

A common theme in discussions of the US higher education system is the increasing intensity of the struggle for admission to elite colleges. The *Chronicle* has given plenty of attention to this theme, noting the bias in favor of the wealthy created by early admissions, looking at schemes on how to game the system, how such gaming might be turned to social advantage, and how to survive the ordeal.

The struggle for admissions to elite colleges is often presented as the product of wrongheaded policies, pushy parents and so on. In reality, however, the problem of college admissions is both a consequence of, and a contributor to, the growing inequality and polarisation of US society.

The most striking feature of this polarisation is the rise of an elite containing around 1 per cent of population, which has received the lion's share of the benefits of economic growth over the past two or three decades, and now account for around 25 per cent of total income.

On the other side of the equation is a mass amounting to about 80 per cent of the population, which is experiencing stagnant living standards and increasing insecurity.

Between these two groups sits the top 20 per cent or so of households, doing well but outside the real elite. People in this group work mainly in professional and managerial occupations. This group of households has experienced income growth broadly in line with that of national income, neither racing ahead like the elite, nor standing still like the vast majority.

While the top 20 per of households have done well, individual households in that group have nothing like the security and stability that characterized the professional and managerial classes of past generations. On the upside, most recruitment to the wealthy elite is drawn from the top 20 per cent. On the other hand, the risk of slipping into the mass below is ever-present.

College education is a crucial mediating step here. Haskins and Sawhill show Of Americans born into the top quintile who earn a college degree, 54 percent remain there as adults; nearly triple the percentage of college graduates born to parents at the bottom that make it to the top of the income distribution. The success rate is clearly much higher for those top-quintile children who make it into elite institutions.

The supply side of the equation is even more striking. The total number of places in elite private universities in the US has remained broadly unchanged since the 1950s. Harvard alone receives enough applications every year (more than 30 000) to fill the entering classes of all the Ivy League schools twice over. Taken together, the Ivy League and other elite institutions educate something less than 1 per cent of the US college-age population, just about enough to fill all the slots in the top percentile of the income distribution.

Of course, not all the top spots go to Ivy League graduates; in fact a majority are drawn from the much larger group of graduates from flagship state universities. But the narrowing of opportunities is true for the flagships as well. These institutions expanded rapidly in the early postwar decades. There was a further expansion in the 1970s as women's participation in college education approached (and eventually surpassed) that of men. Since then, however, enrolments at the state flagships have remained largely static, while the population has grown.

In sharp contrast to earlier periods there have been few new universities, or even new campuses. UC Merced, opened in 2005 proclaimed itself the first new American research university of the 21st century, and the first in California in 40 years. That's worth proclaiming for UC Merced, but an indictment of the higher education system as a whole.

With declining state funding support, many of the state flagship institutions are becoming private in all but name. In particular, they are seeking freedom to set

tuition fees on the same lines as the elite private schools. The implied trade off is higher fees and better quality for a smaller number of students.

Virtually all the expansion in the post-secondary system has been concentrated in the lower tier systems of community colleges and ‘directional’ state universities. As of 2009, 40 per cent all students (26 per cent of full time and 66 per cent of part-time) in postsecondary degree granting institutions were in two-year colleges. On the plausible (though not necessarily accurate) assumption that the average time spent in four-year universities is twice as long as in two-year colleges, and adjusting for the disproportionate number of part-time students, that would imply that around two-thirds of those who go to college at all do so at two-year colleges.

Unfortunately, these lower tier institutions are failing badly, and in ways that make this comparison more difficult. On the one hand, they have higher dropout rates (which would imply that the total number ever attending is even larger). On the other hand, time to completion of a degree is nearly always more than two years, and the picture is further complicated by the prevalence of part-time enrolment. In, *Divided We Fail*, Colleen Moore and Nancy Shulock found that six years after initial enrolment only about a third of California community college students have completed a degree, about half have dropped out, and around 15 per cent are still enrolled (national studies paint a similar picture).

The picture at the second-tier state universities is somewhere in between that of the flagships and community colleges. Some are excellent, but many are appalling. A recent report found 25 state universities with four-year graduation rates of 4 per cent or less.

Even for those who manage to graduate, degrees from lower-tier institutions do not, in general, provide a route into the upper end of the income distribution. The wage premium for an associates degree over a high school education is only about 20 per cent. Moreover, whereas the return to a bachelor’s degree has

grown sharply over time (with the growth being greatest for the Ivy League), that for an associates degree has remained static. Community college pays off only for the minority who are able and tenacious enough to manage the transfer to a bachelor's degree, and then to complete that degree.

With these numbers in mind, the ferocity of the admissions race for the elite institutions is unsurprising. Even with steadily increasing tuition fees, parents and students correctly judge that admission to one of the 'right' schools is a make-or-break event, far more so than a generation ago. The odds in the competition are getting longer all the time, as a growing pool of aspirants goes after a fixed number of places.

As the dominant oligarchy becomes smaller and smaller, and open competition for entry to the elite workforce is replaced by informal procedures like internships, personal connections will become steadily more important.

Under these conditions, if higher education were a for-profit enterprise (I hope to talk in a later column about why it is not) elite universities would be generating massive monopoly profits. The non-profit status of the elite universities means that, the proceeds of ever-increasing tuition fees aren't paid out to shareholders but are spent on luxurious facilities, corporate-style management excess and high salaries for 'star' faculty members.

There have been some attempts to turn this around from within. Amherst, for example, has managed to increase the proportion of its students receiving Pell Grants, from 13 per cent in 2005 to 22 per cent recently. But the picture overall is getting steadily worse. A recent report from the Education Trust, arising originally from a consumer-oriented survey aimed at finding good college choices for low-income students, found, in essence, that there were none. According to the study, called *Priced Out*, only five public universities in the country (none of them state flagships) met three modest criteria:

* an annual cost for low-income students of \$4,600 or less, after financial support is taken into account

* a graduation rate of over 50 percent

* at least 30 percent of total enrollment being Pell Grant recipients, or from lower-income families.

The result of all these trends is that the idea of the United States as a land of opportunity is thoroughly obsolete. Even for the current adult population, intergenerational mobility between income groups has been substantially lower than in the European social democracies. But with education increasingly critical to life chances, and education increasingly stratified on class lines, the higher education system is now contributing to the development of a self-sustaining oligarchy.

Efforts are being made at many institutions to address the problem of class stratification through changes in admissions policies. But in the absence of structural change, these efforts will be overwhelmed by the economic and social forces pushing in the opposite direction.

Within the university system, attempts to allocate a fixed number of places more fairly are doomed to failure. What is needed is a substantial expansion of affordable, high-quality education. That could be achieved by expanding existing elite and flagship colleges, creating new ones, or upgrading the standards of lower-tier institutions. The last of these approaches is, in many ways, the most appealing, but it is also the one that would most directly imply a need for a massive increase in public funding, reversing the trend of recent decades.

Unfortunately, even radical reforms of the higher education system will be unavailing if the broader society continues to become more unequal. In any society where one per cent of the population receives 25 per cent of national

income, the children of that one per cent will be guaranteed an easy ride into the best schools, the top jobs and the ruling class of the next generation.

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