

**SUMMARY AND REVIEW OF
*UNEQUAL OPPORTUNITY: DISPARITIES IN COLLEGE ACCESS
AMONG THE 50 STATES***

Submitted for: Information.

Summary: “Access” to higher education, and the extent to which “access” is promoted or restrained, is a perennial policy issue in Illinois and throughout the nation generally. This item provides a summary of the key findings of *Unequal Opportunity: Disparities in College Access Among the 50 States*, a recent report issued by the Lumina Foundation for Education, as well as Illinois-specific findings within the study. The general findings and related policy implications of the Foundation’s report are that individual opportunities for higher education are related to where a student lives, their economic circumstances, and the type of institutions available. The report also underscores the importance of the interrelationship between state financial aid and tuition policies in providing a breadth of higher education opportunities for all residents within a state.

The study rated more than two-thirds of the “generally admissible” public and private colleges and universities in Illinois as “affordable” (including with and without borrowing) for low-income dependent students, and almost three-fourths of all public institutions were similarly rated as “affordable” for low-income independent students. However, low-income students of all types in Illinois are also more likely to need loans to cover the cost of attendance at all institutions than their wealthier counterparts.

Action Requested: None.

STATE OF ILLINOIS
BOARD OF HIGHER EDUCATION

**SUMMARY AND REVIEW OF
*UNEQUAL OPPORTUNITY: DISPARITIES IN COLLEGE ACCESS
AMONG THE 50 STATES***

“Access” to higher education, and the extent to which “access” is promoted or restrained, is a perennial policy issue in Illinois and throughout the nation. It is also an issue with many dimensions including questions of geographic, socio-economic, academic, and physical accessibility. A recent report issued by the Lumina Foundation for Education, *Unequal Opportunity: Disparities in College Access Among the 50 States*, addresses the question of accessibility to undergraduate education in the United States for over 2,800 public and private colleges and universities through the lens of socio-economic and academic access.¹ This item provides a summary of the key findings of this report, an overview of Illinois’ relative performance, and implications of *Unequal Opportunity* and similar studies for the issues of accessibility and affordability in Illinois.

Summary and Key Findings of *Unequal Opportunity*

This study classifies more than 2,800 public and private, four- and two-year colleges and universities in the 50 states and the District of Columbia according to their “accessibility” for typical residents using 1998 data (the most recent year for which complete data were available). “Accessibility” to these institutions is defined in this study as having two components: admissibility (selectivity) and affordability (net cost of attendance). The authors of the study provide the caveat that, “This study does not document the actual behavior of students or the probability that certain kinds of students may attend a particular college. Rather, it documents the environment in which students make decisions about whether they will go to college and where they might be able to enroll. The research provides a common set of definitions for admissibility, affordability, and accessibility by institutions and by states” (p. 2). That is, the study attempted to assess the relative breadth of college opportunities for students within a state based on certain data and assumptions.

Institutions in the study were classified as “generally admissible” if they enroll students with admissions test scores (i.e., ACT/SAT) consistent with the middle range of scores for all test-takers in their states. In general, states with a significant number of public two-year community colleges had a larger percentage of “admissible” institutions, than those with more public and private four-year institutions. “Affordability” was assessed for four groups of students in each state: traditional college-age, dependent low-income and dependent median-income students; and non-traditional adult, independent low-income and independent median-income

¹ The report is located on the Web at www.luminafoundation.org/monographs/index.shtml. **Note:** The findings and data presented in this board item are based on the revised version of the report issued by the Lumina Foundation on January 23, 2002.

students.² For this study, “affordability” was defined in terms of: (1) the cost of attendance that students in each of the four groups faced at a particular institution; (2) the estimated amounts students and their families could contribute toward those expenses (the Expected Family Contribution); and (3) the amounts and kinds of financial aid available to the students (e.g., Pell Grants, state grants, institutional aid, loans). Each institution was then classified in one of three ways for each of the four student groups:

- **Affordable without borrowing** – If the remaining financial need after subtracting the expected family contribution and expected grant aid was less than \$500 at an institution, the institution was considered affordable without borrowing.
- **Affordable with borrowing** – If the remaining financial need was more than \$500 but less than \$3,125 (a maximum federal loan plus \$500) for a dependent student, or more than \$500 but less than \$5,500 for an independent student, the institution was considered affordable with borrowing.
- **Unaffordable** – If the remaining financial need was more than \$3,125 for a dependent student or more than \$5,500 for an independent student, the institution was considered unaffordable.

The study found wide variations in “accessibility” among the states, which was attributed more to the relative “affordability” of a state’s colleges and universities than “admissibility”, though there is clearly some relationship between the two factors. Public two-year community colleges were consistently the most affordable institutions in every state for all four student groups (as well as being generally admissible) followed by public four-year colleges. Private four-year colleges generally are the least frequently affordable types of institutions. In short, everything else being equal, a state’s level of “accessibility” is directly influenced by the proportion of students enrolled in private and public four-year institutions.

The study concludes with a classification of states into three categories of “accessibility”, based on the relative ability of low- and median-income dependent students to attend public institutions without borrowing:

- **Most Consistently Accessible** – States that provide a similar set of options for low- and median-income dependent students without borrowing, while also providing access to the majority of public institutions for low-income students. 11 States were included in this category.
- **Typically Accessible** – States that provide no more than 1.5 times as many affordable options without borrowing for median-income dependent students as for low-income students. 18 states (including Illinois) were included in this category.
- **Least Consistently Accessible** – States that provide twice or more affordable options without borrowing for median-income students as for

² Estimates of student/family income distribution by quartile were developed for the four student groups in each state using family income, marital status, and family size data from the U.S. Census Current Population Survey.

low-income students, or provide limited options for both types of students.
21 states and the District of Columbia were included in this category.

The authors of the study note that access to public colleges and universities varies among the states due to four main reasons: wide ranges of income inequality between low- and median-income families across the states; relative levels of direct state appropriations to colleges and universities; differences in state policies and commitments relative to tuition and financial aid; and differences in specific institutional costs of attendance and available financial aid for students.

The methodology used in the study underscores the inherent complexities in analyzing the issues of access and affordability, particularly on such a broad-based scale. One weakness of the approach adopted by these researchers is a reliance on several estimates and other assumptions in making affordability determinations for individual institutions. For example, the study makes assumptions on the amount of state grant aid provided to students at each institution in a state based on statewide/sector average awards. In states like Illinois that have significant need-based grant programs, the actual awards received by students can vary tremendously among institutions, even within sectors, thus potentially under- or over-stating the “affordability” rating of any given institution in this study. Another problem is the potential difficulty for readers in maintaining clarity in the narrative with regard to the presentation of the study’s results for each of the four groups of students.

At the same time, the authors of the study take great care in documenting the underlying assumptions employed in the research (that are largely related to data limitations), and provide numerous caveats and detail with regard to interpretation of the results. Nonetheless, the risk remains that these caveats may be lost or ignored by readers given the complex nature of this topic, resulting in inaccurate conclusions.

An Overview of Illinois’ Performance in the Study

Unequal Opportunity included several comparative analyses relative to the two dimensions of “access” underlying the study (admissibility and affordability). Table 1 below includes a summary of Illinois’ performance across these analyses and other highlights.

Table 1
Illinois’ Performance Across Measures of Access Used in *Unequal Opportunity*

Measure	Illinois’ Performance	Highlights/Comments
<i>High School Graduates College-Going Rates</i>	<ul style="list-style-type: none"> ▪ 63 percent of Illinois high school graduates enrolled in a college or university within one-year. 	<ul style="list-style-type: none"> ▪ The national average for this measure was 57 percent. ▪ Illinois ranked 6th nationally on this measure.
<i>Percent of Generally Admissible Public Institutions</i>	<ul style="list-style-type: none"> ▪ 98 percent of Illinois public colleges and universities were classified as generally admissible. 	<ul style="list-style-type: none"> ▪ States such as Illinois with a large number of community colleges had higher levels of admissibility.

Measure	Illinois' Performance	Highlights/Comments
<i>Disparities in the Percent of Affordable Private Four-Year Institutions for <u>Dependent</u> Low- and Median-income Students</i>	<ul style="list-style-type: none"> ▪ 77 percent of Illinois private four-year institutions were affordable for median-income dependent students compared with 19 percent for low-income dependent students. 	<ul style="list-style-type: none"> ▪ Illinois ranked 3rd highest nationally on the gap between median- and low-income students in this measure.
<i>Percent of Affordable Public Institutions for Low-Income <u>Independent</u> Students</i>	<ul style="list-style-type: none"> ▪ 73 percent of Illinois public institutions were affordable for low-income independent students. 	<ul style="list-style-type: none"> ▪ Illinois ranked 19th nationally on this measure.
<i>Percent of Public and Private Institutions that are Generally Accessible for <u>Dependent</u> Students</i>	<ul style="list-style-type: none"> ▪ 63 percent of Illinois public and private institutions are accessible for <u>low-income</u> dependent students and 87 percent for <u>median-income</u> dependent students. 	<ul style="list-style-type: none"> ▪ Illinois ranked 22nd nationally in overall accessibility for <u>low-income</u> dependent students and 7th nationally for <u>median-income</u> dependent students.
<i>Percent of Public and Private Institutions that are Generally Accessible for <u>Independent</u> Students</i>	<ul style="list-style-type: none"> ▪ 41 percent of Illinois public and private institutions are accessible for <u>low-income</u> independent students and 65 percent for <u>median-income</u> independent students. 	<ul style="list-style-type: none"> ▪ Illinois ranked 22nd nationally in overall accessibility for <u>low-income</u> independent students and 15th nationally for <u>median-income</u> independent students.
<i>Percent of Public Institutions that are Accessible for Low-Income <u>Dependent</u> Students</i>	<ul style="list-style-type: none"> ▪ 98 percent of Illinois public institutions are accessible for low-income dependent students. 	<ul style="list-style-type: none"> ▪ Illinois ranked 5th nationally on this measure.
<i>Percent of Public Institutions that are Accessible for Median-Income <u>Dependent</u> Students</i>	<ul style="list-style-type: none"> ▪ 98 percent of Illinois public institutions are accessible for median-income dependent students. 	<ul style="list-style-type: none"> ▪ Illinois was tied for 15th nationally on this measure with two other states (<i>14 other states were accessible for 100 percent of their median-income students</i>)
<i>Percent of Public Institutions that are Accessible for Low-Income <u>Independent</u> Students</i>	<ul style="list-style-type: none"> ▪ 73 percent of Illinois public institutions are accessible for low-income independent students. 	<ul style="list-style-type: none"> ▪ Illinois ranked 19th nationally on this measure.

Source: Compiled by BHE staff from revised version of *Unequal Opportunity: Disparities in College Access Among the 50 States*, Lumina Foundation, issued January 23, 2002.

Individual profiles on accessibility and affordability were compiled for each state in this study, including ratings for the state's institutions. The data in the profile are consistent with the information presented in the full report in that Illinois median-income dependent students are shown to have a larger number of affordable options (both with and without borrowing) than do low-income students. The results presented in the Illinois profile rated **31 percent** of the state's admissible institutions (public and private in total) as "unaffordable" for dependent low-income students. Table 2 below compares Illinois on that measure with other surrounding states in the

Midwest, as well as separate comparisons for public and private institutions. As indicated, several other states in the region ranked lower on that measure than Illinois.

Table 2
Percent of Admissible Public and Private Institutions Rated as
“Unaffordable” for Dependent Low-Income Students
Midwestern States
(Ranked in Ascending Order by Total)

State	Percent of Admissible Institutions Rated as "Unaffordable"		
	Public	Private	Total
Minnesota	7	72	23
Indiana	8	61	30
Illinois	0	77	31
Wisconsin	10	90	34
Ohio	8	93	43
Iowa	12	86	51
Michigan	7	95	51
Missouri	21	85	51
Average (Excluding Illinois)	8	85	42

Source: Compiled by BHE staff from revised version of *Unequal Opportunity: Disparities in College Access Among the 50 States*, Lumina Foundation, issued January 23, 2002.

Implications For Affordability and Accessibility in Illinois Higher Education

Unequal Opportunity's results are mixed for Illinois and its institutions of higher education. On one hand, more than two-thirds of the “generally admissible” public and private colleges and universities in the state received an “affordable” rating (including with and without borrowing) with regard to low-income dependent students, and almost three-fourths of all public institutions received an “affordable” rating for low-income independent students. However, low-income students of all types in Illinois were also more likely to need to borrow to cover the cost of attendance at all institutions than their wealthier counterparts. As noted by the study’s authors, “Some potential students are reluctant to borrow, some will have difficulty repaying loans, and repayment costs add substantially to education expenses. These factors can diminish a college’s accessibility for some students, so it is important to note when borrowing is required” (p. 2).

Another recent national study, *Measuring Up 2000: The State-by-State Report Card for Higher Education*,³ also included affordability among the categories used to evaluate state systems of higher education. The approach in this study differed from that in *Unequal Opportunity* in that the focus of the analysis was at the state-level, not the institutional-level. The criteria used in *Measuring Up 2000* to assess affordability included students’ ability to pay the cost of attendance, the amount of need-based grant aid received, the share of family income required to pay tuition at the lowest priced colleges in the state, and average student loan burden.

³ This report was published in November 2000 by the National Center for Public Policy and Higher Education.

Illinois received an “A” in affordability (ranking 4th among the states), largely due to the state’s significant investment in need-based grant aid (i.e., the Monetary Award Program). Illinois ranks third in the nation both in terms of the total amount of need-based grant aid provided to undergraduates and the average amount provided per full-time undergraduate student.⁴

However, *Measuring Up 2000* also found that Illinois’ private institutions, which account for 30 percent of higher education enrollment in the state, require a large share of family income for students to attend, potentially reducing their “accessibility” for lower-income students. The study also found that average annual student loan debt in Illinois is among the highest in the nation. These findings are consistent with those presented for Illinois in *Unequal Opportunity* in that low-income students in particular would need to borrow to attend a majority of the four-year institutions (public and private) in this state, and even then many of these institutions were classified as “unaffordable” for low-income students.

In June 2000, the Illinois Student Assistance Commission (ISAC) published a report, *Changes in Affordability of a College Education for Dependent Students in Illinois*. This report attempted to measure the changes in affordability over time for students of different income levels at public universities, community colleges, and private institutions in Illinois, after accounting for grant aid received (MAP and Pell Grants) and the expected family contribution. Using this methodology, the ISAC study found that community colleges became more affordable for the lowest income students during the 1990s, while public universities and private institutions became less affordable for those students. However, this study did not factor in sources of aid other than MAP and Pell Grants, which would have significant implications for the assessment of the relative affordability of Illinois private institutions in particular in this analysis. The study concludes that lower-income dependent students at public universities and private institutions would likely require loans and in some cases substantial institutional aid to make these affordable options for attendance.

In summary, the findings of all of these studies indicate the strengths of Illinois’ approach to providing broad access to higher education, as well as the underlying weaknesses and challenges ahead. It is interesting to note that of the top five states in providing need-based grant aid to undergraduate students (New York, California, Illinois, Pennsylvania, and New Jersey), only Illinois and California received ratings of “Typically Accessible” or “Most Consistently Accessible” in *Unequal Opportunity* for low- and median-income students seeking to enroll at public institutions without borrowing. Again, however, the significant loan debt potentially faced by low-income Illinois students may serve to diminish the breadth of opportunities available to those individuals in particular.

Summary and Conclusions

Overall, the general findings and related policy implications of *Unequal Opportunity* are that individual opportunities for higher education are related to where a student lives, their economic circumstances, and the type of institutions available. The results of the study also underscore the important interrelationship between state financial aid and tuition policies in providing a breadth of higher education opportunities for all state residents, as have the work of the National Center for Public Policy and Higher Education and ISAC.

⁴ Source: 30th Annual Survey Report of the National Association of State Student Grant and Aid Programs, www.nassgap.org/researchsurveys.

The Board of Higher Education has consistently recognized this interrelationship through its budget recommendations and other policy statements, most recently through the work of the Committee on Access and Diversity. The Board's work plan for calendar year 2002 include several items related to the issues of access and affordability including:

- continued implementation of the Committee on Access and Diversity recommendations;
- an update of the 1994 report of the Committee on the Study of Affordability; and,
- the development of an "affordability index" relative to Illinois colleges and universities.

The strengths and weaknesses of the analytical approaches for addressing these issues indicate that there is no one "best" methodology, and that significant caution must be taken in describing and interpreting related research results. Nonetheless, the approaches and results presented in *Unequal Opportunity*, as well as in *Measuring Up 2000* and the June 2000 ISAC report will make a useful contribution to the work of the Board as it continues to address these complex issues during the coming months.

