

# A BITTER PELL

## SOME UNIVERSITIES COULD BE DOING A MUCH BETTER JOB ENROLLING AND GRADUATING LOW-INCOME STUDENTS.

By Mamie Voight and Colleen Campbell

**H**igher education is a crucial pathway to social and economic mobility at a time when income inequality has reached record levels. Yet many of the public universities that should be helping students move forward are instead holding them back by failing to enroll enough low-income undergraduates. As a result, tens of thousands of young people are missing the first, critical step toward opportunity.

Which institutions could be doing a better job of enrolling and graduating more low-income students? The answer to that question, it turns out, can be derived from data in the *Washington Monthly's* own rankings. Those rankings include a “predicted Pell enrollment rate” measure. This statistic compares the percentage of students enrolled at a given college who receive a federal Pell Grant to the percentage who would be statistically expected to enroll, given the college’s selectivity. Importantly, this calculation does not suggest that every selective college must enroll huge proportions of low-income students—only as many as other, academically similar colleges have already enrolled. We took that predicted Pell enrollment rate for each institution, compared it to the institution’s actual Pell enrollment rate, and applied the college’s graduation rate. This allowed us to estimate how many additional Pell students a particular college could graduate without changing its admissions standards—in other words, the college’s “fair share” of qualified, low-income students.

Table 1 shows the ten universities with the largest potential to graduate far more Pell recipients, based on this measure. For example, Pennsylvania State University’s main campus alone graduates about 930 fewer low-income students every year than our formula suggests it could. The University of Delaware, Indiana University–Bloomington, the University of Alabama, and Purdue University each have shortfalls of more than 400 low-income students.

By opening their doors to more low-income students who qualify academically, these colleges with Pell enrollment deficits could make a significant dent

in helping the 240,000 high-achieving, low-income students who, according to the Georgetown University Center on Education and the Workforce, do not graduate from college each year. This finding holds even though some low-income students would enroll and graduate elsewhere. Studies show that similarly qualified low-income students are much more likely to graduate from a selective college than from an open-access institution.

Why, then, are some universities enrolling so few low-income students? We decided to ask them directly. Their answers provide a glimpse into the organizational dilemmas of these institutions that are missing the mark on one of their most vital public obligations.

**A**n administrator in charge of undergraduate education at Penn State noted in an email that the main campus is part of a larger system of twenty campuses that serve students’ differing “financial circumstances and academic interests.” Partially because of the lower costs, many low-income students enroll at the branch campuses, he added. Indeed, University Park is the most expensive campus in the Penn State system, charging low-income students about \$18,000 per year *after* grant aid (including Pell Grants).

This price difference, however, isn’t the consequence of an iron law of nature, but of choices state policymakers and campus leaders make about how to distribute resources. In effect, the state has chosen to price poor people out of one of its most prestigious public universities, from which students are most likely to graduate.

It could choose otherwise. Table 2 shows the ten universities that increased Pell enrollment rates, enrolled more Pell students than predicted, and maintained better than average graduation and default rates. The University of California, Santa Barbara, for example, is in the top echelon of its state’s universities, serving students of variable income and ability. Yet 38 percent of Santa Barbara students are low income, compared to

**Table 1: Potential Contributors:** Colleges that could graduate far more Pell Grant recipients by increasing access for low-income students

| Institution   | CONTEXT |   |                                   |                  | PELL CONTRIBUTIONS             |                             |   |  |                        |                            |   |
|---|---------|---|-----------------------------------|------------------|--------------------------------|-----------------------------|---|--|------------------------|----------------------------|---|
|   | State   | Percent Pell Enrollment Among All Institutions in State | Net Price for Low-Income Students | Median ACT Score | Predicted Pell Enrollment Rate | Actual Pell Enrollment Rate | Pell Enrollment Rate Gap (Predicted-Actual pct. pts.) | Pell Enrollment Gap (# of Pell Recipients) | 6-Year Graduation Rate | Additional Pell Completers | Actual Percent Pell Increase, 2008-2013 (pct. pts.) |
| Pennsylvania State University–Main Campus           | PA      | 41.5%   | \$17,881                          | 26               | 29.7%                          | 15.0%                       | 14.7  | 1,081                                      | 86%                    | 930                        | 1   |
| University of Delaware                              | DE      | 41.7%   | \$9,906                           | 26               | 28.1%                          | 13.0%                       | 15.1  | 611  | 80%                    | 489                        | 5   |
| Indiana University–Bloomington                      | IN      | 42.8%   | \$4,426                           | 25               | 28.4%                          | 20.0%                       | 8.4   | 618  | 75%                    | 462                        | 6   |
| University of Alabama                               | AL      | 52.5%   | \$15,542                          | 26               | 30.3%                          | 19.7%                       | 10.6  | 628  | 67%                    | 418                        | 5   |
| Purdue University–Main Campus                       | IN      | 42.8%   | \$6,873                           | 26               | 27.7%                          | 19.7%                       | 8.0   | 527  | 69%                    | 365                        | 3   |
| James Madison University                            | VA      | 38.8%   | \$9,807                           | 25               | 24.1%                          | 13.3%                       | 10.8  | 447  | 81%                    | 361                        | 3   |
| Virginia Polytechnic Institute and State University | VA      | 38.8%   | \$11,114                          | 27               | 22.5%                          | 15.0%                       | 7.5   | 393  | 83%                    | 325                        | 5   |
| San Diego State University                          | CA      | 52.3%   | \$5,038                           | 23               | 45.1%                          | 31.3%                       | 13.8  | 474  | 66%                    | 313                        | 15  |
| Towson University                                   | MD      | 44.2%   | \$8,633                           | 23               | 38.7%                          | 21.7%                       | 17.1  | 421  | 65%                    | 273                        | 6   |
| Texas Tech University                               | TX      | 54.5%   | \$8,449                           | 24               | 35.3%                          | 25.3%                       | 10.0  | 435  | 61%                    | 264                        | 5   |
| <b>AVERAGE</b>                                      |         | <b>49.0%</b>  | <b>\$9,767</b>                    | <b>25</b>        | <b>31.0%</b>                   | <b>19.4%</b>                | <b>11.6</b>   | <b>563</b>                                 | <b>73%</b>             | <b>420</b>                 | <b>5.4</b>  |

Notes: Median ACT Score, Actual Pell Enrollment Rate, 6-Year Graduation Rate, Net Price for Low-Income Students, and Percent Pell Enrollment Among All Institutions in State are averages of the 2011, 2012, and 2013 data to adjust for variation over time.

only 15 percent at Penn State, and Santa Barbara charges low-income students about half as much.

As in Pennsylvania, Indiana’s flagship schools come up short on Pell enrollment. Why? An administrator for enrollment management at Purdue University lamented that Indiana’s high school graduates “are not as prepared to be as successful in college as we would like them to be,” especially in math. This has led the university to recruit large numbers of nonresidents to meet enrollment and revenue targets. Leadership at Indiana University–Bloomington cited similar efforts to recruit out-of-state students, noting the challenge of balancing “academic quality, diversity, and affordability.”

It’s certainly true that these schools have aggressively recruited out-of-state and international students—who, not coincidentally, typically pay upward of \$28,000 in annual tuition, far higher than Hoosier residents. In-state enrollment at Purdue declined by 700 students

over the past decade, while international enrollments grew by 690. Non-Hoosiers—including these international students—now make up 43 percent of West Lafayette’s student body. At Bloomington, the international student population has increased by nearly 600 since 2004, the fastest growing of any student group on campus.

There is no reason to believe that the number of qualified Indiana residents has declined so dramatically in just ten years. Among the 20,000 low-income high school graduates in Indiana, these premier colleges could certainly each recruit a few hundred more talented students with the capacity to succeed in their rigorous curriculums. Proof that this is possible is available right in the state: Bloomington, with a median ACT score of 25, chose to enroll 618 fewer needy students than it might have; Indiana Wesleyan University, with a median ACT score of 24, chose to enroll 260 more.

**Table 2: Access Improvers:** Colleges that increased Pell enrollment rates, while maintaining strong student outcomes

| Institution                            | CONTEXT |                               |                                   |                  |                        | PELL CONTRIBUTIONS             |                             |                          |   |
|--|---------|-------------------------------|-----------------------------------|------------------|------------------------|--------------------------------|-----------------------------|--------------------------|---|
|  | State   | State Percent Pell Enrollment | Net Price for Low-Income Students | Median ACT Score | 6-Year Graduation Rate | Predicted Pell Enrollment Rate | Actual Pell Enrollment Rate | Pell Enrollment Rate Gap | Actual Percent Pell Increase, 2008–2013 (pct. pts.) |
| University of California–Santa Cruz    | CA      | 52.3%                         | \$10,047                          | 25               | 73%                    | 33.0%                          | 45.0%                       | -12.0                    | 28  |
| University of California–Irvine        | CA      | 52.3%                         | \$8,248                           | 25               | 86%                    | 34.2%                          | 43.7%                       | -9.5                     | 22  |
| University of California–Santa Barbara | CA      | 52.3%                         | \$9,049                           | 27               | 80%                    | 28.8%                          | 38.0%                       | -9.2                     | 16  |
| University of California–Riverside     | CA      | 52.3%                         | \$8,003                           | 23               | 66%                    | 37.3%                          | 57.3%                       | -20.0                    | 16  |
| Indiana Wesleyan University            | IN      | 42.8%                         | \$25,355                          | 24               | 70%                    | 29.6%                          | 46.7%                       | -17.1                    | 16  |
| Stetson University                     | FL      | 57.6%                         | \$17,448                          | 25               | 64%                    | 24.1%                          | 38.0%                       | -13.9                    | 16  |
| Grand Valley State University          | MI      | 48.4%                         | \$10,663                          | 24               | 66%                    | 29.2%                          | 34.7%                       | -5.4                     | 14  |
| University of Tennessee–Knoxville      | TN      | 56.8%                         | \$7,483                           | 27               | 66%                    | 22.3%                          | 30.0%                       | -7.7                     | 11  |
| Florida State University               | FL      | 57.6%                         | \$9,448                           | 27               | 75%                    | 25.2%                          | 27.7%                       | -2.5                     | 10  |
| University of Florida                  | FL      | 57.6%                         | \$6,670                           | 28               | 85%                    | 23.6%                          | 30.0%                       | -6.4                     | 8   |
| <b>AVERAGE</b>                         |         | <b>52.9%</b>                  | <b>\$10,552</b>                   | <b>26</b>        | <b>73%</b>             | <b>28.7%</b>                   | <b>39.1%</b>                | <b>-10.4</b>             | <b>16</b>   |

Note: Median ACT Score, Actual Pell Enrollment Rate, 6-Year Graduation Rate, Net Price for Low-Income Students, and Percent Pell Enrollment Among All Institutions in State are averages of the 2011, 2012, and 2013 data to adjust for variation over time.

The top-performing colleges in Table 2 intentionally set out to find these students. UC Santa Cruz, for example, more than doubled its Pell enrollment rate, enrolling over 4,000 more low-income students in 2013 than in 2008. When asked how it recruits low-income students, Florida State’s leadership summed it up by saying, “First of all, you have to look for them.”

These colleges deliberately target high schools with large proportions of low-income and minority students. They transport students to campus to introduce them to university life. They review applications broadly, looking not just at students’ SAT or ACT scores but at their grades, class rank, work histories, and obstacles they’ve overcome. And, once those students are on campus, they provide the extra support, from counseling to tutoring, they sometimes need to get to graduation.

State and system policies also play a role. For example, Florida and California, with six of the ten top performers on Table 2, award funds to individual campuses based on how many low-income students they enroll. But even in states where that’s not the case, top-performing institutions do not let a lack of funding stand in the way. In speaking about low state appropriations, an administrator at Michigan’s Grand Valley State University says that the scarce resources force deliberate choices, and, “if it isn’t related to the students ... you don’t do it.”

If more universities made similar choices, far more high-achieving, low-income students would stand a fighting chance of earning the college credentials they need. <sup>WM</sup>

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