

# Indicators of Higher Education Equity in the United States: 2022 Historical Trend Report

## Executive Summary

Despite gradual increases in U.S. Higher Education participation and attainment over the last half century, the Equity Indicators Historical Trend Report finds persistent inequity throughout the U.S. higher education system. These intersecting inequities contribute to the U.S. having lower rates of increase and a lower rate of widening participation in educational attainment than other developed nations. Between 2000 and 2020, the U.S. fell from 2<sup>nd</sup> to 16<sup>th</sup> among OECD countries in bachelor's attainment among individuals between the age of 25 to 34. The 2022 Indicators Report has a theme of Re-Imagining Higher Education as a Human Right to inspire change toward overcoming these negative trends.

### *Setting the Stage: The Wider Context of Inequity in the United States*

- **Rising Wealth and Income Inequality.** Since 1967, household income quintiles have stagnated, only rising for the highest income quartile. In 2020, the highest income quintile accounted for 52 percent of the U.S. wealth, a distribution greater than the lowest (3 percent), second (8 percent), third, and fourth quintiles combined. (STS 8c).
- **Disparities in Wealth by Race/Ethnicity.** Between 1983 and 2019, the median family wealth rose from \$82,708 to \$102,044 in constant 2020 dollars, but the overall medians mask the stark contrast by race/ethnicity. In 2019, White's median wealth outpaced the national average at \$162,176, yet the median family wealth was less than \$15,000 in constant 2020 dollars for the Black and Hispanic population. (STS 8b(ii)).
- **Increased Percentage of Low-Income Students.** There is an increasing share of students from low-income families in our nation's educational system. The percentage of K-12 students eligible for Free or Reduced-Price Lunches and First-Time Full-Time (FTFT) undergraduates with Pell or other Federal Grants has almost doubled in the last few decades. (STS Figure 6a).

### *Who Enrolls in Postsecondary Education?*

- **Distribution of Postsecondary Education Enrollment is Stratified by Parent Socio-Economic Status (SES).** In 2020, an estimated 79 percent of 18-to-24-year-old recent high school leavers from the highest family income quartile enrolled in postsecondary education, compared with 48 percent in the lowest quartile (Equity Indicator 1a(i)).
- **College Entrance Rates by Parents' Educational Attainment.** In 2016, college attendance rates by 3 years after leaving high school ranged from 92 percent for students in the highest SES quintile to 53 percent among those in the lowest family SES quintile. (Equity Indicator 1g(ii)).
- **First-Generation College Students.** In 2016, 56 percent of undergraduate students were first-generation college defined as neither parent had obtained a bachelor's degree (Equity Indicator 1h(ii)). About 32 percent of undergraduates had parents who had some college but had not completed a bachelor's degree. (Equity Indicator 1h(ii)).

### *What Types of Postsecondary Institutions Do Students Attend?*

- **Stratification of Enrollment by Family SES Persists.** Students from the highest SES quintile are 8 times as likely to attend a "most" or "highly" competitive institution compared to the students from the lowest quartile (33 percent vs. 4 percent). (Equity Indicator 2f).
- **Inverse Relationship Between the Selectivity of the Institution and Percent of Pell Recipients.** In 2020, among the Most Competitive Institutions, an average of 24 percent of enrolled students received Pell grants, compared to an average of 68 percent receiving Pell Grants at the least competitive institutions. (Equity Indicator 2e).

### *Do Financial Aid and Differences in College Costs Eliminate the Barriers to College Equity?*

- **Growth in Unmet Financial Need by Income Quartile and Dependency Status.** In constant 2020 dollars, dependent students from the lowest family-income quartile averaged \$9,859 in unmet needs in 2016, while dependent students from the highest income quartile had a surplus of \$29,110.(Equity Indicator 3c(i)). In addition, average unmet financial need is the greatest for independent students due to the group having greater living costs compared to dependent students. (Equity Indicator 3c(ii)).
- **Federal Financial Aid has not Kept Pace with Rising College Costs.** The maximum Pell Grant rose from \$2,635 to \$6,345 between 1974-75 and 2020-21. Simultaneously, during the same period, the overall college cost increased by about 157 percent (\$9,849 and \$25,281) (Equity Indicator 3b(i)). If the Pell Grant were to be restored to cover two-thirds of the average college costs in 2020-21, it would need to be raised to \$17,126 rather than \$6,345 (Equity Indicator 3b(iii)).
- **Pell Recipients Tend to Be in Low Resourced Institutions.** Broad Access institutions serve almost 50 percent of the Full-Time-Equivalent (FTE) enrolled students, yet they do so with about one-third (34 percent) of the total Education and Related (E&R) expenditures. Highly Selective institutions serve about 11 percent of the total FTE students yet have an estimated 27 percent of the total (E&R) expenditures. (Equity Indicator 3d(ii)).
- **Large Inequity in E&R Expenditures per FTE Student by Institution Selectivity.** Highly Selective Institutions averaged \$52,770 in E&R expenditures per FTE student compared to \$15,129 E&R spending per FTE student at Broad Access institutions (Equity Indicator 3d(i)).

### *How Do Students in the United States Pay for College?*

- **Higher Education is Losing Public Funding.** The period since 1980 shows an increasing shift in financing for postsecondary education from public funding to students and their families. The share of higher education expenditures paid by students and families increased from one-third (33 percent) in the late 1970s to almost half (46 percent) in 2020. (Equity Indicator 4a(i)).
- **Impossible Ratio of Family Income to Net Price of College.** Although low-income students on average attend lower-priced colleges, by 2016, the net price of college attendance, after all grants and discounts were taken into account, represented a stark 94 percent of average family income in the lowest family income quartile (Indicator 4b(ii)).
- **Long-Lasting Debt Burdens Falls Most on Pell Grant Recipients and Students of Color.** In 2020 dollars, 10 years after being awarded a bachelor's degree, Black students had borrowed an average of \$63,601 and White graduates \$35,147 to finance their undergraduate and graduate education. This data represents a Black-White gap of \$28,454.
- **Increases in the Percentage Of Students Who Borrowed, Especially Ethnic Minorities.** Use of loans among bachelor's degree completers has increased in the last thirty years, with Blacks having some of the highest percentages of students who must borrow (85 percent) and the highest amount borrowed for bachelor's degrees (\$36,710 in 2020 dollars). (Equity Indicator 4d(i a&b) 4d(ii a&b)).

### *How Do Educational Attainment Rates and Outcomes Vary by Student Characteristics?*

- **Change in Distribution of Bachelor's Degree Conferred by Sex.** Over the last 150 years, the change in the distribution of bachelor's degrees conferred by sex has reflected shifts in the global labor market structure and significant historical events. In 1869, about 9,371 bachelor's degrees were awarded, of which 85 percent were conferred on males and 15 percent to females. In 2019, bachelor's degrees grew to 2 million, with 43 percent conferred to males and 57 percent to females (Equity Indicator 5a(iii)).
- **Persistent Inequality by Family Income in Degree Attainment.** Since 1970, there has been an increase in bachelor's degrees attained by age 24 for all income quartiles, but the distribution by family income quartile remains highly unequal. In 2020, estimated bachelor's degree attainment rates were almost 4 times higher for dependent family members in the highest income quartile than those in the lowest (59 percent vs. 15 percent). (Equity Indicator 5a(i)).

- **Chance of Completion Strongly Related to Family Income and Parent Education.** Most first-generation students entering college at both 2-year and 4-year colleges report they expect and hope to obtain a bachelor's degree; however, the reality is that the majority will not be able to attain their goal within 6 years. Among dependent students who first enrolled in 2011-12, 6-year bachelor's degree completion rates were 45 percentage points lower for both low-income and first-generation than for those who were neither low-income nor first-generation (21 percent versus 66 percent). This pattern holds for dependent students regardless of whether they first entered 2-year or 4-year institutions (Equity Indicator 5c(iii)).
- **Degree Completion Variation by Dependency Status.** By 2017, six years after first enrolling in a 4-year or 2-year institution, 60 percent of dependent students and 38 percent of independent students had attained a postsecondary credential. Of the 60 percent of dependent students that earned a postsecondary credential, 45 percent earned a bachelor's degree. Among the 38 percent of Independent students earning a postsecondary credential, 9 percent earned a bachelor's degree, and 29 percent earned a degree below the bachelor's. (Equity Indicator 5c(iv)).

#### *How Do Tertiary Educational Attainment and Spending in the U.S. Compare with Other Countries?*

- **The U.S. Has Lower Rates of Increase in Bachelor's Attainment Compared to Other Countries.** In two decades, the U.S. has fallen in ranking among OECD countries reporting bachelor's attainment information for adults aged 25 to 34. In 2000, the U.S. ranked 2nd out of 30 OECD countries on this indicator, but in 2020 the U.S. ranked 16 out of 38. In retrospect, the U.S. did experience a 37 percent increase in bachelor's attainment for adults aged 25 to 34; however, in comparison, the countries that outranked the U.S. experienced an average 177 percent rate of increase in bachelor's attainment. (Equity Indicator 6a).
- **Stark Differences in Public & Private Tertiary Educational Fundings.** In 2018, about 66 percent of all OECD countries' higher education expenditures came from public sources, while only about 30 percent of the rest of the total tertiary funding came from private sources. In comparison, in countries such as Korea (60 percent), the United States (64 percent), and the United Kingdom (71 percent), private funds outpaced the percentage of funds provided by the government (Indicator 6d).

#### *The Federal TRIO programs: Who, What, Where, Why, and How Does the TRIO Program Work?*

- **Growth in TRIO participants.** In 1965, there were 3,261 TRIO participants; that number rose to 854,929 participants in 2021. Overall, TRIO participants grew by 261 percent over 56 years (Equity Indicator 7a(i to iii)).
- **High Impact Service but Low Reach.** Evidence from several national evaluations of TRIO programs indicates that students' participation in the federally provided programs can increase access and completion rates for low-income students. For instance, a national evaluation of the SSS program reported that SSS participants entering 4-year institutions were 23 percent more likely to attain a bachelor's degree within 6 years than nonparticipants' matched comparison group. (Equity Indicator 7d(ii)). However, TRIO programs only serve a small portion of the individuals eligible for the programs (Equity Indicator 7b(iii)).

**To view the full *Indicators Report*, visit the [Equity Indicators Website](#)**

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