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Socioeconomic Status, Race/Ethnicity, and Selective College Admissions

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The issue of affirmative action at our nation's top universities excites much interest and controversy in part because it goes to the very heart of what Americans mean by equal opportunity and meritocracy. Race-conscious admissions received an important boost with the Supreme Court's recent decision affirming the constitutionality of the University of Michigan Law School's program—an outcome we support. This chapter seeks to expand the traditional debate over race and ethnicity in selective admissions by analyzing the issue of whether low-income students, too, should benefit from affirmative action policies.

Along the way, it asks a series of questions: Who attends selective universities today? Does it matter who gets in? How do college administrators define merit and fairness in the admissions process? How are they defined by the public? How should they be defined? Do colleges currently give a leg up to economically disadvantaged students? If not, would students admitted under such preferences be qualified to do rigorous, college-level work? What would be the effect of replacing affirmative action with a variety of policies: a straight system of grades and test scores; a lottery of minimally qualified students; automatic admissions to the top-ranking students in all high schools, irrespective of standardized test scores; an automatic admissions plan for top-ranking students with a minimum standardized test score requirement; preferences for economically disadvantaged students?

If economic preferences are advisable, should they replace or supplement racial affirmative action?

To answer these questions, we analyzed information from two sets of longitudinal data published by the National Center for Education Statistics (NCES). These data sets are extremely detailed, with individualized records of high school grades, college entrance exams, and socioeconomic background. Each student monitored also took a test that provides a wealth of information about the many students who do not take the Scholastic Assessment Test (SAT) or American College Test (ACT). We also analyze data on how admissions officers currently make decisions as well as trends in admissions decisions between 1979 and 2000, and we relay the findings of an Educational Testing Service (ETS) poll of the American public on admissions questions. We then apply these data to the nation's most competitive 146 four-year colleges, which constitute the top two tiers in Barron's guide to colleges (those that are among the most selective 10 percent of approximately fourteen hundred four-year institutions and 6 percent of all postsecondary institutions).

The next part of this chapter finds that, under current affirmative action policies, racial minorities are underrepresented and that the underrepresentation of low-income students is even greater. The chapter then looks at the three main advantages of attending a selective institution: greater likelihood of graduating, greater access to graduate schooling, and a wage premium in the labor market. The chapter goes on to examine the evidence surrounding how merit is defined by different audiences and concludes that a dynamic concept of merit, which looks at how far someone has traveled as well as where he or she ends up, is widely accepted as appropriate. We find that preferences for minority status and the economically disadvantaged have fallen off over the past thirty years. We then note that while selective colleges purport to provide preferences to low-income students and say they would like to admit more if these students were academically prepared, on average the top 146 colleges do not provide a systemic preference and could in fact admit far greater numbers of low-income students, including minority students, capable of handling the work. The chapter then simulates the effects of a variety of race-neutral admissions schemes, reaching, among others, the following conclusions: a system of grades and test scores would significantly reduce racial and ethnic diversity but would increase income diversity slightly; lottery admissions have little public support; class rank plans without a

minimum test score would greatly raise dropout rates; class rank plans with a minimum test score would reduce racial and ethnic diversity; economic preferences would somewhat diminish racial and ethnic diversity and greatly expand socioeconomic diversity.

In the final section of this chapter, we make a series of policy recommendations, cautioning against the widespread use of the class rank approach to admissions because doing so can force a trade-off between diversity and attainment of a degree. We urge the expansion of current affirmative action programs to include low-income students because these add both economic and racial diversity. Maintaining existing racial affirmative action schemes is paramount in the interest of racial justice and the educational benefits of diversity. And stronger financial aid policies must be implemented to make offers of admissions to low-income students genuine rather than hollow commitments.

STUDY DESIGN

To demonstrate the complex reality of college admissions, this chapter examines the academic characteristics of students who attend institutions at every level of selectivity (see Box 3.1, page 104, for treatment of the Barron's definition of competitive colleges). It analyzes this information based on two sets of longitudinal data published by the National Center for Education Statistics: the National Education Longitudinal Study of 1988 (hereafter referred to as NELS:88) and the High School and Beyond study (to be referred to as HS&B).

Approximately 1.2 million high school students who graduate each year enroll in one of the fourteen hundred accredited four-year colleges. Few of these students (15 percent) will make it into a top-tier four-year college. Another 20 percent will matriculate in a second-tier school. The largest population (about 40 percent) enroll in third-tier institutions, with the remaining 25 percent going to fourth-tier colleges. So the top two tiers account for slightly more than one-third of enrollees.

The NELS:88 study began by collecting data on approximately twenty-five thousand high school freshmen in 1988 and followed them through graduation in 1992 and their post-high school years to 1994. The HS&B study began in 1980 and continued to collect information on approximately thirty thousand respondents during their college years and their first jobs.

BOX 3.1 BARRON'S DEFINITION OF COMPETITIVE COLLEGES

The Barron's selectivity measures take into account several determinants: the median SAT I or median composite ACT entrance exam score; students' high school class rank; students' grade point average; and the percentage of students accepted.

The Barron's selectivity measures group schools into six different levels from the most selective to the least selective: *Most Competitive*, *Highly Competitive*, *Very Competitive*, *Competitive*, *Less Competitive*, and *Noncompetitive.*

This chapter uses a simplified version that condenses the six levels into four tiers.

TOP TIER "Most" and "Highly" Competitive. Generally, students in this tier are in the top 35 percent of their high school class, have a high school grade point average that is B or better, and score about 1240 on the SAT I or above 27 on the ACT. Colleges in this tier accept less than 50 percent of the applicants. There are 146 four-year colleges in this category, and approximately 170,000 students enroll as freshmen at these institutions each year.

Only a tiny percentage of the student population applies to the 146 most selective colleges, a few hundred thousand out of three million high school graduates each year, and an even smaller group attends. Enrollments at the most selective 146 colleges represent less than 10 percent of the nation's post-secondary freshman class, including four- and two-year colleges.

SECOND TIER "Very" Competitive. Colleges in this tier accept students in the middle of their class who have a high school grade point average of B- or higher and a range of 1146–1238 on the SAT I or 24–26 on the ACT. The applicant acceptance rate is between 50 and 75 percent. Approximately three hundred thousand freshmen attend the 253 four-year colleges in this category.

THIRD TIER "Competitive." Colleges in this tier generally accept students with a minimum high school grade point average of C, those who score above 1000 on the SAT I or above 21 on the ACT. The "preferred" students are in the top 50 to 65 percent of their high school class. Colleges in Barron's third tier generally accept 75–85 percent of their applicants. The 588 four-year institutions in this category enroll 570,000 freshmen.

FOURTH TIER "Less" Competitive and "Noncompetitive." These colleges accept students with scores below 1000 on the SAT I or below 21 on the ACT. The minimum grade point average is C or less and high school rank is in the top 65 percent. College acceptance rate generally exceeds 85 percent. These 429 institutions generally enroll about 325,000 freshmen annually.

Source: *Barron's: Profiles of American Colleges, 24th ed.* (Hauppauge, N.Y.: Barron's Educational Series, Inc., 2000).

Both the HS&B and NELS:88 surveys were remarkably detailed. A complete record of high school and college courses taken, as well as grades and college entrance exam scores, was created for each participant. In addition, each student, along with his or her parents, teachers, and principal, answered a wide range of questions about expectations, practices in the home and in the classroom, the student's academic progress, high school environment, and so forth. Finally, each student was given a National Education Longitudinal Survey (NELS) test, an exam similar to the SAT. Since not all students take a college entrance exam, the NELS test provides a good benchmark for all students.

In determining family background, both HS&B and NELS:88 computed a measure of the socioeconomic status of the family on the basis of reported income and parental education and occupations. Clifford Adelman recommends using socioeconomic status because family income is most often reported by the student and prone to large mistakes.[1]

Each student record is unique: what high school he or she attended; which courses he or she took; his or her overall grade point average, extracurricular activities, and teacher recommendations. Because there is variation among high school grading practices and courses taken, college entrance exam and NELS test scores are used to facilitate comparisons across schools and curricula. For this reason, exam scores are often used as the best available single statistic describing student achievement.[2]

High school grades and class rank correlate with college entrance exam scores but not completely. For example, even among students in the top 10 percent of their high school class, 24 percent either did not take the SAT or ACT or scored below 1000 on their combined math and English tests, while 43 percent had scores topping 1300.

WHO ATTENDS SELECTIVE UNIVERSITIES

Access to selective colleges is highly skewed by race and ethnicity, although not as much as by socioeconomic status. While Asians attain a greater share of seats in four-year colleges than their proportion of the population of eighteen-year-olds, African Americans and Hispanics constituted only 6 percent each of the freshman classes of the 146 "most" and "highly" selective four-year colleges. African Americans and Hispanics were 15 and 13 percent, respectively, of all eighteen-year-olds in 1995. So blacks and Hispanics were considerably underrepresented at these top schools even with affirmative action.

There is even less socioeconomic diversity than racial or ethnic diversity at the most selective colleges (see Table 3.1). Seventy-four percent of the students at the top 146 highly selective colleges came from families in the top quarter of the socioeconomic status scale (as measured by combining family income and the education and occupations of the parents), just 3 percent came from the bottom socioeconomic status quartile, and roughly 10 percent came from the bottom half of the socioeconomic status scale.[3]

If attendance at these institutions reflected the population at large, 85,000 students (rather than 17,000) would have been from the bottom two socioeconomic status quartiles. Overall, a little more than 22 percent of the students in the top tier of college selectivity are Asian, African American, or Hispanic (11 percent Asian, 6 percent black, and 6 percent Hispanic), while only 3 percent are from families in the lowest socioeconomic status quartile and only 10 percent are from

TABLE 3.1 SOCIOECONOMIC STATUS OF ENTERING CLASSES

	SES Quartiles (percentage)				
	First	**Second**	**Third**	**Fourth**	**Total**
Tier 1	3	6	17	74	100
Tier 2	7	18	29	46	100
Tier 3	10	19	36	35	100
Tier 4	16	21	28	35	100
Community Colleges	21	30	27	22	100

Source: Authors' analysis of the National Education Longitudinal Study of 1988 (NELS:88), National Center for Education Statistics, Washington, D.C., 1988 and subsequent years.

the bottom half of the socioeconomic status distribution. There are thus four times as many African American and Hispanic students as there are students from the lowest socioeconomic status quartile.

WHY IT MATTERS WHO ATTENDS SELECTIVE UNIVERSITIES

The economic benefits of attending a selective college are clear. Selective colleges spend as much as four times more per student and subsidize student spending by as much as $24,000, compared to a student subsidy of as little as $2,000 at the least selective colleges. Students at selective colleges have higher graduation rates than similarly qualified students at less selective colleges. In addition, the student support, preparation, and prestige at selective colleges result in higher rates of acceptance at graduate and professional schools among students who appeared comparably qualified to others coming out of high school. While the differences in earnings for equally qualified students from "less" and "more" selective schools are small, they do exist and may be understated owing to data limitations. Moreover, these differential effects are magnified for less privileged or minority students who would not have been otherwise admitted without outreach, special consideration, or support.

GRADUATION RATES

One of the major benefits of attending a top-tier college is higher graduation rates: 86 percent of students who initially enrolled in the 146 top-tier colleges ended up with bachelor's degrees. By contrast, moving down the tiers of selectivity, the graduation rates fall to 71, 61, and 54 percent, respectively (see Table 3.2, page 108)[4]. Obviously, a lot of this difference has to do with the quality of students in each tier. Table 3.2 also shows that students who have the highest SAT scores have higher graduation rates.[5]

But even adjusting for student test scores, students at top-tier colleges are more likely to complete their degree than students in the fourth-tier colleges with similar college entrance exam scores. Among students who score above 1200 on the SAT/ACT, 96 percent graduate from top-tier institutions, 86 percent graduate from second-tier

colleges, and 75 percent graduate from third- and fourth-tier colleges. For those with an SAT-equivalent score between 1000 and 1100, 86 percent graduate from top-tier colleges, 83 percent from second-tier institutions, 71 percent from third-tier colleges, and only 67 percent from fourth-tier colleges.[6]

It is hard to determine empirically why the top-tier colleges have higher graduation rates than less selective colleges. Intuitively, one might expect the opposite—it would be harder to graduate from more demanding institutions. In particular, one would expect that highly talented students would have no difficulty finishing programs at less demanding institutions. But the evidence does not support either of these commonsense views. Perhaps peer interactions and high expectations about performance at top-tier colleges create an atmosphere in which students work harder and graduate. Perhaps when an institution expects everyone to graduate it is more likely to identify students having problems and to intervene to help them. Perhaps students with high expectations are drawn to colleges with matching expectations.

Table 3.3 presents the unadjusted graduation rates of students who enrolled in four-year colleges by the socioeconomic status of their family while in high school and by the selectivity of the college. While those from families in the lowest socioeconomic status quartile had a graduation rate of 55 percent, those from the highest socioeconomic status quartile had a much higher rate, 73 percent. Virtually all of this

TABLE 3.2 COLLEGE GRADUATION RATES RELATE BOTH TO STUDENTS' SAT-EQUIVALENT SCORES AND TO COLLEGE SELECTIVITY (PERCENTAGE)

	All	Non–Test Taker	<900	900–1000	1000–1100	1100–1200	1200–1300	>1300
All	65	58	43	69	74	74	85	88
Tier 1	86	83	30	61	86	85	96	96
Tier 2	71	65	44	71	83	70	85	90
Tier 3	61	55	45	74	71	68	78	78
Tier 4	54	45	39	61	67	83	78	68

Source: Authors' analysis of the High School and Beyond (HS&B) survey, National Center for Education Statistics, Washington, D.C., 1987 and subsequent years.

eighteen percentage point difference is determined by circumstances prior to enrolling in college—SAT scores, high school grades, rigor of high school courses taken, and the like. But the numbers in this table show that, within colleges, students from lower socioeconomic status families are more likely to have trouble graduating. At the top-tier institutions, 90 percent of students from the highest socioeconomic status quartile families graduated, while only 76 percent of those from the lowest socioeconomic status quartile graduated.

These findings are consistent with another study using HS&B in which students from low socioeconomic status families were shown to have lower college graduation rates than students from higher socioeconomic status families, even when they both had taken a rigorous high school curriculum. In this study, among those who took the same challenging coursework, more than 85 percent of high school students from families in the highest socioeconomic status quintile completed a bachelor's degree, compared with 62 percent of students from the lowest socioeconomic status quintile.[7]

POSTGRADUATE ACCESS

Another benefit of top-tier colleges is that they provide greater access to postgraduate studies. Nationally, 21 percent of those who

TABLE 3.3 COLLEGE GRADUATION RATES RELATE BOTH TO STUDENTS' SAT-EQUIVALENT SCORES AND TO COLLEGE SELECTIVITY (PERCENTAGE)

	SES Quartiles				
	All	**First**	**Second**	**Third**	**Fourth**
All	65	55	63	63	73
Tier 1	86	76	85	80	90
Tier 2	71	61	63	71	79
Tier 3	61	60	58	59	66
Tier 4	54	40	63	55	58

Source: Authors' analysis of the High School and Beyond (HS&B) survey, National Center for Education Statistics, Washington, D.C., 1987 and subsequent years.

attend four-year colleges proceed to graduate school (see Table 3.4). However, more than 35 percent of students at the 146 top-tier colleges go on to graduate work. Moving down the scale of selectivity, the ratio of students going on progressively falls from less than 25 percent for students from second-tier colleges to 15 percent for those at third- and fourth-tier institutions.

Much of this difference is associated with differences in SAT-equivalent scores, which are strongly correlated with graduate school attendance. While relatively few who had SAT-equivalent scores below 1000 pursued a graduate education, fully 38 percent of those who scored above 1200 did so. Even holding constant the tier of college selectivity, students with higher SAT scores were more likely to pursue postbaccalaureate work. For example, in top-tier colleges, nearly half went on to graduate school if their SAT-equivalent scores were above 1200, while only one-quarter went on if their scores were between 1000 and 1200. The few students with scores below 1000 at these institutions had an even lower frequency of graduate school participation.

There is a similar interaction between SAT-equivalent score and graduate school pursuit at all levels of selectivity.[8] For second-tier colleges, those with scores above 1200 are quite likely to attend graduate school (43 percent), while only half of that number (22 percent) go on if their scores were between 1000 and 1200. For third-tier colleges, there is a clear gradient, with 28 percent headed to graduate school if their scores were above 1200 and only slightly more than 10

TABLE 3.4 GRADUATE SCHOOL ATTENDANCE BY SAT-EQUIVALENT SCORE AND SELECTIVITY OF THE COLLEGE (PERCENTAGE OF INITIAL ATTENDEES)

	All	<900	900–1000	1000–1200	>1200
All	21	10	13	21	38
BY LEVEL OF SELECTIVITY:					
Tier 1	35	19	15	25	48
Tier 2	25	15	14	22	43
Tier 3	18	10	15	20	28
Tier 4	15	8	9	22	26

Source: Authors' analysis of the HS&B sophomore cohort.

percent going if their scores fell below 900. At the fourth-tier colleges, an SAT-equivalent score of 1000 seems to be the dividing line: above that score, almost one in four go on to graduate work, while below that score less than one in ten do so.

In terms of going on to graduate school, the level of selectivity of colleges has a positive effect on students with similar SAT scores.[9] For example, among those with SAT-equivalent scores greater than 1200, the group most likely to attend graduate school, 48 percent of those attending top-tier colleges and 43 percent of those attending second-tier colleges pursued graduate work. However, students who scored better than 1200 but attended one of the colleges in the bottom two tiers of selectivity were much less inclined to attend graduate school. For students with scores below 1200 a similar effect is evident, although it is of a smaller magnitude.

WAGE PREMIUM

One would expect that another benefit that comes with attending a top-tier college would be greater labor market success. The research on this question is somewhat ambiguous, with the added effect of attending a highly selective college among similarly qualified students usually found to be between 5 and 20 percent. The key word here is "added." Because the top-tier colleges tend to have the highest share of talented students, it may be that it is not the institution but the student that matters most. Therefore, researchers have to look at the fate of students with similar abilities who go to colleges of differing quality.

This requirement makes getting a reliable estimate difficult. In order to perform these calculations, researchers need information about students' family backgrounds, their academic ability (grades in high school and college and college entrance exam scores), educational attainment, college major (which turns out to be important), and measures of labor force performance. The HS&B survey and a few other data sources have this information but suffer from two important weaknesses.

First, because of data limitations, estimates of earnings differences are almost always based on earnings at the beginning of careers. There are reasons to believe, however, that early earnings differences may not adequately reflect what develops later in life. For example, Robert G. Wood, Mary E. Corcoran, and Paul N. Courant compared

the earnings of male and female graduates from the University of Michigan Law School (classes of 1972 through 1975). The mean first-year earnings of employed women were just 10 percent less than that of employed men, $36,850 as compared to $39,428 (in 1989 dollars). By the fifteenth year after graduation, the difference had risen to 40 percent ($86,335 to $140,917).[10] Similarly, Rachel Dunifon and Greg J. Duncan found that the effect of motivation on labor market performance was very different early in one's life than in midcareer. Using the University of Michigan's Panel Study of Income Dynamics, a longitudinal survey, they were able to perform calculations on the same men at various points in their work histories. When they were twenty-one to twenty-nine years old, the results of a psychological test meant to measure motivation showed it had no effect on earnings. But when these computations were rerun with the earnings of the same men fifteen to twenty-five years later, a positive economic impact was found for those who scored high on the motivation test administered in their twenties.[11]

Second, the available data lack adequate differentiation in critical variables. When all the students who go to selective colleges are academically able, it is difficult to separate out the effects of the college from the aptitude of the students. The ideal experiment would be to track the experience of four top students at one of the nation's best high schools, say, New Trier High in Chicago's northern suburbs, who all come from wealthy families with highly educated parents. If each of these students had identical high grades and high test scores, one could assign them to colleges that vary widely in selectivity. For statistical purposes, the best scenario would be if they all majored in the same subject. Then, if their future earnings information were to be collected, one would have a fairly reliable sense of the independent effect of the quality of the college in question.

In reality, however, all four of these top students would attend one of the top-tier colleges or a close substitute, which would provide little basis to test for the independent effect of college quality. In a series of papers, John Cawley, Jane Heckman, and Edward Vytlacil show that this lack of variation in the data may affect the results greatly.[12] So, the education policy community is left with a series of studies that may be of questionable validity.

A recent NCES publication typifies the problem of assessing earnings returns to college education measured by the selectivity of the school when the data only track students early in their careers.[13] The NCES

study used HS&B data to measure the added earnings attributable to a degree from a highly selective institution five years after graduation. They tried a variety of approaches and mostly found small additional returns (about 5 to 10 percent per year) to attending a highly selective college once the original endowment of the students was taken into account. However, the same report found that there were no economic returns to attending graduate school. This is quite a surprising finding given that, among older workers, those with graduate degrees earn 30 percent more per year than those with just bachelor's degrees.[14]

Using HS&B, Thomas J. Kane found that a tightening in college selectivity, equivalent to an institution's requiring an extra 100 points on the combined SAT score for admission, resulted in a 6 percent jump in earnings. Thus, going from an average four-year college to one in the top 10 percent would tend to increase earnings by a little more than 11 percent.[15] Kermit Daniel and colleagues (using yet another survey—the 1979 National Longitudinal Survey of Youth) actually found smaller returns to college quality, with the earnings of someone attending a college in the top fifth in terms of selectivity amounting to 13 percent more than those of a person of similar characteristics who attended a college in the bottom fifth.[16]

Stacy Berg Dale and Alan B. Krueger use a highly sophisticated statistical estimation procedure on two data sets to determine whether there are substantial earnings gains from attending a more selective college.[17] They find that if colleges are ranked along Barron's scale, going to a more selective college can mean a 10 percent increase per year in one's earnings after adjusting for the quality of the student when he or she enrolls in college. However, if colleges are ranked by the SAT scores of their incoming students, no effect is found. In all cases, they find that students from low socioeconomic status families earn more than similarly situated students who do not attend highly selective colleges and get a bigger payoff than students from better-off families for going to a highly selective school.

Dominic J. Brewer, Eric Eide, and Ronald G. Ehrenberg grouped four-year colleges and universities into one of six mutually exclusive categories based upon Barron's ratings: top, middle, and less selective private colleges and top, middle, and less selective public colleges.[18] They found that, all other things being equal, there was about a 20 percent wage premium to attending initially a top private college and a 10 percent wage premium to attending a middle private college, relative to the wages earned by those initially attending a less selective public college.

Finally, Jere R. Behrman, Mark R. Rosenzweig, and Paul Taubman found much larger differences using a data source that followed 708 female pairs of twins. Each twin pair attended the same primary and secondary schools, and thus the precollege resources devoted to each twin were very similar. About half of the twins who attended college went to different institutions. This group seemingly presents a natural experiment in which most characteristics are similar or identical, with the only difference being the quality of the college attended. The designers of the study attempted to capture "college quality" through six attributes: total spending per student, size of enrollment, whether a public or private institution, students per faculty, whether the college grants Ph.D.s, and the professors' pay.

Using these criteria, they found that the twins who attended Ph.D.-granting private colleges with small enrollments and well-paid professors had significantly higher earnings later on in life. They vividly summarized the implications of these results by showing the estimated earnings differentials attributable to the distinct characteristics of four types of institutions: a large public college, a large public research university, a small private college, and a large private research university. A baccalaureate degree holder from a large public research university would earn about 32 percent more annually than if she had not gone any further than high school. If, however, she had attended a large private research university, the baccalaureate/high school earnings differential would be greater than 55 percent. Of course, tuition at a large private research university exceeds tuition at a similiar public university. Behrman and colleagues calculate that the earnings premium accruing to the possessor of a large private research university baccalaureate, as opposed to a public one, amounts to more than $170,000 (in 1994 dollars) over the person's remaining work life.[19] This suggests that attendance at private research universities may be a wise financial course, the higher expenses nothwithstanding.

All of this research seems to find that the added earnings power of attending a highly selective college is worth the extra tuition but not by orders of magnitude more than attending a less selective college. This conclusion may surprise many parents who think that the particular college their children attend is of paramount economic importance. The competition to get into the top colleges, most likely more intense than the rewards would justify, plausibly motivates students to take their coursework seriously and to try to improve their overall skill levels. Even were they aware of the relatively small

payoff for bachelor's degrees at top-tier colleges, parents still might prefer sending their children to these campuses because of the peer effects of being with highly motivated and skilled students and because of the higher graduation rates and probability of continuing on to graduate school.

DEFINING MERIT AND FAIRNESS IN COLLEGE ADMISSIONS

Defining merit and fairness in admissions goes directly to the question of values. This section examines the views of admissions officers and the public, both of which define merit not just in absolute terms but also in terms of disadvantages overcome. It then presents data on how obstacles might be defined, by socioeconomic status and race.

ADMISSIONS OFFICERS

There is broad agreement among admissions officers that admission should be based on "merit." Definitions of merit vary, but the common approach of merit-based admissions decisions is to judge applicants on the basis of their high school achievements. From this perspective, students are sorted most commonly on the basis of their ranking in a hierarchy composed of grades, test scores, recommendations, leadership, and other achievements, regardless of where those achievements occurred or of the applicant's socioeconomic background. At the same time, many college officials also believe that merit is a "dynamic concept" in that it should be measured not only by the applicants' academic achievements but by how many obstacles they had to surmount to achieve them.

According to a report on admissions policy from a group of college officials convened by the College Board

> we should consider what a student has had to overcome in order to qualify for a competitive selection process. Not all students have had the same educational opportunities. For some students, even surpassing the basic eligibility hurdle in order to be considered

> for admission at a selective institution represents a major achievement. . . . Contrary to the perception of some in the general public, employing an applicant's ability to overcome educational obstacles as a selection criterion is not simply a means to correct past inequities. . . . Students who demonstrate the ability to rise above their early lives' social and economic limitations are likely to face future hurdles with the same determination and perseverance.[20]

At the 1999 College Board meetings, the attendees identified nine mission-related perspectives, many of which apply at different stages of the admissions process and to different segments of the applicant pool (see Box 3.2).

Two of these (entitlement and open access) are "nonselective" in that judgments about admissions are made on the basis of general principles rather than on a competition among students based on their qualifications. The other seven perspectives can be thought of as "selective" models: students are compared to each other on the basis of certain criteria and a decision is made to admit some while not admitting others.

Two perspectives (meritocracy and character) relate to a prospective student's capacity to perform in the college environment based on demonstrated performance prior to college. These tend to see admission to higher education as a reward for performance in high school.

The next perspective (enhancement) places a higher value on what the student gets out of college and conceives of higher education as a way to bring the greatest benefit to those selected for admission.

Admissions officers also see college as a social tool to promote upward mobility (mobilization) and to ensure that postsecondary education does not become a passive participant in reproducing social, cultural, and economic elites. One perspective (investment) tends to focus on long-term social goals.

Finally, there are two perspectives (environmental/institutional and fiduciary) concerned with the effect that potential students will have on helping the college meet its own institutional and financial needs.

Colleges and universities also admit students to meet student body needs, according to the College Board, "not because they are the best candidates but because they best fit the needs of the instructional environment." Most higher education institutions feel that diversity is essential to educational quality.

BOX 3.2 THE COLLEGE BOARD TAXONOMY OF THE ADMISSIONS DECISIONMAKING PROCESS

- ENTITLEMENT
  Higher education is an inalienable right and should be made available to everyone.

- OPEN ACCESS
  College is a natural progression after high school and should be made available to everyone who is qualified.

- MERITOCRACY
  Access to higher education is a reward for those who have been most academically successful.

- CHARACTER
  Access to higher education is a reward for personal virtue, dedication, perseverance, community service, and hard work.

- ENHANCEMENT
  The goal of higher education is to seek out and nurture talent.

- MOBILIZATION
  Higher education is the "great equalizer" and must promote social and economic mobility.

- INVESTMENT
  Access to higher education should promote the greater good and further the development of society.

- ENVIRONMENTAL/INSTITUTIONAL
  The admissions selection process is designed to meet the enrollment goals and unique organizational needs of the admitting institution while promoting the overall quality of students' educational experience.

- FIDUCIARY
  Higher education is a business, and access must first preserve the institution's fiscal integrity.

Source: Adapted from Greg A. Perfetto, "Toward a Taxonomy of the Admissions Decision-Making Process," College Board, New York, 1999.

At the same time, virtually all colleges and universities devise admissions policies intended to achieve broad social goals. These goals are most often associated with promoting broadly based inclusion not only in higher education but in society itself. In some cases, postsecondary institutions attempt to make up for inequality in the opportunity to learn in the K–12 education system, or they choose students who seem likely to make significant contributions to the community at large or to its minority or low socioeconomic status components. This viewpoint suggests that institutions need to look beyond standardized measures of achievement to consider how students might excel if given a chance.

The view that students ought to be selected based on their ability to benefit or their ability to contribute in the broader society turns the traditional admissions model on its head. It focuses on the enrichment the college gives to the student rather than the value added by the student to the institution.

The best available data on trends in student application and college admissions decisions come from four surveys of college admissions practices conducted by various professional societies and testing agencies in 1979, 1985, 1992, and 2000. A joint effort among survey sponsors to track the longitudinal implications of those separate inquiries was finished in 2000.[21] The figures used in the following paragraphs are based on their hard work.

Over the 1992 to 2000 period, the share of colleges that actively recruited minority students fell from 67 to 51 percent. The largest falloff was in public colleges, where the anti–affirmative action movement has had its strongest impact. Minority recruitment declined from 91 to 66 percent of four-year public colleges and from 66 to 49 percent of two-year public colleges. The share of private colleges involved in minority recruitment also declined, from 65 to 54 percent in four-year private colleges and from 36 to 21 percent in two-year private colleges (see Table 3.5).

The number of colleges that recruit economically disadvantaged students is generally a little more than half of those that recruit minorities. The percentage actively enouraging applications from economically disadvantaged students remained the same in four-year private colleges (24 percent) and declined in two-year private colleges (from 24 to 16 percent). Among public institutions, the shares of institutions that recruited such high schoolers increased slightly for two-year public colleges (from 45 to 47 percent) and dropped from 44 to 37 percent in four-year public colleges.

TABLE 3.5 SPECIAL RECRUITING ACTIVITIES TARGETING SUBGROUPS OF STUDENTS, 1992 AND 2000 (PERCENTAGE)

	Two-Year Public		Two-Year Private		Four-Year Public		Four-Year Private		All Institutions	
Group	**1992**	**2000**	**1992**	**2000**	**1992**	**2000**	**1992**	**2000**	**1992**	**2000**
Racial/ethnic minorities	66	49	36	21	91	66	65	54	67	51
Disadvantaged	45	47	24	16	44	37	24	24	35	33
Students with disabilities	35	31	15	12	21	12	12	10	22	17
Students with special talents in art, music, etc.	36	33	30	18	71	54	59	57	51	46
Adults seeking career change	65	63	63	58	59	43	55	41	60	52
Adults improving technical skills	*	62	*	50	*	*	*	*	*	*
Adults maintaining currency in job	*	60	*	46	*	*	*	*	*	*
Out of state/ district	28	31	40	31	55	57	59	52	46	45
Part-time students	45	48	40	33	25	21	29	21	35	32
Veterans	32	27	29	28	24	15	13	8	23	17
Institutions responding to questionnaire	705	505	169	177	366	305	784	657	2,024	1,644

Notes: 2000 summary data for this table were obtained from responses to questions 18 and 30 of the two- and four-year questionnaires, respectively. Percentages are based on the total number of institutions responding to the questionnaire.

*Not included in the questionnaire for fall 1992 for two-year institutions or in four-year questionnaire.

Source: Hunter Breland et al., *Trends in College Admission 2000: A Report of a Survey of Undergraduate Admissions Policies, Practices, and Procedures,* sponsored by ACT, Inc., Association for Institutional Research, College Board, Edcational Testing Service, and National Association for College Admission Counseling, 2000.

Trends in financial aid practices in colleges between 1979 and 2000 did not favor low-income and minority students. More than 80 percent of all institutions continued admitting students before aid is considered, a practice that creates "sticker price shock" and discourages low-income student applications. In all postsecondary institutions except two-year public colleges, there was an increase in the percentage of students whose financial needs were not fully met between 1992 and 2000, a finding consistent with other data. Survey respondents also reported an increase in the average amount of unmet need. Although the share of colleges that give aid to minority and low-income students is rising, aid for academically talented students is more pervasive (see Table 3.6). The share of state aid going to students whose families are not in need of assistance is rising. Respondents in the 2000 survey estimated an average increase of 36 percent in "no need" awards since 1995. Financial aid for the economically disadvantaged (29 percent among four-year colleges) ranks lower than that for racial/ethnic minorities (32 percent), athletes (32 percent), students with special nonacademic talents (37 percent), and academically talented students (57 percent).

THE AMERICAN PUBLIC

To gauge public views on this important topic, we conducted, on behalf of the Educational Testing Service, an extensive examination of public views about affirmative action, through a nationwide poll of more than 2,100 adults in October 1999, in partnership with Princeton Survey Research Associates. That telephone survey, the ETS/PSRA survey for short, included a series of questions to assess general attitudes about opportunity and success in life, as well as about a range of possible criteria that colleges and universities might use in their admissions decision.[22]

There is broad agreement that individual academic achievement, and the character traits of hard work and personal motivation it requires, should govern the distribution of opportunity in higher education. Yet, for most Americans the definition of academic merit also is contextual. While academic achievement is the primary measure of merit, high achievement in spite of disadvantages, especially low socioeconomic status, is viewed as especially meritorious and deserving. Nonetheless, in general the American opportunity narrative does

TABLE 3.6 FINANCIAL AID OFFERED TO ACCEPTED APPLICANTS IN TWO-YEAR AND FOUR-YEAR INSTITUTIONS, 1979 AND 2000 (PERCENTAGE)

	Two-Year Institutions (Public and Private)		Four-Year Institutions (Public and Private)	
	1979	2000	1979	2000
NO-NEED AWARDS	51	61	51	61
MODIFIED PACKAGING	34	30	34	—
OFFERED TO:				
Athletes	51	32	51	32
Racial/ethnic minorities	26	32	26	32
Disadvantaged students	22	29	22	29
Students with special nonacademic talents	40	37	40	37
Academically talented students	61	57	61	57
Students from different geographic locations (within the United States)	12	20	12	20
International students	—	25	—	25
Students with disabilities	—	17	—	17
INSTITUTIONS RESPONDING TO QUESTIONNAIRE	1,463	1,644	1,463	1,644

Notes: 2000 summary data for this table were obtained from responses to questions 35 and 36 of the four-year questionnaire. Percentages are based on the total number of institutions responding to the questions.

not favor policies that give more weight to social or economic circumstances than academic credentials.

The public clearly views academic readiness as the primary consideration in admissions decisions but is willing to favor high-achieving, low socioeconomic status students over their similarly qualified peers. When presented with a series of alternative admissions strategies, the public dismissed lotteries, was ambiguous about race and ethnicity, and clearly supported strategies that mixed socioeconomic characteristics with academic merit—such as class rank within high schools or preferences for those students capable of rising above a background of deprivation.

Americans are still committed to economic and racial diversity in colleges. Although they do not favor admissions based on race all by itself, they do back admissions strategies that are mindful of their

effects on racial and income diversity. Widespread public support for approaches that give priority to students whose grades give them high class rank in their respective high schools, irrespective of their test scores, is a case in point. High schools whose high-ranking students do not have commensurate test scores tend to be those with high concentrations of minorities or low-income students. The public also approves of outreach to low-income and minority students. Moreover, preferences for students from low-income families, which is where minority youth are concentrated, are popularly accepted.

Almost two-thirds of Americans favor preferences for equally qualified low-income students over higher-income students. About one-third favor preferences for low-income students even when they have slightly lower grades and test scores compared with students from high-income families.

Americans also strongly associate affirmative action with racial preferences and do not view racial preferences favorably. Among white Americans, 52 percent say affirmative action should be abolished,[23] and more than 80 percent oppose preference in hiring and promotions for racial minorities, even when the programs may help compensate for "past discrimination."[24]

At the same time, other research that has found that Americans endorse policies that promote upward mobility for high-achieving students from poor and working-class backgrounds.

Americans associate disadvantage with income more than with race. Low-income status is considered by 83 percent of those surveyed to be a disadvantage. A majority of respondents said being black or Hispanic is a disadvantage if the person also is from a low-income family. Notably, while few said being white is a disadvantage in itself, 71 percent said being white and from a low-income family is a disadvantage. Growing up in a family that does not speak English or growing up in a single-parent family were seen as major drawbacks in America as well. Being Hispanic or African American was regarded as a disadvantage by roughly half of those polled, (see Table 3.7).

Americans recognize the link between higher education and success. In the author's own polling, respondents said educational institutions have the primary role among American institutions for promoting upward mobility. As Table 3.8 (page 124) illustrates, Americans vest immense importance in education. By a wide margin, respondents to the ETS/PSRA survey said public schools should play a primary role in helping young people get ahead in life. Colleges and universities, too, shoulder a big responsibility in the public mind

TABLE 3.7 WHAT HELPS AND HURTS IN LIFE?

	Considered an Advantage (percentage)	Considered a Disadvantage (percentage)
Not getting a college education	7	87
Going to a low-quality/ low-income high school	7	85
Growing up in a family that doesn't speak English	8	84
Growing up in a low-income family	10	83
Growing up in a single-parent family	7	80
Growing up in a low-income black family	7	78
Growing up in a low-income Hispanic family	6	77
Growing up in a low-income white family	12	71
Being Hispanic	19	51
Being African American	21	49
Being white	57	13
Growing up in a wealthy family	73	15

Source: ETS/PSRA Survey (1999).

for nurturing young people's success. The public ranks schools—especially public schools and colleges—far ahead of government, business and industry, churches, and the military as the institutions most responsible for equipping people with the tools needed to make the most of their opportunities.

ETS/PSRA survey respondents were nearly unanimous that—in principle—society should help less fortunate people get ahead in life, as Table 3.9 (page 124) illustrates. Among respondents, 91 percent agreed that people who start out with little and work their way up are the "real success stories." There was equally strong agreement that society should help people who are working hard to overcome disadvantages. The survey also shows how strongly the American public rejects the notion of not helping those in need. Seventy-two percent disagreed

TABLE 3.8 A PRIMARY ROLE FOR SCHOOLS IN HELPING YOUNG PEOPLE GET AHEAD?

	These institutions should play . . .		
	a primary role (percentage)	**some role (percentage)**	**no role (percentage)**
Public schools	72	26	2
Public colleges/universities	61	35	2
Private colleges/universities	47	45	5
Business and industry	39	53	5
Faith-based organizations	39	52	7
Government	38	46	15
Military	24	53	5

Source: ETS/PSRA Survey (1999).

TABLE 3.9 AMERICAN VALUES AND OPPORTUNITY

	Agree (percentage)	**Disagree (percentage)**
We should help people who are working hard to overcome disadvantages and succeed in life.	93	6
People who start out with little and work their way up are the real success stories.	91	7
Some people are born poor, and there's nothing we can do about that.	26	72
We shouldn't give special help at all, even to those who started out with more disadvantages than most.	16	81

Source: ETS/PSRA Survey (1999).

with the statement that there is nothing society can do about people who are born poor. An even larger majority—81 percent—disagreed with the premise that, no one, even if starting out "with more disadvantages than most," should receive special help.

Most Americans accept the notion that, at least in some cases, students from low-income families should be given extra consideration in college admissions. As Table 3.10 illustrates, 65 percent in the ETS/PSRA survey said qualified low-income students should sometimes or always have an advantage over equally qualified students who are not from low-income families. About one-third said that should happen only rarely or never.

If a rich and a poor student are equally qualified, whom should a college admit? Americans overwhelmingly favor the less privileged student over the wealthier student, as Table 3.11 (page 126) reports.

But, according to Table 3.12 (page 126), public opinion shifts significantly if the low-income student has slightly lower test scores than the student from a more affluent family. Only one-third of survey respondents would then admit that low-income student, compared to two-thirds who would choose the low-income student if scores were equal.

TABLE 3.10

How often, if ever, do you think qualified students from low-income families should have an advantage over equally qualified students who are not from low-income families in getting into a college or university?

	Percentage
Always	**15**
In some cases	**50**
Only rarely	**15**
Never	**16**
Depends	**1**

Source: ETS/PSRA Survey (1999).

TABLE 3.11

Two students have an "A" average in high school and get the same score on college admissions tests. If there is only one seat available, which student would you admit to college?

	Percentage
Student from low-income family	**63**
Student from high-income family	**3**
Both/neither	**12**
Don't know	**20**

Source: ETS/PSRA Survey (1999).

TABLE 3.12

If there is only one seat available, which student would you admit to college, the high-income student or the low-income student?

	Percentage
Both students get the same admissions test score	
Low-income student	63
High-income student	3
The low-income student gets a slightly lower score	
Low-income student	33
High-income student	54
The low-income student also is black, and the high-income student is white	
Low-income student	36
High-income student	39
The low-income student also is Hispanic, and the high-income student is not	
Low-income student	33
High-income student	45

Source: ETS/PSRA Survey (1999).

Among ETS/PSRA survey respondents with family incomes of less than $30,000, 73 percent would give low-income students an admissions advantage, at least in some cases, over equally qualified students who are not from low-income families. By contrast, 60 percent of those with family incomes of $50,000 or more would give low-income students a special break.

Among Democrats in the ETS/PSRA survey, 72 percent believe low-income students should, at least in some cases, have an edge in college admissions, compared to 64 percent of independents and 60 percent of Republicans. Thus, while support varies, there is strong support even among Republicans and the wealthy for providing low-income students with a boost.

Although public opinion toward financing strategies to promote opportunity varies considerably, a large majority of Americans support increased funding for programs to help students from low-income families get a college education. As Table 3.13 (page 128) indicates, 81 percent favor additional state funding to make sure all students can take classes to prepare for college admissions tests like the SAT or ACT. Nearly as many support augmented funding for scholarship and loan programs and for offering college credit or advanced placement courses in high schools.

DATA ON DEFINING OBSTACLES BY SOCIOECONOMIC STATUS AND RACE

If college admissions officers and the American public agree that "merit" should be defined as achievement in light of obstacles overcome, what do the social science data say about the role of obstacles like low socioeconomic status and racial minority background?

SOCIOECONOMIC STATUS

Youth in higher-income families with college-educated parents are doubly privileged. They find college, especially the more expensive highly selective colleges, more affordable. More important, their childhood and adolescent development are nested in neighborhoods, high-quality schools, and home environments that provide the necessary social support, encouragement, and information to smooth their progress toward college.

TABLE 3.13 HELPING LOW-INCOME STUDENTS GET A COLLEGE EDUCATION

	Favor (percentage)	Oppose (percentage)
Increased funding for SAT and ACT exam prep classes	81	17
Increased funding for scholarships and loans	79	18
Increased funding for A.P. classes in all high schools	78	17
Increased funding for college tutoring and counseling	73	24
An increase in state or local taxes	42	55
An increase in tuition at state universities	29	66

Source: ETS/PSRA Survey (1999).

As the strength of the relationship between education and income grows, families with the highest incomes are increasingly likely to be those in which parents have the highest level of educational attainment. Conversely, low-income families with increasing frequency are the ones headed by parents with low education levels. Our nation is increasingly clustered into families with both high parental education and elevated incomes and those with neither. As a result, two roads to college are converging into a single, narrower pathway. In the early post–World War II era, blue-collar men with union jobs had sufficient income to live in neighborhoods with good schools and other forms of supportive social capital for their children, from libraries to public safety to peer support among students from upwardly mobile families. Many of these students went on to college even though their parents had high school educations or less. At the same time, there were families with relatively high levels of parental education but less income. The children of schoolteachers, for instance, went on to college primarily because of high parental expectations for their education. With the economic reward to education

growing and becoming more concentrated, access to college and choices among colleges by price and selectivity will become more polarized by income class, and low-income African American and Hispanic families will suffer the greatest deprivation.

Most researchers agree that the relationship between parental education and income creates a virtuous intergenerational circle of success. Simply put, parental education brings strong returns to household income, which in turn tends to raise time and resource investments in children and educational expectations. This contributes to higher rates of high school completion and readiness for college. Those who are most ready are more likely to enroll and to graduate. Those who graduate tend to get good jobs with long-term earnings potential. Their children are raised in households with both strong earnings and high levels of parental education, continuing the virtuous circle into the next generation.

Diminished educational expectations are especially prevalent in families of low socioeconomic status. Among eighth-grade students surveyed in 1988, 42 percent of those from families in the lowest socioeconomic status quartile aspired to bachelor's degrees, compared to 64 percent of students from the middle two quartiles and 89 percent of top-quartile students.[25] These expectations drive students' motivation to take the necessary steps to attend a top-tier, highly selective college as well as their performance on college entrance exams. Students from families who expect their children to attend a four-year college—about one-third of the total—were more inclined to take the SAT or ACT and were more likely to score higher when they did so than students whose families had lower expectations.[26]

The obstacles students in low-income families face are so significant that just 7 percent from the bottom socioeconomic status quartile scored in the top 25 percent of NELS exam takers. By contrast, 50 percent of those from families in the highest socioeconomic status quartile scored in the top fourth of test takers on the exam. At the opposite extreme, 39 percent of students from low socioeconomic status families, compared with 8 percent from high socioeconomic status families, were in the bottom NELS quartile.[27]

The pool of students with high scores on college entrance exams is highly skewed by socioeconomic status. Nearly two out of three students who post higher than an SAT-equivalent score of 1300—that is, in the highest 8 percent—are from the top socioeconomic status quartile (see Table 3.14, page 130). Of those who score between 1200

TABLE 3.14 HIGH-SCORING STUDENTS ARE FROM THE HIGHEST SES QUARTILE (PERCENTAGE)

	All	Non–Test Taker	<1000	1000–1100	1100–1200	1200–1300	>1300
First Quartile	25	37	21	8	6	4	3
Second Quartile	26	30	25	24	17	14	10
Third Quartile	26	22	30	32	29	23	22
Fourth Quartile	23	10	24	36	47	58	66

Source: Authors' analysis of NELS:88.

and 1300, 58 percent are from the top socioeconomic status quartile. By contrast, just 3 percent of those who score above 1300 and 4 percent of those who score between 1200 and 1300 come from the lowest socioeconomic status quartile.

These effects are compounded to the extent that residential patterns tend to segregate students by socioeconomic status among high schools. Students with higher socioeconomic status tend to go to high schools that are more successful in providing access to college, especially highly selective colleges. There is further segregation of students within high schools, with low socioeconomic status students less likely to take the more rigorous college preparatory curriculum. The separation of high and low socioeconomic status students, both among and within high schools, also reduces the positive "peer effects" that come from mixing youth with different social characteristics.[28]

American high schools vary widely in terms of qualifications of teachers, students' feelings of personal safety, amount of homework, and access to technology, as well as family, peer, and community support and expectations. But there are no accessible measures that differentiate high schools by their relative level of advantages. This chapter uses the share of students who receive subsidized lunches as a proxy for the peer influences of the high school. Do students from the same socioeconomic status quartile perform the same or not in different kinds of high schools?[29]

Richard Kahlenberg cites a variety of studies that show that younger children from low socioeconomic status families perform better if they attend high-income high schools.[30] In order to try to isolate the independent effects of class origin and the quality of the high school, we tracked how students from different kinds of families (socioeconomic status quartiles) performed at different types of high schools based on three levels of frequency of subsidized lunches (low-income high schools: greater than 30 percent; medium-income: 10 to 30 percent; and high-quality: 0 to 10 percent).

The resulting data support Kahlenberg's view, finding an inverse relationship between the percentage of students receiving subsidized lunches in high schools and the proportions who take college entrance exams. In high schools where no more than 10 percent receive subsidized lunches (high-income high schools), 64 percent take a college entrance exam, compared to only 37 percent in high schools where greater than 30 percent of the students receive subsidized lunches (low-income high schools). The same pattern is evident in the share of students who achieved above-average board scores. At high-income high schools, 40 percent of test takers had an SAT-equivalent score of 1000 or better versus 19 percent in low-income high schools.

Low socioeconomic status students do better in high-income high schools. Table 3.15 (page 132) reveals that only 24 percent of students in the bottom socioeconomic status quartile scored in the top half of the NELS test if they attended low-income high schools. By contrast, 36 percent of students from families in the bottom socioeconomic status quartile who attended high-income high schools were in the top half of the NELS test score distribution.

High school attended affects the selectivity of four-year colleges that students choose. According to Table 3.16 (page 133), one-half of the college students from both the lowest socioeconomic status families and the lowest-income high schools went to the fourth-tier, less selective colleges (basically open admission); only 16 percent of these students went to a school in one of the top two tiers of selectivity. In contrast, low socioeconomic status college students from high-income high schools were more likely to attend top-tier, highly selective colleges: 30 percent went to a college in one of the top two tiers, whereas only 21 percent registered with fourth-tier schools.

TABLE 3.15 EFFECT OF HIGH SCHOOL SOCIOECONOMIC STATUS ON SCHOLASTIC PERFORMANCE

Student SES Status	Type of High School	Share in Top Half of NELS Test
LOWEST SES QUARTILE:	High Income	36
	Medium Income	28
	Low Income	24
SECOND SES QUARTILE:	High Income	49
	Medium Income	28
	Low Income	24
THIRD SES QUARTILE:	High Income	64
	Medium Income	58
	Low Income	53
HIGHEST SES QUARTILE:	High Income	77
	Medium Income	68
	Low Income	70

Note: High income = less than 10 percent received subsidized lunch; Medium income = between 10 and 30 percent received subsidies; Low income = more than 30 percent subsidized.
Source: Authors' analysis of NELS:88.

RACE AND ETHNICITY

Our findings are analogous to many others showing that the inequality in educational opportunity among African Americans and Hispanics cannot be completely accounted for by socioeconomic status or by school variables. Race and ethnicity matter in the distribution of opportunity, independent of other characteristics. Socioeconomic status does not explain why 75 percent of those who live in neighborhoods with the highest concentrations of poverty are racial or ethnic minorities.[31] A close look at the data finds that 12 percent of Asians, 16 percent of whites, 25 percent of African Americans, and 29 percent of Hispanics go to high schools with the lowest share of students going on to four-year colleges. Similarly, 44 percent of Asians, 41 percent of whites, 16 percent of African Americans, and 14 percent of Hispanics go to high schools with the lowest share of students (0–10 percent) who get subsidized school lunches.

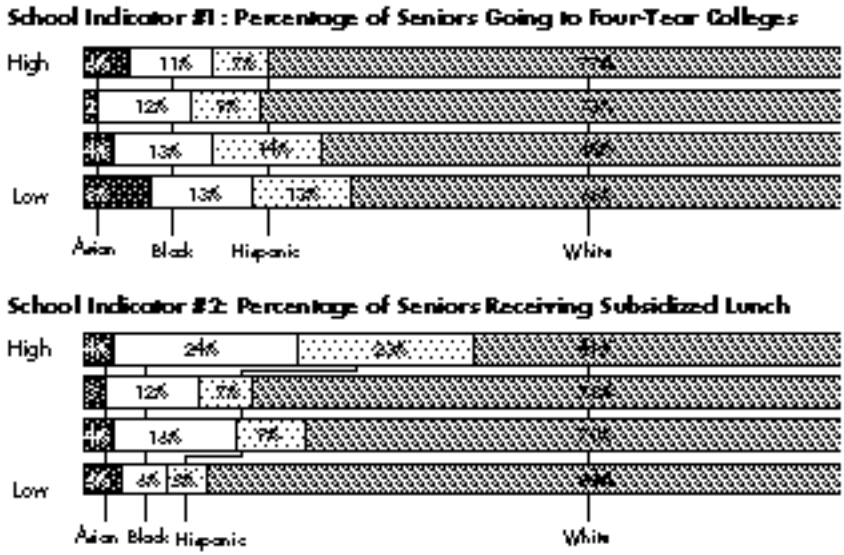
TABLE 3.16 SOCIOECONOMIC STATUS, HIGH SCHOOL, AND POST–HIGH SCHOOL EDUCATION (PERCENTAGE)

Student SES Status	High School Attended	No Post-secondary Education	Two-Year College	Four-Year College	College Selectivity			
					Highest	Second	Third	Lowest
LOWEST SES QUARTILE:	High Income	63	23	14	2	2	7	3
	Medium Income	67	21	12	1	1	5	4
	Low Income	65	21	13	0	2	5	7
SECOND SES QUARTILE:	High Income	44	32	25	1	5	12	6
	Medium Income	47	34	20	2	3	8	7
	Low Income	50	25	24	1	6	10	8
THIRD SES QUARTILE:	High Income	29	28	43	5	7	22	9
	Medium Income	32	25	42	5	8	20	9
	Low Income	31	29	39	2	8	19	11
HIGHEST SES QUARTILE:	High Income	10	26	64	22	16	16	10
	Medium Income	16	23	61	12	9	24	16
	Low Income	17	19	63	13	9	26	16

Note: High income = less than 10 percent received subsidized lunch; Medium income = between 10 and 30 percent received subsidies; Low income = more than 30 percent subsidized.
Source: Authors' analysis of NELS:88

Blacks and Hispanics make up a higher proportion of those who attend high schools with the lowest rates of college attendance, the most widespread incidence of subsidized school lunches, and the least "social capital" (see Figure 3.1). While non-Hispanic whites constitute 65 percent of the students at schools where the fewest students go directly to four-year colleges, they account for 77 percent of the population of schools where at least a majority attends such colleges. The difference is even greater when schools are differentiated by percentage of students who receive subsidized lunches. Whites are 84 percent of the student body at schools with the fewest subsidized students and 49 percent of schools where more students receive subsidies. By way of contrast, blacks are 6 percent of the student body at schools with the fewest subsidized students and 24 percent at schools where more students receive subsidized lunches.

FIGURE 3.1 BLACKS AND HISPANICS ARE MORE CONCENTRATED IN LESS AFFLUENT SCHOOLS
PERCENTAGE OF STUDENTS IN EACH RACE/ETHNIC GROUP



Source: Authors' analysis of the national Educational Longitudinal Study of 1988 (NELS:88), National Center for Education Statistics, Washington, D.C., 1988 and subsequent years.

The corresponding figures for Hispanics are 5 and 23 percent, respectively. The broad dispersion of low-income whites and the isolation of low-income minorities is compelling evidence of the persistence of racial stigma.

The view that race should not matter reflects a narrow moral stance. It relies solely on a procedural standard of equal treatment rather than a broader standard that considers actual roadblocks impeding the opportunity to learn in minority communities or the racial distribution of degrees from prestigious colleges.[32] It is what Michael Walzer calls "thin" morality, or the slavish, ahistorical adherence to an ideal. The contrasting position is the ability to compromise the ideal in order to see it fulfilled.[33] As Glenn C. Loury points out, correcting procedural discrimination does not correct for the effects of its violations.[34] What else but racial stigma explains the fact that 2 percent of black women between the ages of twenty-five and thirty-four years old are married to white men, compared with 39 percent of Hispanic women and 70 percent of Asian women?[35]

ECONOMIC AFFIRMATIVE ACTION

Given broad societal agreement among the public and college admissions officers that merit should be defined partly in terms of difficulties overcome, what sort of consideration of obstacles—racial and socioeconomic—is in fact given? Our own analysis finds that race and ethnicity is a significant consideration for colleges, boosting admissions from 4 percent under a system strictly of grades and test scores for African Americans and Latinos to 12 percent enrolled. By contrast, being economically disadvantaged, on net, reduces rather than improves chances of enrolling at one of the 146 most selective colleges. Admission based on tests and grades alone increases socioeconomic diversity marginally, from the current 9 to 12 percent from the bottom half of the income distribution.

The critical question becomes, If colleges provided an admissions break to students from lower socioeconomic backgrounds, would these students be able to handle the work at selective colleges?

The conventional view that academic preparation is a monolithic barrier to access and choice among low socioeconomic status students is greatly overstated and an unnecessary barrier to policies that

can have immediate effects. There are large numbers of students from families with low income and low levels of parental education who are academically prepared for bachelor's degree attainment, even in the most selective colleges. Their numbers are far larger than those who currently attend. According to NCES, low-income students who graduate from high school at least minimally qualified for college enroll in four-year institutions at half the rate of their high-income peers.[36]

Even among students who perform identically on the NELS test, those in a higher socioeconomic status category are more likely to take the SAT or ACT and are more likely to go to four-year colleges. Because scores on the NELS test correlate very closely with SAT-equivalent scores, this demonstrated that a number of students—as many as 300,000—with the apparent potential to achieve relatively high SAT-equivalent scores do not attend a four-year college. Among those in the top NELS test quartile but the lowest socioeconomic status quartile, fully 43 percent took neither the SAT nor the ACT, whereas only 13 percent of the high NELS scorers in the top socioeconomic status quartile did not take either test. Of those in both the top NELS test quartile and the top socioeconomic status quartile, 80 percent enrolled in a four-year college within two years after high school. By contrast, only 44 percent of those from the lowest socioeconomic status quartile who had high NELS test scores went directly to institutions granting bachelor's degrees. In fact, fully 31 percent did not attend any postsecondary institution.[37] They are the low-hanging fruit in any policy strategy to increase socioeconomic diversity in four-year colleges, including selective colleges.

The effect of socioeconomic status on postsecondary attendance is evident in the other quartiles of NELS test scores as well. In the second-highest test score quartile, 62 percent from the highest socioeconomic status quartile go directly to four-year colleges, while only 21 percent of those from the lowest socioeconomic status quartile make that transition. In fact, more than one-half of the latter group do not attend any postsecondary institution; the comparable figure for those in the top socioeconomic status quartile is 11 percent.

As Table 3.17 shows, not all of those who score high on tests enroll in the best colleges. Of those who had an SAT-equivalent score greater than 1300 and attended a four-year college, only 41 percent went to the 146 top-tier colleges. Twenty-two percent enrolled in second-tier colleges, 25 percent attended third-tier colleges, and 12 percent enrolled in fourth-tier institutions.

Even the elite colleges admit candidates with a wide range of SAT or ACT scores. Roughly 20 percent of test takers have an SAT-equivalent score above 1200. There are almost twice as many of these students as there are seats in the 146 top-tier colleges. In fact, looking at the flip side, only 57 percent of the students enrolling in these choice institutions had SAT-equivalent scores above 1200; more than 14 percent scored less than 1100. Because of the joint preferences of students themselves and the colleges they attend, top-tier colleges do not simply consist of high-scoring students.[38]

Even though top-tier colleges have high graduation rates, there appears to be some minimal level of readiness needed. While these institutions do not admit many students with SAT-equivalent scores below 1000, those who do enroll are not nearly as successful as students with higher scores. Only 61 percent of students admitted to these institutions with a combined SAT-equivalent score of between 900 and 1000 graduate, and this figure drops to 30 percent when the scores are below 900. While a 61 percent graduation rate is in line with the overall college graduation rate of 65 percent, it is considerably lower than the 86 percent graduation rate of those students in elite colleges with SAT-equivalent scores between 1000 and 1200 (or the 95 percent graduation rate for those with SAT-equivalent scores greater than 1200). Thus, students with scores below 1000 stand out as a less successful group in this setting.

TABLE 3.17 ALL COLLEGES ADMIT STUDENTS WITH A WIDE RANGE OF SAT-EQUIVALENT SCORES (PERCENTAGE)

	Non–Test Taker	<1000	1000–1100	1100–1200	1200–1300	>1300	Total
Tier 1	9	7	7	20	31	26	100
Tier 2	15	15	19	25	15	11	100
Tier 3	12	43	19	21	9	6	100
Tier 4	22	37	15	15	5	6	100
2-Year Colleges	55	28	8	7	1	0	100

Source: Authors' analysis of NELS:88.

To put these scores in perspective, about half of the high school graduating class takes the SAT or the ACT. These students tend to come from the upper half of academic performers in the class. Roughly half of those score above 1000 on the SAT or achieve an equivalent score on the ACT. The total number of students who score above 1000, the top quarter of the nation's high school graduating class, is about 812,000, or four and a half times as many as there are places in at the elite colleges.

Current practice demonstrates that the qualified pool for selecting students at the top 146 colleges includes all students who score 1000 or better on the SAT or its equivalent on the ACT. The freshman classes at the selective Tier I colleges include only about 7 percent who come in below a 1000 SAT equivalent. But this gives a qualified pool that is almost five times the number of seats in selective colleges. Because there are many more students academically qualified to go to selective institutions, the standards of choice among them are necessarily complex and controversial. The real question in admissions at selective colleges is, "Who is deserving?"

The reality that many high school students from low socioeconomic status families are qualified for college but do not attend or go to colleges that are less selective than their achievements justify is not widely recognized. The conventional view is that students from low-income families, especially those with low levels of parental education, do not enroll in college, fail to persevere to graduation, or shy away from enrolling in selective colleges because they are not academically suited for the rigors.

Although a family history of deprivation reduces the likelihood that students will be academically prepared to go to college, a substantial share do enroll and graduate nonetheless. Moreover, those high-achieving secondary school students from low socioeconomic status families who have attended four-year and highly selective colleges have performed well in terms of grades and graduation rates when compared to similarly qualified students from high socioeconomic status families.

SIMULATION OF ALTERNATIVE ADMISSIONS STRATEGIES

This section examines five alternative practices for creating pools of students qualified for admission to four-year and selective colleges: those with the highest grades and test scores; a lottery with minimum

academic qualifications; those with the highest class rank; a class rank plan with minimum academic qualifications; and affirmative action for low-income students. It assesses the impact of each alternative on the racial, ethnic, socioeconomic status, and academic makeup of pools of students qualified for admission.

In all of these approaches, a minimum standard of readiness is set that assumes a minimum SAT-equivalent score of 900 (the NCAA minimum) when simulating the effects of lotteries. In analyzing class rank (top 10 or 20 percent), options are simulated without a minimum SAT-equivalent test score and with a minimum SAT-equivalent score of 1000. Affirmative action for low-income students also uses a 1000 SAT-equivalent minimum. The simulated national pools assume that all those who exceed 1300 also will be included. Hence, the focus is on the 1000–1300 pool generated by the parameters of the different admission models. One thousand was the logical choice as the minimum score in most of the simulations because those who range above 1000 tend to come from the top 25 percent of their graduating class from high school, because 1000 tends to be around the median of the ACT and SAT score distribution, and because students at top-tier colleges with an SAT-equivalent score below 1000 have substantially lower graduation rates.

Any admissions plan that let in a large group of these sub-1000 students would be criticized as "lowering standards" too much. At the same time, among those scoring between 1000 and 1100, 86 percent graduated, a rate not substantially below the 96 percent graduating among those who score above 1300 (see Table 3.2, page 108).

It is important to note that these simulations are more a thought experiment than a true representation of what actually takes place in the admissions office at selective colleges. They do not reflect the complexity of the real college admissions process. They do not include a wide variety of criteria from the need to fill up classes in Greek to the demand for oboe or field hockey players. In addition, while this chapter considers each alternative approach separately, actual admissions policies use multiple standards applied differentially to diverse groups of applicants at varying stages of the admissions and financial aid processes.

ALTERNATIVE APPROACHES TO ADMISSIONS

This section begins by looking at the baseline enrollments of the entering class at the 146 most selective colleges. Then the effects of five alternative approaches to admissions are simulated.

ALTERNATIVE 1—Highest grades, test scores, teacher recommendations, and demonstrated leadership. This is a model in which admissions decisions are based exclusively on the most easily quantifiable academic measures, including grades, college entrance exam scores, teacher recommendation, and participation and leadership in extracurricular activities;

ALTERNATIVE 2—Lottery with minimal academic qualifications. All students with an SAT-equivalent score greater than 900 are considered eligible for the admissions pool at the 146 most selective colleges;

ALTERNATIVE 3—Class rank. All students who finish in the top 10 or 20 percent of their high school class;

ALTERNATIVE 4—Class rank with minimum academic qualifications. All students in the top 10 or 20 percent of their class who also scored a minimum of 1000 on their SAT or the equivalent on the ACT;

ALTERNATIVE 5—Academically qualified but low socioeconomic status students. All students with high academic achievement, outstanding teacher recommendations, and evidence of participation and leadership in extracurricular activities who come from less privileged families and poorer high schools.

Each of these five alternatives to college admissions will be evaluated according to four criteria:

CRITERION 1—Public Approval. Using data from their own opinion survey, we assess the extent to which each approach meets with public approval;

CRITERION 2—Racial and Ethnic Diversity. The shares and numbers of minorities, especially African Americans and Hispanics, within the qualifying pool;

CRITERION 3—Socioeconomic Diversity. The shares of qualifying students from families in the top socioeconomic status quartile and the bottom two socioeconomic status quartiles;

CRITERION 4—College Performance. The likelihood of graduating from a selective college.

THE CURRENT ENROLLMENT BASELINE

***CRITERION 1*—**Public Approval. By and large, Americans support college admissions strategies based on academic merit and special talents from the French horn to football. They also support recognition of background traits that demonstrate striving, but most are uncomfortable with or opposed to admission based solely on race or ethnicity.

***CRITERION 2*—**Racial and Ethnic Diversity. Enrollments at the 146 colleges were composed of roughly 6 percent Hispanics, 6 percent African Americans, 12 percent Asian Americans, and the remainder non-Hispanic whites in the base year of 1995 as well as in a parallel analysis by Michael T. Nettles, Catherine M. Millett, and Marne K. Einarson using 1997 data.[39]

***CRITERION 3*—**Socioeconomic Diversity. Most students (74 percent) in the most selective colleges come from families in the highest socioeconomic status quartile. Roughly 10 percent come from the bottom two socioeconomic status quartiles, and only 3 percent come from the bottom income quartile. There is thus more demographic than economic diversity at selective colleges.

***CRITERION 4*—**College Performance. Eighty-six percent of students finished their four-year degree at selective colleges.

ALTERNATIVE 1: HIGHEST GRADES, TEST SCORES, TEACHER RECOMMENDATIONS, AND LEADERSHIP

At one extreme, the "most" and "highly" selective colleges can create qualified pools that include only the most academically qualified students by relying on the measurable criteria of grades and entrance exam scores. Teacher recommendations and extracurricular activities also can be included. But the effect of teacher recommendations and extracurricular activities on inclusion in the qualified pool is unlikely to be large because there are many more candidates with solid teacher recommendations and extensive extracurricular activities than students with high grades and test scores.

CRITERION 1—Public Approval. There is widespread support for using grades and test scores in college admissions decisions. In our survey, 44 percent say grades and test scores should be very important in admissions, 49 percent say somewhat important, and only 6 percent say grades and test scores should not be considered important.

CRITERION 2—Racial and Ethnic Diversity. Using these more narrow criteria sharply limits the opportunity for minorities to qualify. In this case only 1.6 percent of the eligible pool are African American and 2.4 percent are Hispanic, a considerable drop from the current 6 percent share for each group.[40] This approach is the only one that would actually reduce the number of black and Hispanic students in the qualified pool (10,400) below the enrollment levels (15,100) in 1995 and 1997.

One interesting finding in this simulation is that the share of Asians in the eligible pool drops almost in half, from 12 percent to 7 percent, in the grades/scores approach compared with the base year as well as with the 1997 data from Nettles, Millett, and Einarson. It was noted earlier that not all high scorers go to the best schools. However, among high scorers Asians are much more likely to enroll in one of the top 146 colleges than others. They also come from the most affluent families and attend high schools with the lowest proportion of students with subsidized school lunches and the highest share of students who go on to four-year colleges.

CRITERION 3—Socioeconomic Diversity. Using grades and test scores as the criteria for creating the qualified selection pool increases socioeconomic status diversity. The share of students from the bottom two socioeconomic status quartiles would increase slightly from the base level of almost 10 percent to 12 percent. While the share of students from low socioeconomic status families would increase, seven out of eight matriculating selective schools would still come from the top half of the income distribution.

CRITERION 4—College Performance. More than 90 percent of students with high test scores and grades would graduate if admitted to one of the top-tier colleges or universities, a relatively small increase of 4 percent over current levels.

ALTERNATIVE 2: LOTTERY WITH MINIMAL ACADEMIC QUALIFICATIONS

One approach for raising both social and socioeconomic diversity in top colleges is to rely on a lottery of all qualified students (as measured by a minimum test score). In the extreme case, if there were no academic requirements, a lottery of all eighteen-year-olds would reflect the racial, ethnic, and socioeconomic status composition of American youth. Of course, the graduation rates of groups chosen without any regard to academic qualifications could be expected to be far lower than those actually in evidence at present, and this would surely be regarded as unsatisfactory by the colleges involved.

Some support lotteries among applicants qualified by a minimum set of scores and grades.[41] The underlying logic of this approach is that many more students are capable of keeping up at the top colleges than there are seats available, and all of these students should have a chance of getting this superior education. For instance, based on historical experience, anyone who achieves an SAT-equivalent score above 900 has at least a 69 percent chance of graduating from one of the 146 most selective colleges.

The lottery admission proposal for the 146 "most" and "highly" selective colleges was modeled by looking at all students with a minimum SAT-equivalent score of 900. The 900 cutoff is somewhat arbitrary but was chosen, in part, because it roughly matches the current standard set by the NCAA for student athletes.

***CRITERION 1*—**Public Approval. The survey showed that fully 83 percent of the public disagree with the idea that colleges and universities should use a lottery to choose which students are admitted. This finding is not surprising given our cultural bias in favor of individuals over groups and a strong preference for merit-based opportunity.

***CRITERION 2*—**Racial and Ethnic Diversity. Using the lottery approach with a minimum SAT-equivalent score of 900 would not increase the share of minorities in the qualified pool over current levels. The resulting eligibility pool would be 5 percent black and 4 percent Hispanic. These ratios are slightly below those of the entering class of 1995 and those in the analysis by Nettles, Millett, and Einarson in 1997. The low shares of minorities in the qualified pool reflect the fact that blacks and Hispanics are much less likely than whites to take the

SAT or ACT or to score above 900 when they do. While the share of African Americans and Hispanics in the pool is smaller than current enrollments, the absolute size of the pool is so large that the number of blacks and Hispanics in the qualified pool is six times the number in the current enrollment base.

CRITERION 3—Socioeconomic Diversity. Socioeconomic diversity would increase substantially using a lottery to create the qualified pool, with only 45 percent coming from the top socioeconomic status quartile and 27 percent from the bottom two socioeconomic status quartiles.

CRITERION 4—College Performance. The lottery approach with a minimum score of 900 relies on a low standard—only 30 percent of test takers score below 900 in any case. As a result, it would likely result in dramatically reduced graduation rates or lowered standards in otherwise selective colleges.

ALTERNATIVE 3: CLASS RANK

Several states have recently announced a strategy designed to increase opportunity and diversity in their public universities without using race as a criterion by guaranteeing admission to all in-state students who graduate from high school in some top percentage of their class. Actual percentages vary among states: Texas uses 10 percent, Florida makes it 20 percent, and California, 4 percent. These guarantees are made without regard to scores on national college entrance examinations. Such programs have found favor among those who are looking for ways to balance merit and greater equality of opportunity to learn by race, ethnicity, and income level.

These "class rank" approaches narrow the merit-based competition for seats at selective colleges to individual high schools, thereby recognizing and partially compensating for the negative effects on school performance of racial and economic isolation. In one sense, the strategy represents a pragmatic compromise between the values of individual merit and opening avenues to success for racial, ethnic, and low-income groups. In concept, they represent a rough ordering of moral priorities. They are merit-based but not indifferent to the effect of admissions procedures on racial, ethnic, and class outcomes.

***CRITERION 1*—**Public Approval. The public supports admissions plans that reward students who rank high in their own high schools. More than 75 percent of Americans agree that low-income students who get the best grades in their high school should be given preferences in admission to college (although existing class rank plans do not require beneficiaries to be poor). More than one-half agree that low-income students with the best grades or test scores in their high schools should be admitted, despite the fact that students in other high schools might have higher grades and scores.

***CRITERION 2*—**Racial and Ethnic Diversity. Class rank approaches that apply to the top 10 or 20 percent of students in individual high schools appear to yield qualified pools whose minority concentrations are either slightly smaller or slightly larger than the actual enrollment shares in 1995 and 1997. Using the top 10 percent criteria, the qualified pool is 5 percent black and approximately 7 percent Hispanic. Using the top 20 percent criteria, resulting figures are 7 percent black and 8 percent Hispanic.

Class rank approaches create pools that are larger than the quantity of seats available. As a result, the sheer numbers of blacks and Hispanics in the pool are more impressive than their percentages of the whole when compared with the 1995 and 1997 enrollment levels. Taking a 10 percent plan, the numbers of blacks and Hispanics in the eligible pool double from a total of about fifteen thousand in 1995 to thirty thousand. The 20 percent pool would bring in an eye-popping 68,000 blacks and Hispanics nationwide.

***CRITERION 3*—**Socioeconomic Diversity. High class rank approaches add social diversity to the eligibility pool of top colleges. Instead of three-quarters coming from the top socioeconomic status quartile, only 40 percent of high-ranking students at each high school taken together come from these families. In addition, fully 30 percent come from families in the bottom two socioeconomic status quartiles—three times the current share.

***CRITERION 4*—**College Performance. The problem, however, is that not all of these students are prepared for the academic rigors at top schools. Absent remediation, a substantial share of students from the qualified pool may go to a selective four-year college yet may not ultimately attain a bachelor's degree. Many students with high class rank, especially if the

top 20 percent are considered, do not take college entrance exams—usually an indicator that they have poor access to information resources about postsecondary opportunities, low levels of social support, or shortcomings in their college-prep curriculum. Among students in the top 10 percent of their class, 16 percent do not take either the SAT or ACT, and another 9 percent have an SAT-equivalent score under 1000. Comparable figures for those in the top 20 percent are even higher: 18 percent do not take a college entrance exam, and 15 percent score below 1000.

Students with high class rank in secondary school and high SAT scores currently are going to selective colleges in large numbers and performing nicely. But, as the data above show, almost one-quarter of the top 10 percent and one-third of the top 20 percent have College Board scores that predict that they would have comparatively less success in terms of earning a degree if they attended an elite institution. It is precisely these students that would be the purported beneficiaries of a program that guaranteed admission on the basis of class rank since they would not have been admitted to a selective college under the traditional criteria. These "extra" enrollees might have a graduation rate as low as 50 percent, much lower than the current graduation rate at selective colleges. Evidently, admission to elite schools on this basis would not necessarily serve well many of the students in question.

Preparation issues are especially prominent for African Americans and Hispanics. Among these minority individuals in the top 10 percent of their high school class, roughly one-quarter either do not take a test or score below the SAT-equivalent of 1000. Among African Americans and Hispanics in the top 20 percent of their high school class, approximately one-half either do not take an admissions test or score below 1000.The comparable figures for Asians and whites are 14 and 21 percent, respectively.

ALTERNATIVE 4: CLASS RANK WITH MINIMUM ACADEMIC QUALIFICATIONS

One way to minimize the low graduation rate found in class rank schemes while maintaining public support for merit-based admission is to add a college readiness requirement to them. The modified class rank model only includes students who have an SAT-equivalent score above 1000. This approach is consistent with the public's desire to reward achievement (high class rank) and better ensures that the students who are admitted are prepared to succeed.

CRITERION 1—Public Approval. Public support for plans that reward students who achieve in their own high schools would probably increase if class rank plans also carried a minimum performance standard.

CRITERION 2—Racial and Ethnic Diversity. The top 10 percent class rank alternative with minimum academic qualifications results in an eligibility pool that is 3 percent black and 4 percent Hispanic, not impressive when compared with the current enrollment baseline of roughly 6 percent each. The top 20 percent class rank alternative provides a similarly diminished representation of minority students: 4 percent Hispanics and 4 percent African Americans.

CRITERION 3—Socioeconomic Diversity. The added readiness requirement also will have a negative impact on the social class diversity of the eligibility pool of top colleges and universities. Nearly half of students from the top 10 percent and the top 20 percent of their high school class who attain minimal test qualifications come from high socioeconomic status families, compared with 27 percent who come from the bottom two socioeconomic status quartiles.

CRITERION 4—College Performance. Nearly 90 percent of students with both high class rank and minimum academic qualifications should graduate.

ALTERNATIVE 5: OUTREACH TO ACADEMICALLY QUALIFIED STUDENTS WITH LOW SOCIOECONOMIC STATUS BACKGROUNDS

In general, this analysis confirms two obvious facts about the American educational pipeline. First, the odds against students from less affluent families and schools, either in applying or being selected for entrance into selective colleges are higher than for students from better-off families and schools. Second, there are numerous students with the proven ability to beat those odds. By itself, admissions policy will not change the percentages drastically. Leveling the playing field is a challenge for education, economic, and social policymakers. But admissions policies can promote social mobility and student diversity by emphasizing outreach to students who have beaten the odds by overcoming their socioeconomic origins and their educational preparation in unfavorable school environments.

Such students meet at least three criteria. They are high achievers, as measured by their SAT-equivalent scores between 1000 and 1300 and a high school grade point average above 3.0 in core courses. They also demonstrate personal excellence, as evidenced by enthusiastic recommendations from teachers or leadership in extracurricular or community activities. Finally, they come from underprivileged families or struggling high schools. Underprivileged families are defined as those in the bottom 40 percent of the socioeconomic status scale used by the NCES. High schools are classified as struggling according to two measures: either a low percentage (less than 25 percent) of seniors going on to four-year colleges or a high percentage (greater than 25 percent) of students receiving lunch subsidies. The outreach model also includes a combined group in which a student must either meet the socioeconomic status criterion or have attended a high school matching one or both of the characteristics described above. Racial or ethnic characteristics do not enter into any of these definitions.

***CRITERION 1*—**Public Approval. The public approves of color-blind outreach to qualified students who come from underprivileged families. If a low-income student and high-income student are equally qualified, fully 63 percent say the low-income student should be given priority in admissions.

***CRITERION 2*—**Racial and Ethnic Diversity. An admission pool that includes high achievers from families and high schools that meet at least one of the special outreach criteria will have 11,400 blacks and 19,200 Hispanics. These figures are considerably higher than the current enrollment baseline of 7,600 African Americans and 7,500 Hispanics. So, a high number of qualified minority students are identified, but colleges will have to face the challenge of deciding which candidates to accept. Since the pool generally is considerably larger under the outreach model, the proportion of African Americans falls to 4 percent, while Hispanics maintain the same 6 percent share as with present enrollments. A system that includes additional characteristics of socioeconomic disadvantage not measured here, such as net worth or single-parent household status, might boost racial diversity further.[42]

***CRITERION 3*—**Socioeconomic Diversity. Using any approach that identifies high achievers from less affluent families and high schools results in much greater socioeconomic diversity than any of the other

approaches. The percentage of students in the bottom two socioeconomic status quartiles rises from 10 percent to 38 percent.

CRITERION 4—College Performance. These students are as likely to succeed as any other students with comparable academic backgrounds. One can expect slightly less than 90 percent to graduate if they enroll in one of the 146 most selective colleges. The research shows that students from less fortunate families and embattled high schools performed much like students from more advantageous circumstances in the same SAT-equivalent range. In both groups, slightly less than half earned bachelor's degrees, and almost 10 percent went on to graduate degrees. In the combined group of high achievers facing at least one set of educational hurdles, only 6 percent had no postsecondary education versus 9 percent for all students who scored between 1000 and 1300. This demonstrates that once high-performing students from low socioeconomic status families get the chance, they are able to succeed. The problem is that they are less likely to attend top-tier colleges in any case.

It should be noted that this model assumes a fairly aggressive use of economic affirmative action. The economic preference envisioned is roughly one-half the magnitude of the preference currently provided to African American and Latino students. But the percentage of students affected would be greater because the eligible population of beneficiaries (economically disadvantaged) is larger than the population currently benefiting from racial affirmative action (blacks and Latinos). The model assumes universities would be willing almost to quadruple the share from the bottom economic half (from 10 percent to 38 percent). The racial dividend of economic affirmative action would be smaller if fewer students received the economic preference.

Is this assumption realistic? The share of students admitted with very high test scores (an SAT-equivalent of above 1300) would remain roughly the same: 30–35 percent under the model, compared with 26 percent currently. And lower-income students would still remain underrepresented (38 percent from the bottom half rather than 50 percent). At the same time, the losers under the policy would mostly be upper-middle-class students of all races, and the winners would be lower-middle-class whites and minorities. The switch would alienate politically powerful groups and help less powerful constituencies, a difficult task, even though recent polls suggest broad public appeal for giving a preference to lower-income groups.[43]

Still, there is some evidence from California, Texas, and Florida, where racial affirmative action has been banned at public universities, that the higher education community will take aggressive steps, including economic affirmative action, to ensure racial diversity in a race-neutral manner if using race is not an option. Moreover, the model presented here assumes race-neutral recruiting, so bold outreach efforts by race or poverty concentrations could improve racial diversity beyond expectations, even if race is banned from admissions decisions themselves. A definition of economic disadvantage more advantageous to minorities than the one employed in the proposed model might be adopted.[44] Likewise, new efforts to reduce the racial gap at the K–12 level might work over the long run. But ultimately there is no better way to guarantee a certain level of racial diversity than by employing race per se.

POLICY RECOMMENDATIONS

Based on the findings presented here, four sets of policy recommendations follow: class rank plans are fraught with difficulty; economic affirmative action should be widely adopted; race-based affirmative action should be maintained; and financial aid policies must be reoriented toward need.

CLASS RANK APPROACHES ARE FRAUGHT WITH DIFFICULTY

Class rank approaches are a proven political winner, but serious reservations about the plans remain. They reflect an effective ordering of public values because merit is primary and explicit while race, ethnicity, and socioeconomic status are secondary and implicit. Yet these approaches, as has been seen, suffer from the fact that they include many students who will find the work at selective colleges difficult, discouraging persistence and limiting their choices in the curriculum. Class rank approaches tied to assessments that trigger remediation would improve readiness, although they reduce diversity.

Another problem with the class rank approach is "creaming," even within schools where most students come from lower socioeconomic status or minority backgrounds. Virtually all high schools

include students from a variety of socioeconomic strata. As shown in Table 3.18, even in the least affluent high schools 32 percent of students come from the top two economic quartiles. Moreover, those in the top 10 percent by grades are disproportionately wealthy. Even in the poorest schools, nearly 60 percent of such high achievers come from families in the top two socioeconomic status quartiles. As a result, approaches that focus on class rank, high school quality, or low-income neighborhoods will tend to favor those within the pool who are better off in economic terms.

ECONOMIC AFFIRMATIVE ACTION SHOULD BE EXPANDED

There is a need for much more vigorous use of economic affirmative action. College admissions officers and the public sensibly say

TABLE 3.18 SOCIAL COMPOSITION OF HIGH SCHOOLS AND HIGH-RANKING STUDENTS

	SES Quartiles (percentage)			
	First	Second	Third	Fourth
ALL STUDENTS IN SCHOOLS BY PERCENTAGE RECEIVING SUBSIDIZED LUNCHES				
Low (0–10%)	14	23	30	33
Medium (10–30%)	26	31	27	16
High (>30%)	41	27	21	11
TOP 10 PERCENT				
All	11	19	29	41
Low (0–10%)	7	20	24	49
Medium (10–30%)	9	18	37	36
High (>30%)	22	20	31	28

Source: Authors' analysis of NELS:88.

that any definition of merit should be tempered by a consideration of obstacles overcome, yet low-income students are hugely underrepresented at selective colleges. Many more of them could be admitted and could then succeed.

Much of the solution simply involves aggressive outreach. The current public dialogue tends to emphasize the decisions that highly selective colleges make when choosing among applicants. But most decisions on college are made long before the admissions officers get into the act. Almost half of high school students do not go to any postsecondary institution immediately after high school. Even among those who do go to college, students and their families choose colleges more than colleges choose students.

In the public view, academic merit is primary, but a record of accomplishment on the part of disadvantaged students is deemed appropriate for giving preferences among qualified students. There is broad support for giving special consideration for high-performing disabled students and students from low-income families, especially single-parent families.

Moreover, preferences for low-income students can help promote racial diversity compared with a system of admissions based on grades and test scores. When all reported incomes are adjusted for family size, 41 percent of Hispanics, 33 percent of African Americans, and 14 percent of non-Hispanic whites are living in families with resources below the "minimum but adequate" level, as specified by the U.S. Department of Labor. In addition, there appear to be many African Americans and Hispanics who are qualified but do not go on to four-year colleges. The analysis developed for this paper found a total of roughly twelve thousand African Americans and Hispanics who scored in the top quartile of the NELS test but did not attend a four-year college directly after high school. There were another fourteen thousand African Americans and eighteen thousand Hispanics who were in the upper half of the NELS test score distribution who did not attend a four-year college directly after high school. Like low socioeconomic status students, African Americans and Hispanic students have higher threshold requirements for attending four-year colleges, even with affirmative action policies in place.

Using a socioeconomic status preference expands the pool of qualified minority students substantially. If all the minimally qualified minority students in the bottom half of the income distribution were admitted, as many as eleven thousand African Americans and fifteen

thousand Hispanics might be added to those already in the most selective colleges, roughly doubling the current numbers. In addition, with African Americans and Hispanics represented disproportionately among the qualified pool of low socioeconomic status students, public support for campus diversity goals as well as the legal basis for such objectives, is enhanced because of income-based admissions are broadly deemed an acceptable policy and because low-income, minority students are chosen on the basis of multiple criteria rather than race alone.

MAINTAIN RACIAL AFFIRMATIVE ACTION

While socioeconomic preferences help produce some racial diversity, a credible procedure that can reproduce the level of diversity that exists in society today without purposely singling out African Americans and Hispanics at some point in the selection process has yet to be found. Qualified minority candidates represent a fairly small share of the talented students newly identified using class rank and socioeconomic status pools. The choice between race or income preference and merit is a false one in a system where admissions are already based on multiple criteria.

Income- and race-based policies have overlapping effects, but they are not the same. While African Americans and Hispanics are overrepresented among the poor, whites still constitute the majority of families, particularly those in the second-lowest quartile. The qualified pool of low socioeconomic status students increases the number of African Americans and Hispanics compared to current enrollments but not their share overall. Hence, income-based policies are not an effective substitute for conscious racial and ethnic enrollment targets, unless low-income African Americans and Hispanics can be chosen disproportionately from the qualified pool of low socioeconomic status students (employing a modest degree of affimative action while preserving the overall race-neutral character of the approach) or chosen as a supplement to the typically middle- and upper-income African Americans and Hispanics currently enrolled.

For instance, our own simulation of the pool of qualified students from the bottom half of the socioeconomic status distribution includes all those who have an SAT score of 1000 or better (or an equivalent ACT score) as well as high grades, teacher recommendations, and

proven leadership. The pool takes in one and a half times the number of African Americans as were actually enrolled at the time and more than two and a half times as many Hispanics. Yet, African Americans and Hispanics make up only 4.0 percent and 5.8 percent of the entire pool of qualified low socioeconomic status students, compared with their current 6 percent share of seats at elite colleges. As a result, unless they are chosen disproportionately from the pool or chosen in addition to those from middle- and high-income families already enrolled, African Americans would lose ground relative to their current share of seats in the most selective colleges, and Hispanics would barely maintain their place.

The total number of students who score above 1000, the top quarter of the nation's high school graduating class, is about 812,000, of whom 35,000 are African American and 31,000 are Hispanic. Overall these 66,000 minority students who meet the SAT-equivalent minimal qualification are roughly four times the actual 1995 enrollment for such groups. Approximately 30 percent of these African Americans and 50 percent of the Hispanics are from the bottom half of the family income distribution or attend a less privileged high school. Hence, policies that focus exclusively on admissions for disadvantaged students exclude 24,000 qualified but relatively well-off African Americans and 13,600 Hispanics in similar circumstances.

Moreover, affirmative action defines the policy debate over admissions to selective colleges. All other proposals for expanding access and choice are measured by their implications for affirmative action. As a result, any discussion of selective college admission gets hopelessly entangled in a thicket of race, partisan politics, and idealism. Opposition to affirmative action has become a bottleneck for exploring the role of socioeconomic status, or other nonracial categories of disadvantage, in admissions.

While the support is widespread for income-based policies, including income-based affirmative action, it is superficial and unorganized. In part, this is because the natural proponents of such policies in the liberal/labor and civil rights communities fear that such policies will be used in a political shell game to supplant race-based affirmative action. Hence, the lost momentum on affirmative action reduces the scope for instituting policies to promote opportunity for students from low-income families. Politically speaking, the best way to pursue economic affirmative action is as a supplement to, rather than a replacement for, racial affirmative action.

FINANCIAL AID POLICIES

Creating diverse pools of qualified students is a necessary but insufficient condition for increasing access to college for low-income majority and minority students. The costs of four-year colleges, especially selective colleges, still present a barrier.

Removing other kinds of obstacles to enrollment in four-year and selective colleges will only make matters worse for qualified low-income students if financial barriers remain. Compared with similarly qualified students from more affluent families, low-income students have higher financial threshold requirements for enrolling in four-year colleges, especially the more expensive selective colleges. They face greater loan burdens and are more debt averse. Financial barriers are even growing, as evidenced by the way the value of Pell Grants as a percentage of the costs of college attendance has fallen precipitously since the 1970s. College costs as a percentage of family income have remained stable among students in the top 40 percent of the family income distribution but have increased substantially for lower-middle- and low-income families. Unmet financial need—the total price tag minus all student aid—was roughly equivalent across income classes in the 1974–75 school year and is still the same for high-income families but has since doubled for low-income families.

Huge numbers of low-income and minority students already are prepared for college but are either unable to afford it altogether, unable to attend the more selective and expensive colleges, or unable to make ends meet until graduation. These students do not need better preparation. Their problem can be handled in the short term by shrinking unmet financial need to the levels achieved in the early 1970s.

Barriers arise in the process of determining financial aid as well as the overall size and composition of the aid package. The practice of making financial aid decisions after admissions are completed discourages low-income students from applying to college, especially the more expensive selective colleges. In addition, the excessive loan burdens in student aid packages foisted on low-income students discourage applications as well. For those who manage to enroll anyway and stay on course until graduation, from four-year colleges, the problem is most acute.

Front-loading aid decisions and enhancing the grant portions of aid packages is an obvious solution. Moving up admissions and aid

decisions for low-income students would require outreach as soon as early high school years, a critical juncture in academic preparation and the formation of college expectations. Front-loading federal Pell Grants as well as state and college aid would defer the need to take out loans and would move toward an equalization of risks and loan burdens between low-income and high-income students.

In order to ensure that such policies did not create disproportionate incentives to attend two-year and proprietary programs, grant aid would only apply to the first half of the required tenure for degree attainment. Hence, the first year of a two-year program and the first two years of a four-year program would be paid for with direct assistance. Front-loading aid for the first year of two-year programs and the first two years of four-year programs would encourage the development of more coherent and low-cost pathways from two-year colleges, where low-income and minority students are concentrated, to four-year schools.

Meeting the financial need of low-income students is in keeping with popular conceptions of merit and has strong public support. Need-based aid policies, coupled with admissions criteria that reflect a dynamic view of merit, are fully consistent with the American principle of opportunity for all who strive to excel.