

Solutions to Expand College Access

A comprehensive research study with insights from 610 college-advising professionals

By David Childress

Summary:

Today, aspiring college students must negotiate a tough series of obstacles to pursue a higher education. During the past 20 years, numerous academic, private, and government studies identified various barriers confronting students. Those results suggest that many people are so overwhelmed by the college-going process that they don't even bother to apply. Opinions vary on which barriers are the most problematic, but college costs are a consistent and major theme. The purpose of this research project was to determine whether there is a consensus among college-advising professionals about which obstacles are the most difficult for students to overcome and to propose solutions that would expand college access for all.

In the largest survey of its kind, high school counselors, college admissions officers, and financial aid administrators agreed that the two biggest barriers to higher education are college costs and overall confusion about the student aid process.

These professionals believe that students and their families do not understand the net cost of college (published cost of attendance minus grants and scholarships) early enough to make informed decisions. As a result, they don't have access to information that would help them decide which college(s) they could attend without overburdening themselves with debt. Specifically, 97% of the 610 surveyed professionals believe that 12 months before high school graduation, families don't understand the type and amount of aid they are eligible to receive. For millions of people, the lack of accurate and timely information about aid eligibility and net cost creates a significant barrier to attending college.

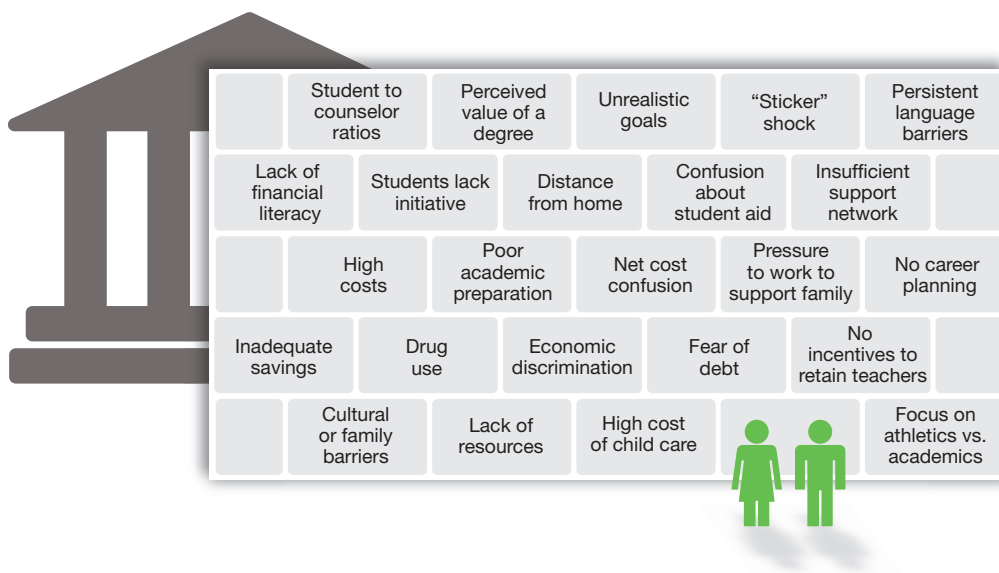
Further compounding the problem, students and parents have limited access to college-advising professionals. Across the nation, high school counselors face extremely high student-to-counselor ratios, unmanageable caseloads, and a growing list of varied responsibilities.

The current reality is that students and parents do not have access to personalized net cost estimates or an adequate support network to help make informed college decisions. The surveyed professionals overwhelmingly agreed that student aid eligibility estimates and side-by-side net cost comparisons would improve a student and family's ability to select the right college.

Historical research on college access

Scholars, legislators, and various organizations have closely analyzed the most significant barriers to college access for more than 20 years. Opinions vary on which obstacles are the most problematic, but it is clear that students and parents must overcome a variety of hurdles as they plan and prepare for a higher education.

Widely Recognized Barriers to College Access



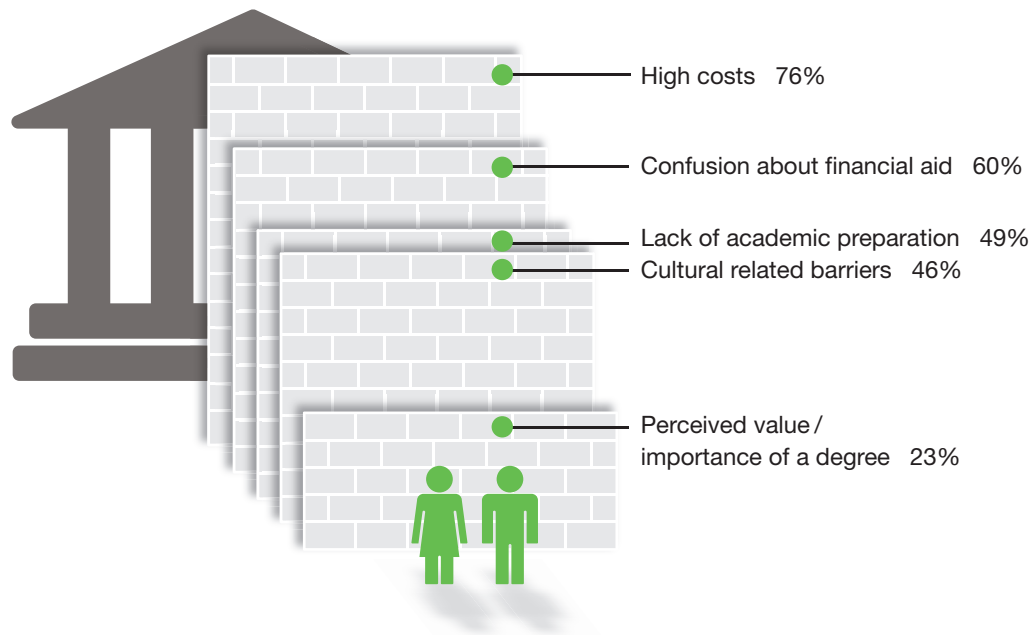
This study is unique because it includes insights from a large group of college-advising professionals who are at the center of the college-planning process. The survey, conducted in 2008 and released in 2009, has a representative sample of 610 college-counseling professionals from every state in the nation. The survey participants are very tenured, with an average of 12.6 years of experience in advising students about college planning. These veteran professionals – 233 high school and independent counselors, 296 college admissions officers, and 81 college financial aid administrators – each spent up to an hour sharing their insights and perspectives on the challenges faced by today’s college-bound students.

Professionals agree on the most problematic college-access barriers

College-advising experts provided their input on the extent to which a variety of challenges affect a student's ability to pursue a college education. To develop a framework for analysis, college-access hurdles were classified as either structural barriers or procedural requirements. Structural barriers refer to macro-level policies, regulations, and/or established beliefs that affect students aspiring to a college education. Some examples include financial aid regulations, primary/secondary school preparation standards, the cost of an education, and college admissions policies. When asked to evaluate the severity of a series of structural problems, research participants clearly identified “high costs” and “confusion about financial aid” as the greatest barriers.

Persistent Structural Barriers to a College Education

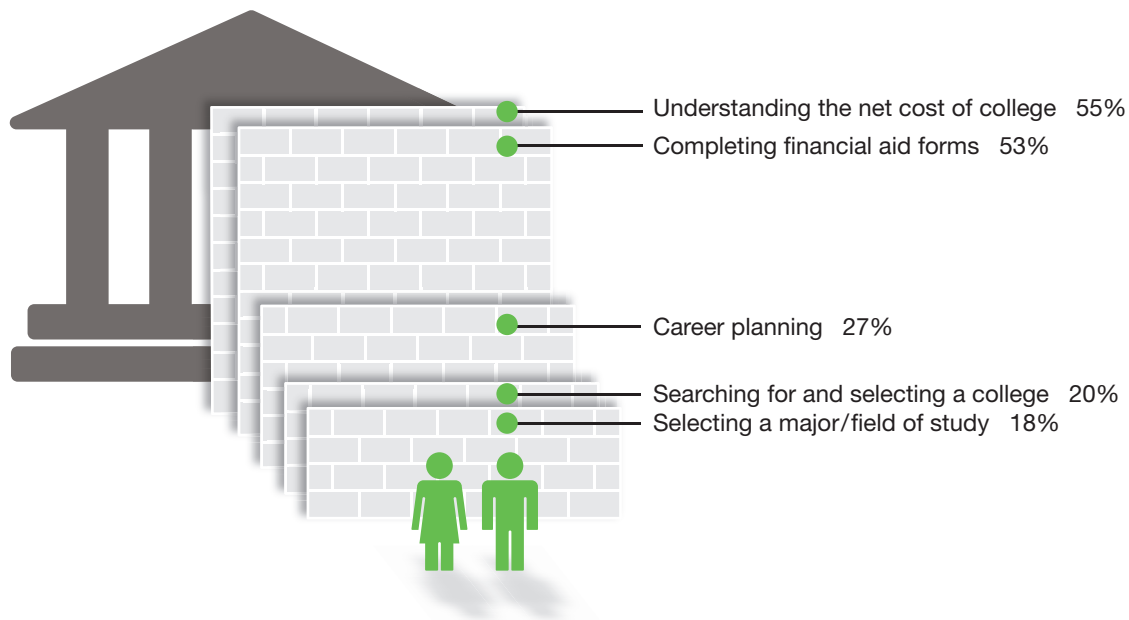
Percentage of professionals who rate the structural barriers as “Significant” to “Overwhelming.”



Procedural requirements refer to tasks that a student and family must complete throughout the college-planning process. For example, students must explore their career interests, search for and select a college, and prepare admissions and student aid forms, among numerous other tasks. When asked to evaluate how well students and families understand a variety of procedural requirements, professionals identified “determining net college costs” and “completing financial aid forms” as the two highest hurdles.

Confusing Procedural Barriers to a College Education

Percentage of professionals who believe students/families are “Confused” to “Completely Confused” by each process.

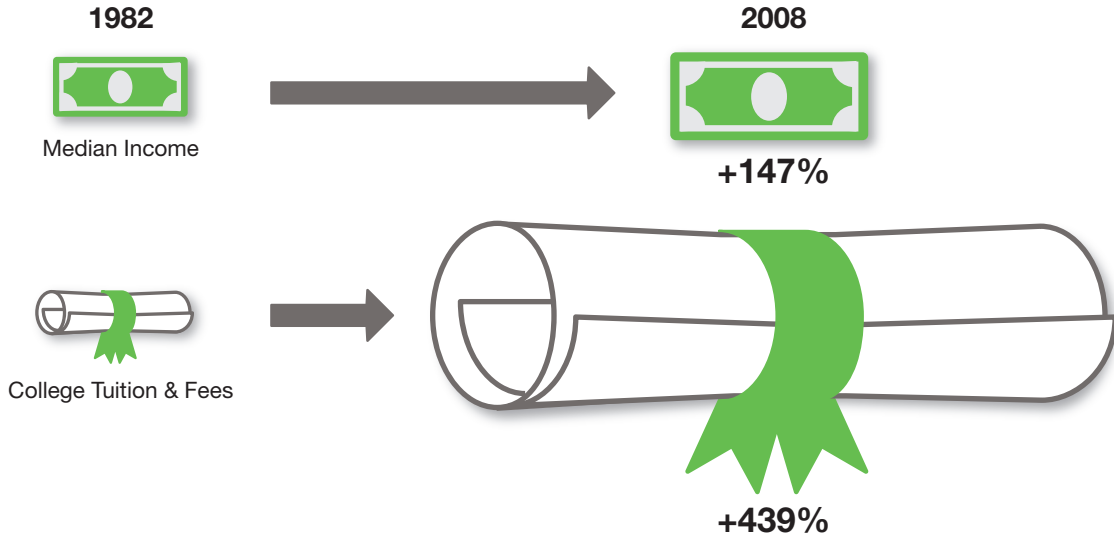


Analysis of the responses to these questions suggests that there is a strong consensus among college-advising professionals about which barriers are most problematic. They believe that the cost of college, accessing student aid, and understanding net costs are the biggest obstacles to aspiring students. There is clear agreement among all three groups that high cost and confusion about how to pay for college prevent access to higher education. What is most compelling is that the barriers related to cost and student aid have sizeable separation from all others, indicating these two obstacles are exceptionally difficult to overcome.

Students and families don't have access to the information they need to find affordable colleges

For almost three decades, college costs have increased dramatically, overwhelming the modest increase in median family income. Perhaps more troublesome, student aid in the form of grants and scholarships has not kept pace, forcing students and families to shoulder a larger portion of their cost of attendance. College costs have climbed 5.9% annually, almost double the rate of inflation, while the growth in grant and scholarship aid has only increased by 4.2% (according to the most recently published College Board reports). These combined factors create an anxiety-ridden college financing environment for almost all aspiring students.

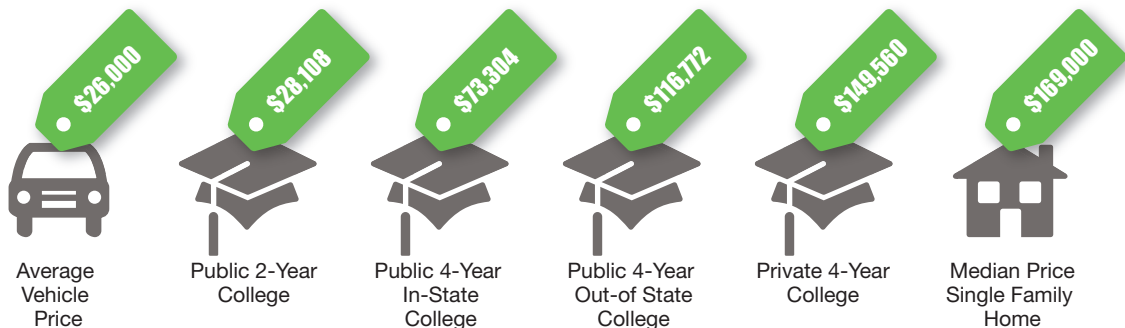
Median Income and College Cost Trends



SOURCE: "Measuring Up 2008," The National Center for Public Policy and Higher Education

Families face tough choices – a college education has never been more essential, yet the cost of an undergraduate degree has never been greater. For many, an undergraduate college education is longer than a four-year endeavor. A recent study conducted by the American Enterprise Institute reported that fewer than 60% of students attending a four-year college graduated within six years. Obviously, the more years that a student spends earning a degree, the more expensive the experience becomes. College-advising professionals urge families to start planning for how to pay for college as early as possible. Unfortunately, current trends show that families are not saving adequately for what will be a significant financial investment.

Current Total College Costs



SOURCES: "Trends in College Pricing 2008,"The College Board's. Wall Street Journal, May 13, 2009, and Comerica Auto Affordability Report, May 8, 2009

These unrelenting cost trends create an affordability dilemma for college-bound students. This situation is troublesome because many families lack a sufficient understanding of fundamental concepts that would affect their decisions. The survey showed that 82% of the professionals believe that students and their parents don't understand the difference between the "sticker price" (the published cost of attendance, including tuition, fees, housing, books, and related expenses) and their net or out-of-pocket costs (published cost of attendance minus grants and scholarships).

Almost all families are eligible for at least one of the thousands of programs that distribute \$145 billion annually to help families pay for college. Unfortunately, families can't plan accordingly because personalized student aid eligibility estimates don't exist. It's important for families to consider both the type (e.g. grants/scholarships, work-study, or loans) and amount of aid that they are eligible to receive. This information would allow families to evaluate the net costs of multiple colleges, preventing unmanageable debt burdens.

Instead, students and families are forced to select a college without knowing whether they can afford the education or worse, how they will pay the bill. The unfortunate result is that many students never pursue a postsecondary degree. Others eliminate colleges from their wish list in the mistaken belief that these options are financially out of reach. Of the surveyed professionals, 95% agreed that side-by-side net cost comparisons would be the most helpful of all the proposed solutions for improving a student and family's ability to select the right college.

Identifying Potential Solutions



Would access to the following:	...improve your ability to counsel students?	...improve a student/family's ability to select the right college
A student's likely loan aid estimate	78%	91%
A student's EFC	79%	N/A
A student's FAFSA/CSS Profile filing status	83%	N/A
A student's likely grant/scholarship estimate	87%	94%
A side-by-side NET cost comparison of the college the student is interested in	89%	95%

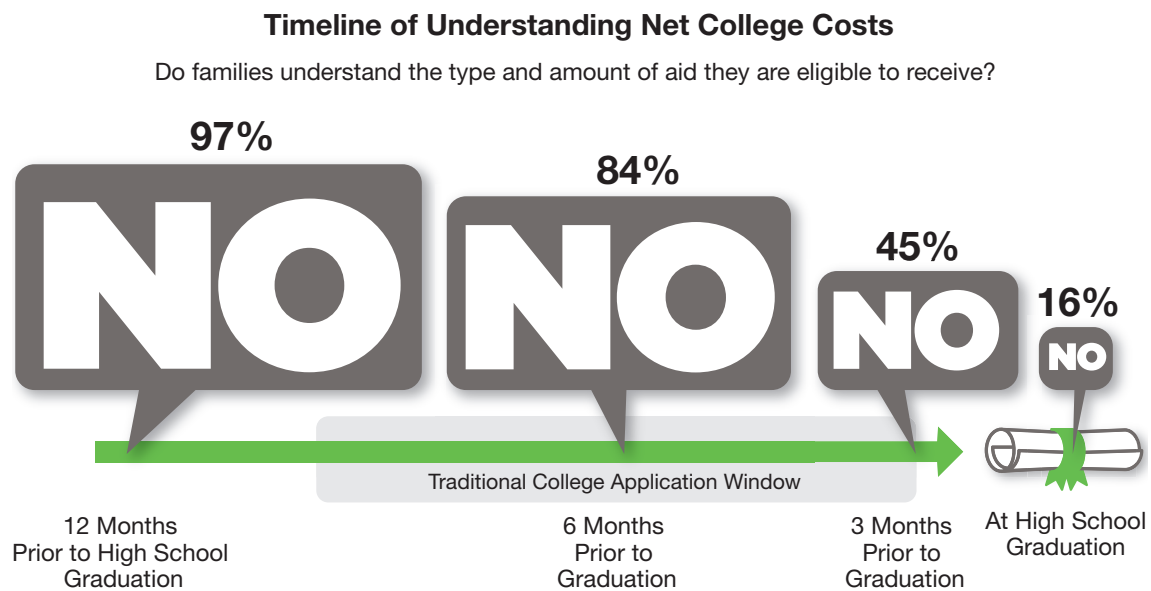
Percentages represent the number of college advising professionals who answered "Yes" to each question.

The current student aid system creates a major structural barrier by not allowing college-bound students to file their federal student aid applications until January 1 of the year that they intend to enroll in college. Furthermore, once a student completes an aid application, the federal government provides the applicant with an expected family contribution (EFC).

The EFC causes mass confusion because it is a figure used to ration limited aid funds to needy families, which may not provide a realistic expectation of the amount a family should be able to contribute to a college education.

It's not until later in the spring that colleges send aid award letters to students. This is the first time that students receive notice of the type and amount of aid they are eligible to receive and learn their net cost of college – just months before the college academic year starts. This unfortunate timing is after the vast majority of students have selected and applied to colleges based on inaccurate cost information.

The entire process is backwards. It denies students critical net cost information that affects not only how they will pay for college, but also whether they pursue their college dreams at all. For first-year students, receiving an aid award letter three months prior to enrollment can create an extraordinary planning hardship. The surveyed professionals agreed that students and families don't have access to critical net cost information early enough in their college-planning process.



Today, only a handful of the Title IV colleges provide basic net cost calculators, and none of them compare net costs across multiple colleges. The Higher Education Opportunity Act of August 2008 mandates that colleges publish net cost calculators by the fall of 2011, but the current proposals won't provide families with a personalized net cost estimate or aid eligibility.

While a mountain of information about college planning and applying for student aid is available, none of it addresses net costs based on a student's personal academic and financial circumstances. Access to net cost information isn't available until it's too late. This situation forces families to make decisions based on incomplete and imprecise information.

Students and families lack adequate access to a personalized support network

High school counselors are the primary resource available to many students and their families while they navigate the college-planning process, but counselors are overwhelmed by a growing list of responsibilities. The American School Counselor Association (ASCA) recommends a ratio of 250 students to each high school counselor. Most recent statistics show that the national average is almost double that recommendation, at 475 students per counselor. Sadly, counselors and students in some states struggle with even more unfavorable ratios, such as Illinois (1,172-to-1) and California (986-to-1).

In her 2004 thesis, Esther Hugo, Ph.D., recognized the role of a high school counselor as often “fragmented, undefined, and perceived as quasi-administrative.” Further, she argues that “counseling is not available for those who need it most.” Counselors who participated in this research confirmed Dr. Hugo’s findings. When asked to segment the amount of time spent on their various responsibilities, counselors indicated that they spend 55% of their day on tasks not related to college preparation. Even more telling, in a 2005 report commissioned by the National Association for College Admission Counseling (NACAC), Patricia McDonough, Ph.D., estimated that the typical high school student receives only 38 minutes of college preparation counseling each year.

Unmanageable student-to-counselor ratios and a growing list of administrative responsibilities place huge demands on high school counselors. That leaves students and families to make decisions about the 6,500 colleges, 1,200 degree programs, and more than 10,000 possible careers without adequate professional support. Coupled with a lack of understanding of the net cost of college, this puts families at a serious disadvantage when trying to make informed decisions about which college is a good fit for their personal circumstances.

Impact of aid eligibility and net cost on college decisions

Cost is an important consideration for any purchase. In today’s marketplace, consumers have broad access to information, especially cost-related information, for virtually everything they buy. Consumers also have access to personalized assistance to help educate themselves on the financial implications of their decisions. However, when shopping for a college education, students and their families do not have sufficient access to either.

There is no personalized affordability information for high school students, nor is there adequate access to personalized cost-related guidance throughout the process. Instead, these students must rely on incomplete and imprecise information that does not address their personal circumstances. This could cause many students to make bad decisions about one of the most significant investments of their lives.

Consider this scenario: Blake is a high school senior from Chicago, Illinois, with a 3.8 GPA and above-average standardized test scores. He has no siblings and his parents have a household income of \$32,000. He is just beginning the planning process, but there are three colleges that he is currently considering. Based on his personal circumstances, here is a breakdown of his aggregated aid eligibility and the net cost of each college:

Net Cost Influence on College Decisions

Blake Thomas Chicago, IL	2-Year Public College	4-Year Public College	4-Year Private College
PUBLISHED Cost of Attendance	\$18,318	\$25,968	\$55,295
Grants and Scholarships	-\$13,391	-\$22,052	-\$50,815
Annual Net Cost	\$4,927	\$3,916	\$4,480
Est. Total Cost of a Degree	\$10,035	\$17,617	\$19,601
Mo. Payments after Graduation	\$117	\$205	\$228

In this situation, cost-conscious students would likely gravitate toward the two-year college because of the lower published cost of attendance. After fully understanding student aid eligibility and net cost of college, the decision may be significantly different. Based on Blake’s circumstances, he is eligible for a significant amount of grants and scholarships at both four-year colleges, which makes his net cost for each of them lower than the two-year alternative (which has a cheaper sticker price). Furthermore, net cost knowledge also allows students to estimate their total cost of a degree and post-graduation debt burden, which is an important part of affordability planning.

Understanding eligibility for student aid and the net cost of college can have a “game-changing” impact on a student’s college decision-making process. It would help students and families make affordable college choices by highlighting realistic alternatives that might not otherwise be considered. For many students, early insights into out-of-pocket costs and student aid eligibility could mean the difference between applying to college or giving up on a college dream.

Broad access to higher education is a characteristic of a prosperous society. It is also a national imperative in an increasingly competitive global marketplace. Among the most advanced countries in the world, the United States ranks 19th in graduation rates and first in college dropout rates. Our country's fall from prominence has forced postsecondary education issues into the national spotlight.

One goal of the current administration is to have “the highest proportion of students graduating from college in the world by 2020, to better prepare our workforce for the 21st-century economy.” Several organizations have recently echoed support for early access to personalized net cost comparisons as a means to help accomplish this goal. The Advisory Committee on Student Financial Assistance wrote that “students and parents need ample time and accurate information to prepare for the financial burden of a college education – those who lack this knowledge face a significant access barrier to higher education.”

The National Association for Student Financial Aid Administrators agreed with these sentiments, saying “when low- and moderate-income families clearly understand their eligibility (for financial aid), they are far more likely to view post-secondary education as a reality for which they can plan and prepare, rather than an impossible dream.”

These findings are consistent with the beliefs of the 610 college-advisory professionals who participated in this research, and they present a compelling case that early access to net cost information could significantly reduce barriers to a higher education for all.

SOURCES:

“Education at a Glance, 2008” Organisation for Economic Co-operation and Development

“Early and Often: Designing a Comprehensive System of Financial Aid Information,” The Advisory Committee on Student Financial Assistance.

“Simplification Issue Paper Series, No.2,” National Association of Student Financial Aid Administrators

References

In total, over 150 journals, research papers, and articles and over 500 websites were reviewed for this research project. The following references significantly contributed to the goal of identifying the most problematic barriers to higher education and developing practical solutions to expand college access.

“The current system encourages students to apply to college without knowing with any certainty **if they can even afford it.**”

The Student Aid Gauntlet
Advisory Committee on Student Financial Assistance
January 2005

“Inadequate preparation and the lack of accurate information forestall decision making and result in many students making ill-informed college decisions or **not enrolling at all.**”

Deciding on Postsecondary Education: Final Report
National Postsecondary Education Cooperative
December 2007

“Many students take **only the sticker price** into consideration when deciding upon the types of colleges to which they will apply.”

Knowledge Scarce on Cost of College
R. Archibold
The New York Times
May 25th, 1998

“Students and parents need ample time and accurate information to prepare for the financial burden of a college education – those who lack this knowledge base face a **significant access barrier to higher education.**”

Early and Often
Advisory Committee on Student Financial Assistance
July 2008

“Americans place a high value on obtaining a college education, but they have **difficulty estimating college costs.** Accurate information is vital to making a sound assessment.”

Getting Ready to Pay for College
Laura Horn and Xianglei Chen
September 2003

“Ensuring students and families **understand the variety of benefits** of postsecondary education is imperative because access to such information can positively influence preparation for college enrollment.”

Low-Income Students Seeking Financial Aid: A Cultural Ecology Approach
Kristan Venegas
2006

“There is no issue that worries the American public more about higher education than the **soaring cost of attending college.**”

A Test of Leadership: Charting the Future of U.S. Higher Education
U.S. Department of Education
September 2006

“**Lack of accurate information** causes students to overestimate the costs of colleges, underestimate available financial aid resources, and misjudge the viability of going to college.”

Breaking Through the Barriers to College
Mari Luna De La Rosa and William Tierney
University of Southern California
2006

“For many students, especially those who are first-generation college students, a successful school-to-college transition is problematic without appropriate and **effective counseling.**”

Rethinking Counseling for College
Dr. Esther Hugo
University of California, Los Angeles
2004

“No student should miss the opportunity for vital assistance because he or she lacks necessary information, is misinformed about the nature of student aid programs, or is unable to **navigate the financial aid application process.**”

Missed Opportunities Revisited
Jacqueline E. King
American Council on Education
February 2006

“Low-income and first-generation college students face the greatest **information barriers** as they are less likely to have experience with financial aid programs and assistance with completing the forms required to obtain aid.”

Early Outreach in Student Success
Terese Rainwater and Andrea Venezia
Spring 2003

“Many parents are unprepared to cover the **real cost** of a college education. What’s more, they hold unrealistic expectations about the availability of financial aid and scholarships, which they hope will fill the college savings gap.”

Failing Grades? American Families and Their College Saving Efforts
Alliance Bernstein
Spring 2003

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