



NEW APPROACHES TO PROMOTING COLLEGE ACCESS FOR MORE AMERICANS

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For most of its history, America has been a nation of opportunity where even those born into the least well-off families can improve their circumstances. As income inequality continues to grow in the United States, however, many are concerned that widening differences in economic opportunities across households are creating barriers to upward social mobility. Education has often served as a path to better economic outcomes and new evidence identifies promising ways to help lower-income students improve their educational opportunities. These policies vary in size and scope, and differ dramatically in cost. In today's tight budget climate, new low-cost interventions that target high-achieving, low-income students may offer a game-changing approach that not only increases enrollment rates among these students, but does so at better schools that provide a better foundation for upward mobility.

THE ROLE OF EDUCATION IN SOCIAL MOBILITY

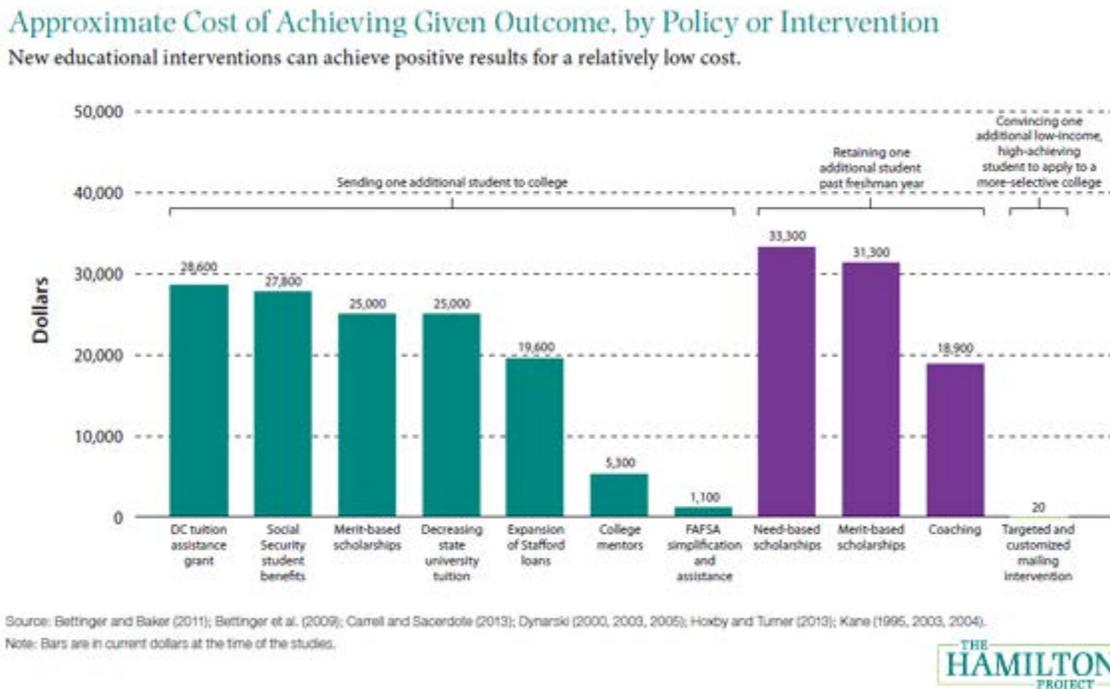
For many Americans, education has provided the means to a better job and a better life. Individuals with a bachelor's degree make about \$30,000 more per year over the course of their lives than those with only a high school education. For individuals born into low-income families, a college degree can be a path out of poverty and into the middle class. For instance, a student born into the bottom 20 percent of the income distribution (or the lowest quintile) has a 45 percent chance of remaining there as an adult if he or she does not have a college degree. In contrast, individuals born into the lowest quintile who do obtain a college degree have only a 16 percent chance of remaining there later in life.

Despite these potential benefits, some qualified students do not pursue a college degree, too many enroll but don't finish, and even more students choose institutions and programs that neither meet their needs nor are commensurate with their abilities. A range of interventions attempts to rectify these problems at the federal, state, and local levels, all with the goal of providing students with the opportunities they deserve. And while the interventions vary in terms of scope, size and target audiences, they also range in terms of their cost and effectiveness. In a new policy memo, "[Thirteen Economic Facts about Social Mobility and the Role of Education](#)," The Hamilton Project compares several well-known interventions that aim to

increase college attendance and completion. Importantly, these interventions are compared on the same scale so that it is possible to determine which have the greatest bang for their buck.

POLICY INTERVENTIONS TO PROMOTE COLLEGE ACCESS

The figure below, drawn from the new policy memo, provides estimates of the relative cost of different policies that target education-related goals. The bars show the cost-per-outcome of each intervention derived from the most rigorous academic research.



As the figure illustrates, not all policy interventions are created equally with regard to cost—an important factor in today’s tight economic times. On one end of the cost spectrum, policies involving financial aid generally entail higher costs to send one additional student to college. For example, an expansion of Stafford loans, which offer lower rates on loans to lower-income borrowers, costs about \$20,000 to send one more student to college. These loans benefit many low- and middle-income families whose children would have gone to college anyway, helping to reduce the burden on their families. On the other end of the spectrum, new low-cost interventions, which can complement federal and state aid programs by sending more kids to college and to better schools, can cost less than \$1,000 per student—and some, less than \$100—to achieve their positive outcomes.

While the high-cost interventions play an important role in promoting higher education and cost-wise may be commensurate with the challenge of providing financial support, such lower-cost programs—which have become a large focus of new research—complement these existing

approaches by helping low-income students overcome informational barriers that cause them to miss out on opportunities already available to them. For instance, [recent research](#) finds that simplifying and assisting low-income students in the financial aid application process increases college enrollment by about 8 percentage points, and costs less than \$100 per student. Since the intervention is successful for about one in ten students who receive it, this translates into an average cost of about \$1,000 per each additional student who actually enrolls in college.

Another promising intervention is a low-cost program that provides low-income, high-achieving students with customized and detailed information on their full array of college and financial aid options. In a forthcoming Hamilton Project discussion paper, “[Informing Students about Their College Options: A Proposal for Broadening the Expanding College Opportunities Project](#),” Caroline M. Hoxby of Stanford University and Sarah Turner of the University of Virginia describe this new intervention to encourage more low-income students to apply to better schools.

Despite the different structures, target populations, costs, and outcomes associated with these assorted policies, they all have the same fundamental goal—getting more kids into college, helping them stay there, and promoting better opportunities for lifetime earnings. As policymakers tackle the important issue of college access, this range of interventions offers many cost-effective solutions that go beyond simply increasing college access through affordability. Indeed, new and innovative policies also aim to expand the range of college opportunities available to low- and middle-income students by helping more kids go to better colleges. More opportunities in higher education for high achievers of all income levels will lead to a more-skilled workforce, more social mobility, and a means for America to once again become a land of opportunity.

CONCLUSION

Broad access to higher education is a central plank in promoting the social mobility that remains a key feature of our national identity. Growing inequality over the last several decades has made it more important than ever to ensure that all Americans have an equal opportunity to succeed by continuing to find new and innovative approaches for encouraging low-income students to apply to college and helping them stay there.

To help promote discussion around this important issue, The Hamilton Project will [host an event](#) next week on the economic imperative of increasing college opportunities, with a particular focus on reaching low-income students. Following remarks by former U.S. Treasury Secretary Robert E. Rubin, Hoxby will present her new proposal aimed at improving college outcomes for high-achieving, low-income students. William Fitzsimmons of Harvard College, Nicole Farmer Hurd of the National College Advising Corps, and Russ Whitehurst of Brookings’ Brown Center on Education Policy will join a roundtable discussion on the proposal. Nancy Cantor of Syracuse

University, David Coleman of the College Board, Brit Kirwan of the University System of Maryland, and Jon Whitmore of ACT, Inc. will join a second panel discussion on the broader role of college access in American mobility, moderated by *New York Times* Washington Bureau Chief David Leonhardt.

For more information or to register for the event, [click here](#). To learn more, you can also follow us on Twitter [@HamiltonProj](#) and join the conversation at [#collegeopp](#).