TESTIMONY

Many Factors at Play in Minority Access to Higher Education

By Neal McCluskey

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Thank you for inviting me to speak with you today. My name is Neal McCluskey and I am the director of the Center for Educational Freedom at the Cato Institute, a nonprofit, non-partisan, public policy research organization. My comments are my own and do not represent any position of the institute.

I'd like to preface my remarks by stating that while I will be speaking about trends and factors for broad ethnic and racial groups, all people are individuals. No sum of any person is his or her racial or ethnic group membership. That membership is just one among myriad attributes any given person has, and just one among numerous variables affecting their educational trajectory. That is crucial to keep in mind when discussing groups, and in understanding that there is no single answer for why one group may tend to have different educational outcomes than another. There are simply too many variables at play for one or two factors to explain all differences.

I should also note that I have not previously done specific research projects dealing with racial and ethnic achievement gaps, but am familiar with the gaps from studying American education as a whole, as well as research on the effects
of numerous possible contributors to student performance. In particular, my areas of focus have been school choice, federal education policy, higher education costs, and social capital and education.

It is also important to note that low-income African Americans, at least as of a 2002 National Bureau of Economic Research paper, do not necessarily attend college at lower rates than low-income white students, at least among those students who have graduated high school.\(^1\) Breaking high school graduates into three SES bands — bottom 20 percent, middle 60 percent, and top 20 percent — Black and Sufi found that from 1969 to 1997 low-SES black students were generally more likely to enroll in college than low-SES whites, though the rates fluctuated over that period and by the end low-SES white enrollment exceeded black. That said, it is unclear what the trend has been since the late 1990s, and there is no question that while enrollment for low-income African Americans may have been roughly consistent with low-income whites, the schools in which blacks have enrolled have tended to be of lower quality than those of whites. For instance, Reardon, et al., found that for the high school class of 2004, while small percentages of white, Hispanic, or black students in the lower-half of family incomes attended highly selective colleges, rates for African Americans were consistently lowest, followed by Hispanics. That said, much greater separation occurred in the latter-half of the income scale, and the Hispanic-white gap was only statistically significant between the 50th and 90th percentiles.\(^2\)

In addition to the quality of colleges accessed, there appear to be disparities in college completion. Low and moderate-income blacks and Hispanics appear to complete postsecondary education at lower rates than white students, even after controlling for SES. According to work by Camburn, low-SES white students are more than twice as likely as black or Hispanic students to finish college.\(^3\) This should be taken with a grain of salt, however: Camburn’s work was published in 1990 and was based only on six metropolitan areas. More research on completion by race, controlling for SES, needs to be done.

Of course, entry and success in college is connected to academic preparation and success before college. After controlling for income — a major component of SES — achievement gaps remain. Looking at National Assessment of Educational Progress exams shows shrinking, but not disappearing, back-white gaps when scores are broken down by eligibility for free or reduced-price
lunch. In 2007, for instance, whites overall scored 26 points (out of 500) higher in 4th grade mathematics than blacks and 31 points higher in 8th grade mathematics.

Focusing on reduced-price eligible students, those gaps were essentially sliced in half, coming in at 13 and 15 points, respectively. Similar decreases occurred in reading.\textsuperscript{4} For Hispanics, FRPL eligibility narrowed 4th grade math gaps from 21 to 11 points, and 8th grade from 26 to 13 points. Again, similar results were found for reading. Of course, many Hispanic students come from families where English is not their first language. Not surprisingly, when comparing scores for white students and non-ELL Hispanics gaps also shrunk. We see this in math and English, with the 4th grade reading gap dropping from 25 to 15 points when looking only at non-ELL Hispanics, and from 24 to 15 points in 8th grade.\textsuperscript{5}

The next important question is how much does academic preparation account for differences in racial/ethnic groups’ college entry and completion? Camburn found that after controlling for race, SES, and other factors, “academic preparation received before entering college,” as measured by standardized test scores and high school grades, was an important predictor of college completion.\textsuperscript{6} This may well be in part because lower grades lead to attendance at institutions with fewer student supports than schools attended by higher performers, such as community colleges.\textsuperscript{7} It may also be because students with poor academic preparation have to take more remedial courses just to begin credit-bearing courses, a major stumbling block for many who face it. For students at two-year schools who are required to take a remedial course, only 10 percent graduate in three years, versus 14 percent who did not have to take such courses. At four-year schools, 35 percent who take remedial courses graduate within six years, versus 56 percent who do not have to take such courses.\textsuperscript{8}

Of course, there may be many factors that underlie academic achievement that need to be addressed to raise achievement, especially for low-SES African Americans, whose scores lag those for low-SES students of other groups.\textsuperscript{9} One thing may be inadequate resources. This, however, seems unlikely to be a major problem. Not only has overall funding for K-12 education risen markedly over the last several decades — from $4,815, adjusted for inflation, per-pupil in the 1965-66 school year, to $13,210 in 2011-12 — but spending for black and white
students appears to have been largely equalized. An analysis of over 400 studies on school resources and outcomes found no consistent, strong relationship, and Fryer and Levitt found that, at least for the first couple of years of school, black and white children attended institutions that differed little in terms of traditional resource measures such as class sizes and teachers’ education, while less quantifiable problems, such as school gang problems and even litter, were much more prevalent in schools attended by African Americans. Within schools only class size (largely for younger children) and teacher qualifications seem to have repeated, statistically significant effects, and Rand reports that individual and family factors have four to eight times the impact on student achievement as teachers.

Perhaps there are important cultural issues at play, though “culture” can be a somewhat nebulous term. In this case, culture refers to generally held group values and orientations concerning education.

Crucially, two areas where there seems to be no meaningful distinction among broad racial and ethnic groups is belief in the importance of education or the desire to see children get a good education. Indeed, the 1966 “Coleman Report” stated that after looking at several survey questions about schooling interest and goals, “Apart from the generally high levels for all groups, the most striking differences are the especially high levels of motivation, interest, and aspirations reported by Negro students.” Similar levels of expressed motivation continue to be found. The problem seems to be that these aspirations do not translate into equal college enrollment or completion, especially when considering the types of schools students enter. Again, African-American and Hispanic students disproportionately enroll in institutions that get poorer outcomes.

Part of this likely stems from cultural underpinnings correlated with lesser academic outcomes. For starters, African-American families are more likely to be single-parent and large than are white families, which makes it more difficult for children to get the regular, high-quality interactions with adults conducive to maximum emotional growth and cognitive development. Both African Americans and whites have seen considerable increases in the percentage of children under 18 living just with their mother — the typical single-parent situation — but African Americans have seen a much larger jump. Children living only with their mothers rose from around 6 percent of all white children in 1960 to around 19 percent by 2014. For African Americans the rate
increased from about 20 percent in 1960 to over 50 percent by 1990. It has since stayed at about that level. Consistent Hispanic data are only available from 1980, but children in mother-only households rose from only about 20 percent in 1980 to roughly 28 percent in 2014.\(^{16}\) Looking only at low-income households using 2008 census data, the Urban Institute found that 78 percent of low-income African-American families had a single parent with no other adults present, versus 56 percent for whites and only 42 percent for Hispanics.\(^ {17}\)

The basis for this disparity may stem from the family-destroying practices of slavery and Jim Crow, in which families were rarely kept intact and black males were often rendered powerless. As Patterson has argued, it may well be that cultural trends, including single-mother families, evolved from the realities for previous generations — disenfranchised African-American men on whom black women were once dependent but are no more — but can be modified by changing those realities.\(^ {18}\)

A potentially major cultural proclivity stemming from generations of disenfranchisement — though perhaps it is more a mental state than a component of culture — is a sense among African-Americans that education is very important, but even with it, societal structures make success very difficult if not impossible, dampening motivation. The Coleman report observed this decades ago, which it suggested might explain a large gap between expressed college-going aspirations and actual academic achievement.\(^ {19}\)

In the 1960s, with Jim Crow laws having long been in place in large parts of the country, that the odds of success were stacked against blacks no matter what they achieved educationally was a very reasonable thing to believe. In contrast, it is possible that large African-American NAEP gains from the late 1970s to 1990 were at least partially attributable to a greatly improving civil rights environment decreasing the tendency to feel powerless.\(^ {20}\) That does not, however, mean that all feelings of powerlessness went away — they did not\(^ {21}\) — and given several high-profile cases of possibly egregious police misconduct against black males, as well as stubborn, wide, economic gaps between blacks and whites, feelings of powerlessness could grow.

Of course, cultural differences go deeper than attitudes about the importance of education and self-efficacy. There is also a significant cultural difference in the way parents tend to interact with their children, though, importantly, this difference does not seem to remain after controlling for socioeconomic status.
That said, there is an appreciable correlation between race/ethnicity and socioeconomic status. Looking at children from birth to 36 months, Hart and Risley found large differences based on SES in both the volume of words to which children were exposed and the quality of verbal interactions. Looking at total word exposure, low-SES children heard 616 words per hour, working-class children 1,251, and high-SES children 2,153. The way parents interacted with children also differed markedly, with high-SES children much more often being asked questions and complimented, and low-SES children more often being dictated to.²² And these numbers likely do not represent the most disadvantaged families: all the families in Hart and Risley’s study were fully intact and stable.

Perhaps the most important finding from Hart and Risley in terms of culture is that the different ways in which classes of parents interacted with their children tended to enforce the norms and expectations of their class rather than pushing all kids toward in-demand analytical thought:

The difference we saw between families seemed to reflect the cultural priorities parents casually transmit through talking. In the professional families the extraordinary amount of talk, the many different words, and the greater richness of nouns, modifiers, and past-tense verbs in parent utterances suggested a culture concerned with names, relationships, and recall. Parents seemed to be preparing their children to participate in a culture concerned with symbols and analytic problem solving. To ensure their children access to advanced education, parents spent time and effort developing their children’s potential, asking questions and using affirmatives to encourage their children to listen, to notice how words differ and relate, and to practice the distinctions to be made among them....In the welfare families, the lesser amount of talk with its more frequent parent-initiated topics, imperatives, and prohibitions suggested a culture concerned with established customs. To teach socially acceptable behavior, language rich in nouns and modifiers was not called for; obedience, politeness, and conformity were more likely to be the keys to survival.²³

The frequency and tenor of verbal interactions are just two among several important cultural factors that seem to influence achievement. Everything from learning experiences outside of a child’s home to how a child is disciplined
appear to affect learning outcomes, and the presence of good “middle-class” parenting practices — lots of cognitive stimulation, no spanking, etc. — seems to have a significant effect on outcomes. There also appears to be a racial correlation, with African American parents less likely to use preferable parenting behaviors even after controlling for SES, which accounts for a meaningful part of the black-white test score gap.\textsuperscript{24}

It is important to note that Asian-American students might well have a cultural proclivity that drives them to outperform not just African-American and Hispanic students, but also whites, even after controlling for SES. After controlling for parental education, income, household status, immigrant status, and prior experiences at school, Asian Americans have higher GPAs than the other three groups and are also less likely to drop out of high school. Many observers credit this to a culture shaped by social and economic advancement being based on test performance, and even a greater motivation to succeed for the good of the family.\textsuperscript{25}

One possible cultural explanation for relatively low African American college-going driven by academic performance is that black high achievers may be denigrated by their peers for “acting white.” The extent to which this exists, and especially the extent to which it is more prevalent among blacks than, say, putting down “nerds” is among white students, has been heavily debated, with many analysts concluding that the evidence does not show “acting white” is an important part of the black-white achievement gap, including college enrollment.\textsuperscript{26} Indeed, economist Roland Fryer, who has argued that sanctions for “acting white” do exist, has found that while some high-achieving black students do end up having fewer and less popular friends, the phenomenon is only found in integrated schools, defined as those in which 80 percent or less of students are African American.\textsuperscript{27} There is a good chance that misses large percentages of black children: According to data gathered by Orfield, Kussero and Siegel-Hawley, about 38 percent of black students attend schools that are 90 to 100 percent minority, and 74 percent schools that are 50 to 100 percent minority.\textsuperscript{28}

Even if “acting white” is a real phenomenon at integrated schools, it appears that the overall culture of schools with more white students is conducive to better outcomes for African-Americans, though this is likely tied much more to SES than race. Numerous studies have found positive peer effects, starting,
perhaps most notably, with the Coleman report\textsuperscript{29} It seems likely that a college-going ethos is more likely to be present in such schools, as well as social networks that more easily enable people to get information about college and student aid applications, taking necessary tests such as SATs, etc. Such schools also appear to better prepare students to handle college both culturally and psychologically.\textsuperscript{30}

Of course, not all the obstacles to minority college enrollment and completion are cultural. What are the effects of student aid?

In the short run, financial aid certainly makes college more affordable than if all students were required to pay colleges’ published prices. Nor surprisingly, several researchers have found that making more aid available increases minority and other enrollment.\textsuperscript{31} But this does not delve deeply enough into the problem: the vast majority of students receive aid to pay for college — 85 percent of first-time, full time students at four-year schools, and 79 percent at two-year institutions — so few people actually can or do pay the sticker price.\textsuperscript{32} And both logic and significant empirical evidence indicate that colleges raise their prices in large part because aid — especially federal student aid — enables them to.\textsuperscript{33} In other words, in the mid- and long-term federal student aid may very well be fueling the very problem it is supposed to solve: unaffordable college, especially for low-income students.

But isn’t this primarily a problem of decreased state appropriations? No. Drops in such appropriations would have little effect on private institutions, for one thing, yet those schools have seen rampant inflation. And when the cost of room and board is included in college prices, it appears that public institutions have raised prices far in excess of state revenue lost per student. The linear trend over the last three decades has been an annual $72 per full-time-equivalent student decrease in state appropriations to public colleges, but an annual $357 increase in published tuition, fees, room and board charges.\textsuperscript{34}

This vicious cycle has likely hit low-income students — who can least afford huge charges — the hardest. Indeed, Vedder reports that in 2010 the percentage of all bachelor’s degrees earned by age 24 that went to people in the lowest income quartile was much lower than in the 1970s, before there was major federal student aid. The low-income share was about 13 percent in 1970, versus about 10 percent in 2010.\textsuperscript{35} In part this is likely because federal aid has
increasingly come in the form of loans, and Asian and Hispanic students — though not African Americans — tend to be especially averse to incurring debt.\(^\text{36}\)

Merit aid also appears to be stacked against minority students, though not necessarily intentionally. As discussed earlier, it could be that minority students are less likely to be aware of such aid or how to access it, or they attend schools less able to supply it. Regardless of the reason, merit-based institutional grants go disproportionately to white students, who receive about 76 percent of such aid despite accounting for only 62 percent of students. Black students, meanwhile, receive about 9 percent of institutional merit-based aid while accounting for 14 percent of students, and Hispanics get 7 percent while constituting 14 percent of students. Asians also receive disproportionately low merit aid, accounting for about 4 percent of grant recipients but almost 6 percent of the student population.\(^\text{37}\) This seems to apply even for top SAT and ACT scorers, with 30 percent of Caucasians who scored at least 1400 out of 1600 on the SAT (or the ACT equivalent) receiving merit-based grants, versus 8 percent of African Americans, 20 percent of Hispanics, and 18 percent of Asians.\(^\text{38}\)

The final negative effect of merit aid on minority students may be that to the extent such students are most hurt by high sticker prices, merit aid enables those prices to rise, often discounting what higher income students — those most likely to be able to pay without assistance — actually pay. In other words, aid may be “baked into” prices, including for those most likely to be able to pay high sticker prices.\(^\text{39}\)

Clearly, there are numerous obstacles in the way of minority students — and low-income students generally — trying to enter and complete college. This is a potentially huge problem for upward mobility. While the amount of actual, economically in-demand learning in college is questionable — and varies by major — the reality is that a college degree is considered a prerequisite for many jobs, if for no other reason than it can serve as a basic signal of someone’s potential as an employee that has no cost for employers.\(^\text{40}\) In addition to what is learned, college can be an important place to enter social networks that can be beneficial throughout one’s life, an especially useful improvement for people coming from communities in which upwardly mobile social capital is scarce.
Attending higher-quality schools — rather than the generally lower-quality institutions Blacks and Hispanics disproportionately attend — would expose students to higher-level social networks.

Federal TRIO and GEAR UP programs attempt to compensate for lower-income students often attending K-12 schools not as focused on college going as the schools of upper-income students, including by providing information on applying to and getting aid for college. Evidence that they succeed, however, is limited. A 2008 federal assessment of GEAR UP suggested that the program had a positive effect on African-American and Hispanic parents and students reporting that they knew more about college requirements and applying for financial aid, but whether they had accurate information was not assessed. There was also no positive evidence found for overall academic achievement, attendance, academic seriousness, or homework diligence, though African Americans saw increases in academic rigor and parental involvement, and Hispanics upticks in parental involvement and science course-taking. A 2009 study of Upward Bound found that the program had no discernable effect on either overall postsecondary enrollment or the type of school attended, or on the likelihood of applying for aid or receiving a Pell Grant. It did, though, have a potentially positive effect on students with the lowest educational expectations. A study of the Upward Bound Math-Science program found several potentially positive effects, but was non-experimental and students were specially selected, meaning the findings could well reflect “selection bias.” Finally, a federal assessment of the Talent Search program, focusing on a handful of states, found some positive outcomes, but it was not a random sample of students, programs, or states, and it noted that Talent Search students could be systematically different in levels of “motivation and aspirations” from comparison students, producing misleading results.

So what can we conclude about barriers to college entrance and completion faced by low-income African Americans and Hispanics? First, they are similar to those faced by all low-income people: limited knowledge about how to access and pay for college; insufficient academic preparation; cultural proclivities that make pursuing a college preparatory track more difficult; and prohibitive college prices. That said, African Americans appear to have a tougher time completing college than whites even after accounting for socioeconomic indicators such as family income, while Hispanics do not, and Asians outpace whites even after controlling for SES. This may well be a result of more
entrenched cultural deficits stemming from centuries of oppression for African Americans, while Asian culture is more heavily geared toward academic achievement. The good news is that these problems can be overcome. Indeed, huge progress was made in the 1970s and 1980s by African Americans, at least as measured by NAEP.

That said, there is no conclusive evidence that government programs have meaningfully ameliorated these problems, though ending forced segregation was almost certainly of major importance. Indeed, there is significant evidence that federal student aid programs have *exacerbated* rampant college price inflation, which most hurts low-income Americans and, hence, disproportionately minorities. This could be addressed by phasing out federal aid poorly targeted to low-income Americans, such as higher education tax credits and “unsubsidized” loans for which anyone of any income level can qualify. At the other end of the age spectrum, intuitively it seems that deficits low-income children have before they enter kindergarten could be ameliorated by programs such as Head Start and Early Head Start. However, the evidence on large-scale, government pre-K programs does not support their value, typically either finding that benefits quickly disappear, or failing to follow recipients to see if the benefits last. Claims of effectiveness, meanwhile, are often based on a handful of old, very small, very intensive programs that would be extremely difficult to replicate at scale.45

These problems noted, members of civil society — church groups, Kiwanis clubs, etc. — could certainly take it upon themselves to reach out to low income parents and provide services such as conversation-intensive day care or college counseling, and philanthropists could fund efforts to test various services. And school choice programs enabling low-income minority students to access schools with college focuses, including magnet schools, KIPP schools, and many private schools, could also potentially alleviate these problems. Indeed, random-assignment studies have found choice programs to have significant, positive effects especially for African Americans, including, at least for one voucher program, an increase in college enrollment greater than seen, for instance, with well-known Tennessee STAR class-size reduction.46 There are significant challenges to increasing black and Hispanic college completion, but they are far from insurmountable.
Notes:


14 Kao and Thompson, pp. 422-423.

15 Armor, pp. 197-201.

16 U.S. Census Bureau, Figure CH — 2.3.4, “Children under 18 living with their mother only,” [https://www.census.gov/hhes/families/files/graphics/CH-2-3-4.pdf](https://www.census.gov/hhes/families/files/graphics/CH-2-3-4.pdf), accessed April 27, 2015.


19 Coleman, et al., pp. 275-325

20 This possibility is offered by David Grissmer, Ann Flanagan, and Stephanie Williamson. “Why Did the Black-White Score Gap Narrow in the 1970s and 1980s?” in *The Black-White Test Score Gap*, p. 211.


23 Hart and Risley, 133-134.


25 Kao and Thompson, pp. 433.

33 For a listing of numerous research studies showing that aid in various forms leads to either higher prices or federal aid supplanting institutional aid, see Neal McCluskey, “Oh Yes, There’s Evidence Aid Fuels Inflation,” SeeThruEdu, November 19, 2014.
34 Neal McCluskey, “Public Colleges Raise Prices When Appropriations Go Down...and Up,” SeeThruEdu, April 22, 2015.
35 Richard K. Vedder, “Can College be Made More Affordable? It’s about More Than Student Loans,” Testimony before the Committee on the Budget, United States Senate, June 4, 2014. Black and Sufi also found that tuition increases disproportionately hurt low-SES African Americans.
37 Mark Kantrowitz, “The Distribution of Grants and Scholarships by Race,”
It is difficult to demonstrate this conclusively because there are numerous variables at play in college pricing, as well as potential lags in how schools incorporate aid changes into their pricing, but Long found that Georgia HOPE scholarships, awarded to state residents based on high academic performance, fueled higher room and board charges at Georgia public institutions, and directly higher tuition and fees at private institutions. Private colleges also appeared to decrease their own institutional aid in response to the state grants. Bridget Terry Long, “How Do Financial Aid Policies Affect Colleges? The Institutional Impact of Georgia HOPE Scholarships,” The Journal of Human Resources, Vol. 29, No. 4, Autumn 2004, pp. 1045-1066. That said, Curs and Dar found that both public and private colleges lowered their published prices when states increased merit aid, but raised them when states expanded need-based aid. They theorized that prices were lowered in response to merit aid increasing competition to recruit better students. Bradley R. Curs and Lucia Dar, “Do Institutions Respond Asymmetrically to Changes in State Need- and Merit-Based Aid?” Social Science Research Network, November 1, 2010.

Research by the human resources firm Burning Glass found that for many jobs, a far greater percentage of listings call for a degree than current occupants hold such degrees, without evidence different skills are needed. Burning Glass Technologies, “Moving the Goalposts: How Demand for A Bachelor’s Degree is Reshaping the Workforce,” September 2014. Arum and Roksa found big drops in time students spend studying and very small increases in student critical thinking abilities while in college. Richard Arum and Josipa Roksa, Academically Adrift: Limited Learning on College Campuses, (Chicago, IL: University of Chicago Press, 2011).


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