:

- Adopt state and federal adequacy-based funding akin to that used in K-12 education, combined with a consideration of outcomes.
- Establish greater transparency regarding public financial subsidies to higher education.
- Encourage the growth of redesigned institutions that improve the connection between community colleges and four-year institutions.
- Take steps to help students transfer from community colleges to four-year institutions.
- Encourage innovation in racially and economically inclusive community college honors programs.
- Encourage innovation in early college programs that enhance community college diversity.
- Prioritize funding of new programs for economically and racially isolated community colleges.
- Provide incentives for four-year institutions to engage in affirmative action for low-income students of all races.