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Promoting Economic Diversity for College Affordability

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Despite decades of spending on financial aid and numerous political pronouncements about the importance of ensuring that college opportunities are distributed based on individual merit rather than family background, American higher education remains largely economically homogeneous. Globally, it also stands out as remarkably expensive, particularly relative to real family incomes, which have been declining for several years.¹

The usual explanation for these dual characteristics of today's colleges and universities—economically elite and unaffordable—is that the former is a function of the latter. In other words, it is nearly a truism that higher education is the domain of wealthier families *because* it costs so much. Certainly, given that growth in need-based financial aid has never kept pace with the growth in costs of college attendance, the increasing net price of college is a key factor limiting the college enrollment and completion rates of students from moderate and low-income families. But that is not the only reason why

economic homogeneity and high prices go together at American colleges and universities.

In fact, the two phenomena mutually reinforce each other through a dynamic process in which wealthier students demand a distinctive, “high-quality” experience that helps preserve their social status—an experience they believe can only be provided at very high costs—and colleges and universities acquiesce, or even cater, to those desires. In other words, higher education is expensive *because* it is the domain of the wealthy. As the current trend-setters and “thought leaders” in higher education skew toward the economically elite, their institutions face strong incentives to keep the price of attendance high while distributing just enough financial aid to claim that they are accessible. They are able to do this while spending relatively little on financial aid because they maintain admission standards that exclude most students coming from less-advantaged communities around the country. It is possible for colleges to promise every family earning less than \$100,000 a year a debt-free college education if, at the same time, their admissions officers turn away all applicants lacking the very highest test scores. Classes of predominately elite students voice far louder demands than any working-class student union on campus ever could, and once they graduate, the networks of powerful and wealthy alumni—and the college foundations that cater to them—actively resist the efforts of future generations or policymakers to create change.

Given this dynamic, making college affordable and more economically diverse will require actions to contain college costs and shift the burden for financing college from the backs of individuals onto the shoulders of communities. But it will also require changing admissions processes; this could be accomplished most directly by mandating that institutions receiving Title IV financial aid serve a significant number of students receiving need-based aid. Accomplishing this is no small task: these are not only economic policy changes but also political ones as well, and thus they require the influence of supportive constituencies. Absent this sort of push, college administrators, trustees, and state legislators can continue to claim they are simply responding to market demand by raising college prices and limiting financial aid. Since their most vocal constituents possess the resources to continue voting with their feet, enrolling in higher education no matter what the price, they have little reason to act otherwise. Without direct and strong intervention, higher education will remain stuck in the cycle of becoming even more economically segregated, and ever more expensive.

Economic Segregation in Higher Education Reflects Economic Inequality

While the lives of working families are sometimes measured in terms of absolute levels of their resources, they are perhaps more frequently marked by their relative status and deprivation. These social divides are reinforced by constant comparisons drawn to assess who is “ahead” and who is “behind” in schooling, employment, and any number of measures of human flourishing. Right now, America is more divided by income and wealth than it has been at any point since before the Great Depression.² For students, learning to cope, and perhaps adapt, but at the very least to survive in this environment requires that they interact across social class backgrounds. Unfortunately, higher education rarely provides such opportunities.

Colleges and universities are highly segregated communities, with the wealthiest students far outnumbering the poorest at highly selective, private schools and public flagship universities.³ Students with the fewest financial resources disproportionately attend the country’s community colleges and for-profit institutions, where the number of financial aid recipients often outstrips the number of unaided students. But even among community colleges, wealth inequities persist. In a recent analysis, my colleague and I found that most community colleges either have very high proportions of Pell Grant recipients, or very low proportions.⁴ Rarely is there balance in terms of economic diversity.

This disjuncture—between the need for students to learn in socioeconomically diverse environments and the dearth of such environments at the postsecondary level—has consequences beyond those accruing to current undergraduates. The politics and practices of higher education institutions are being reified and sometimes reshaped to further emphasize a focus on the needs of the wealthy over the needs of the working class. And in this way, higher education is perpetually acting as an “engine of inequality” rather than an “engine of opportunity.”

Social Class Dynamics Affect College Life

Led by powerful families seeking to secure continuing advantages for their children, actively engaging college administrators with promises of donations and other forms of support, and backed by an industry of businesses profiting from this use of higher education, the effort to

drive up college costs has been under way for some time. (Or, at the very least, efforts to keep costs low and college affordable have been actively resisted.) Meanwhile, families that struggle with ambitions for social mobility often believe advancement requires the kind of “high-quality” education so commonly conflated with a high-priced education. In falling prey to this fallacy, the middle class serves the interest of the upper class, leaving the interests of working-class families unrecognized and unaddressed.

Sociologists Elizabeth Armstrong and Laura Hamilton provided insights into these processes as they occur on college campuses in a recent ethnography, *Paying for the Party: How College Maintains Inequality*. Following fifty undergraduate women for five years, the authors studied how women who began life together in a single freshman dorm ended up years later. They found that at the Midwestern university where the research was sited, students navigate college through several pathways, including the “party,” “professional,” and “mobility” pathways. For upper-middle-class party students (55 percent of the study’s sample), college is treated as a pathway to social reproduction; it is possible for these women to coast through college with little cost to their life ambitions, even if they treat the university as a “playground for the young.” In contrast, less-privileged students depending on college to provide a route to upward mobility and professionalism really need administrators and professors to provide an accessible, affordable college education with genuine intellectual engagement and strong workforce connections.⁵

But these needs, more often than not, appear to compete. The authors argue that dominant culture at colleges (and particularly universities) indulges preferences for the “party” pathway, effectively limiting prospects for social mobility for other students. One reason this happens is that the burden of “paying for the party” requires institutional spending on consumptive amenities (e.g. fitness and student centers, big-time sports teams, sororities and fraternities), adding substantially to rising tuition costs that rest on the shoulders of all students. While students who take pathways of emphasizing learning over socializing often receive some financial aid, it is rarely sufficient to offset those added costs, and thus they are left picking up the party tab—often with loans. By driving up costs and financial strain, and raising the standards for participation in college life, campus cultures focused on indulging upper-middle-class students may adversely affect the chances of college success for less-privileged students counting on higher education to propel them into

stable, happy lives. And this is especially likely to happen when the more elite students are in the clear majority.

These social class dynamics also affect the way that colleges and universities organize themselves to serve students and their parents. For example, consider the widespread discussions about “helicopter parents” who are intrusively engaged in their students’ lives, and the strategies that college administrators use to try to keep them at arms’ length. Contrast this with the needs of students like the Pell Grant recipients I have been following for the past five years as part of the Wisconsin Scholars Longitudinal Study, whose parents are at best supportive and needy (financially and emotionally), and at worst disabled and/or estranged. These groups of parents require very different forms of outreach from colleges in order to help their undergraduate children succeed—the former may need to be counseled to give their students space, while the latter may need information about how to obtain additional public benefits support to survive while their student works and attends to school. Insufficient campus diversity provides little incentive for institutions to think in this way.

College professors are similarly affected. They set terms of academic engagement that prioritize non-working students, holding classes and office hours at times convenient for the teacher, not the student. These in-person activities are labor intensive and therefore expensive. While working students might prefer online advising, at elite institutions it is not commonly offered.

Finally, students themselves perpetuate a lack of economic diversity and drive up college costs through their own role in campus life. The ability to take on leadership positions in student government is often predicated on full-time campus enrollment or grades, and of course students must have the time to participate. Student organizations with power are often elite spaces, and their governments sometimes play an active part in determining how resources—especially student fees—are spent on campus. When wealthy students lead governments and pursue the creation of additional amenities and expensive programs, they leave behind a legacy not merely of activism but also of increasing costs.

A Vicious Cycle

In theory, programs such as the federal Pell Grant were intended to increase economic heterogeneity on college campuses. At institutions where Pell recipients were not well treated, the theory went that students

would simply not continue to enroll. Given the choice, these consumers would shop elsewhere. The problem with this theory is that these consumers have very little power, controlling a minor fraction of resources flowing to the most influential colleges and universities. Admission standards and costs combine to construct large gates that preclude significant enrollment by moderate to low-income students, and in their absence, current students and their parents help to build even bigger walls by perpetuating a trend toward making college even more unaffordable.

Only by reversing this pattern and deliberately bringing economic heterogeneity to campus life can we stem the tide. Leveraging both financial aid programs and admissions protocols to accomplish this could serve to create more vibrant learning environments and more affordable ones—and that is a cost-effective approach to rethinking higher education.