



JUNE 2011

WHAT IS THE *PORTRAITS* SERIES?

With the support from the Bill & Melinda Gates Foundation, the **INSTITUTE FOR HIGHER EDUCATION POLICY** plans to regularly release short research briefs that describe different aspects of low-income young adults' involvement in postsecondary education. This brief, the second in the series, explores the type of institutions that first-time, low-income young adults were enrolled in and the shifts in postsecondary enrollment by institutional type since 2000. Subsequent briefs will explore low-income adults' educational aspirations and academic preparation, movement between institutions, financial aid and borrowing patterns, and, ultimately, educational outcomes.

INITIAL COLLEGE ATTENDANCE OF LOW-INCOME YOUNG ADULTS

More than 2.3 million low-income young adults began postsecondary education in 2008. Where these students initially enroll is of greater consequence than it is to their economically better-off peers because the likelihood of completing college for students from low-income backgrounds depends strongly on where they start their studies. This brief examines the types of postsecondary institutions where low-income young adults begin. Focusing on the starting point in low-income students' postsecondary experiences will lead to later investigations of other key factors that influence their persistence and completion prospects, as well as labor market outcomes.

In the context of national completion goals, inducing more low-income young adults to participate in postsecondary education is deeply important. Yet enrollment data over the past decade indicate that certain types of institutions have seen their ranks swell substantially. While all sectors of higher education—two-year¹ and four-year, private and public—are expected to bestow benefits upon their graduates, the types of institutions where low-income young adults are increasingly likely to enroll provide the least clear or certain educational and economic advantages (Bound, Lovenheim, and Turner 2010; IHEP 2002).

With these trends in mind, our analysis addresses two key questions:

- ❖ What types of postsecondary institutions are low-income young adults first attending?
- ❖ To what extent have the initial enrollment patterns of low-income young adults, especially females and certain racial/ethnic minorities, shifted over time, and to which types of postsecondary institutions?

¹ The terms "public two-year institutions" and "community colleges" are used interchangeably.

THE CHANGING FACE OF YOUNG ADULTS ENROLLED IN POSTSECONDARY EDUCATION

In 2008, more than two of five (42 percent) first-year college students were living at, near, or below poverty—a 4 percentage point increase from 2000 (**TABLE 1**). Most startling is the fact that among non-White females in their first year of college, more than half, including seven of 10 Black females, were from a poverty background. So while it is encouraging that more low-income young adults are enrolling in postsecondary education, these trends point to a division between the emerging 21st century student and the narrowing of postsecondary options facing them.

TABLE 1: Percentage of First-Year College Students Living in Poverty by Race/Ethnicity and Gender, 2000 and 2008

RACE/ETHNICITY	2000	2008
WHITE FEMALES	33%	36%
WHITE MALES	27%	27%
HISPANIC FEMALES	60%	61%
HISPANIC MALES	49%	54%
BLACK FEMALES	62%	70%
BLACK MALES	56%	58%
ASIAN/PACIFIC ISLANDER FEMALES	36%	52%
ASIAN/PACIFIC ISLANDER MALES	36%	41%
NATIVE AMERICAN FEMALES	60%	58%
NATIVE AMERICAN MALES	40%	49%
TOTAL	38%	42%

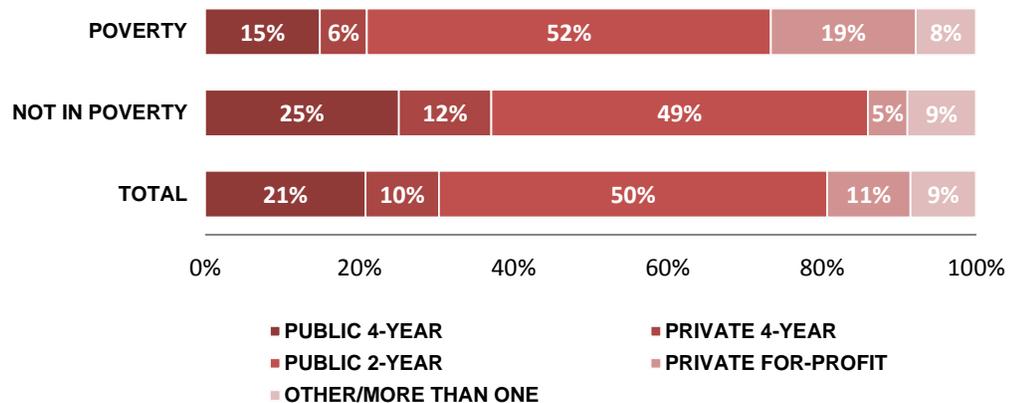
SOURCE: NCES 2000 and 2008

DATA SOURCE

Undergraduate enrollment figures were derived from the National Postsecondary Student Aid Survey (NPSAS), a nationally representative survey of students who were enrolled in postsecondary education. This brief uses data from the NPSAS surveys collected during the 1999–2000 and 2007–08 academic years. The NPSAS estimates were generated via the online Data Analysis System. Undergraduate students enrolled at all types of postsecondary institutions, including those who attended multiple institutions, were examined.

Poverty still matters a great deal in terms of the types of institutions in which young adults are initially enrolling.² Compared with young adults not in poverty, low-income students are underrepresented in public four-year institutions (15 percent versus 25 percent) and private four-year institutions (6 percent versus 12 percent). On the other hand, low-income students are overrepresented in for-profit institutions (19 percent versus 5 percent) (FIGURE 1). Interestingly, both groups were almost equally likely—at 49 and 52 percent, respectively—to attend public two-year colleges.

FIGURE 1: Percentage of First-Year College Students by Poverty Status and Institution Type, 2008

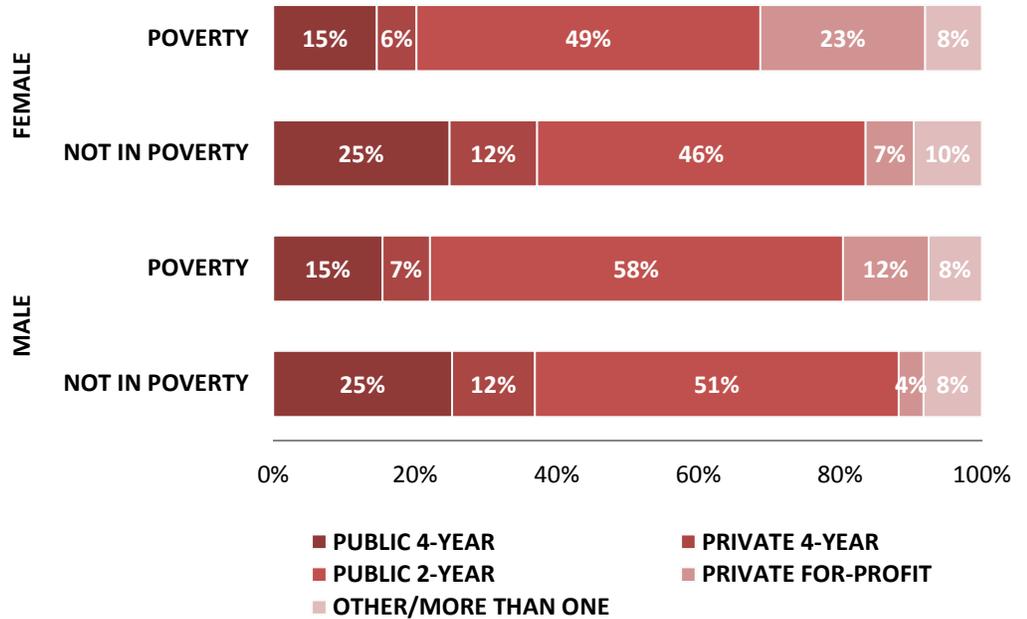


SOURCE: NCES 2008

These overall percentages mask several significant differences by gender (FIGURE 2). Poor females on the whole were twice as likely as poor males to start at for-profit institutions (23 percent versus 12 percent), but the difference in terms of starting at a community college favored low-income males by 9 percentage points (58 percent versus 49 percent).

² Although beyond the scope of this brief, we recognize that multiple factors shape students' decision to enroll in particular types of postsecondary institutions. Such factors include the ability to navigate the college enrollment process, availability of financial resources, proximity to home and work, academic and social engagement, commitment to one's educational goals, and family support and involvement, among others (Perna 2007).

FIGURE 2: Percentage of First-Year College Students by Gender, Poverty Status, and Institution Type, 2008



SOURCE: NCES 2008

The data further expose the pronounced overrepresentation of low-income females from certain racial/ethnic groups at for-profit institutions (**TABLE 2**). Not only are low-income young females from every racial/ethnic group nearly three times as likely to attend for-profits as their non-poor female counterparts, but more Black and Hispanic females from poor backgrounds started in for-profit institutions than in both public and private four-year institutions combined. These findings are key to understanding how the demand for postsecondary education of vulnerable populations is being met, as well as the potential short- and long-term detriment to persistence and degree attainment of poor young females who attend such institutions, characterized by high levels of unmet need and substantial borrowing (Dillon and Carey 2009; Lynch, Engle and Cruz 2010).

TABLE 2: Number and Percentage of First-Year Female College Students by Poverty Status, Race/Ethnicity, and Institution Type, 2008

POVERTY STATUS	RACE/ETHNICITY	TOTAL FEMALES ENROLLED (X 1,000)	PUBLIC 4-YEAR	PRIVATE 4-YEAR	PUBLIC 2-YEAR	PRIVATE FOR-PROFIT	OTHER/MORE THAN ONE
POVERTY	WHITE	626	14%	5%	52%	21%	8%
	HISPANIC	311	13%	8%	44%	28%	8%
	BLACK	331	17%	5%	45%	26%	7%
	ASIAN	67	14%	6%	53%	12%	15%
	NATIVE AMERICAN	14	17%	#	48%	16%	19%
		WHITE	1,121	27%	13%	45%	6%
NOT IN POVERTY	HISPANIC	200	20%	8%	54%	9%	9%
	BLACK	143	23%	9%	50%	10%	8%
	ASIAN	63	18%	19%	45%	6%	13%
	NATIVE AMERICAN	10	43%	6%	31%	3%	17%

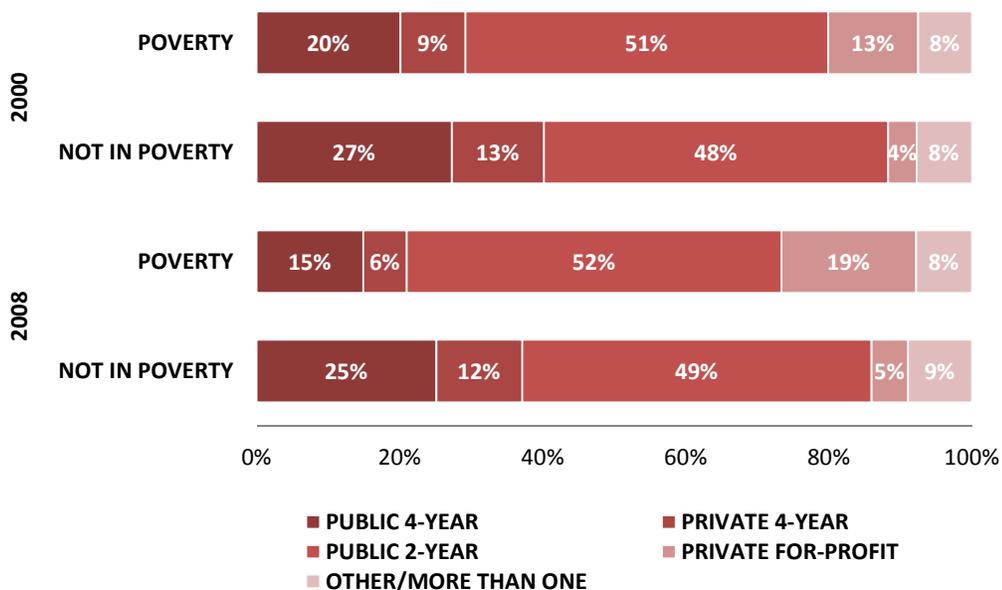
NOTE: The percentage of first-time Native American female students in private not-for-profits is indistinguishable from zero.

SOURCE: NCES 2008

TRENDS IN LOW-INCOME YOUNG ADULTS' ENROLLMENT

During the past decade, the range of institutional options for low-income young adults has clearly narrowed. While the distribution of young adults not in poverty has remained largely the same across the various postsecondary institution types, their low-income counterparts have experienced a near one-for-one shift away from public four-year institutions and toward for-profit institutions.

FIGURE 3: Percentage of First-Year College Students by Poverty Status and Institution Type, 2000 and 2008



SOURCE: NCES 2000 and 2008

From 2000 to 2008, the percentage of poor students enrolling in for-profits increased from 13 percent to 19 percent (**FIGURE 3**). Over the same period, the percentage of poor young adults going to public four-year institutions declined from 20 percent to 15 percent. Factor in the overall increase in the postsecondary enterprise over this period, and these enrollments represent substantial movements that portend the future of higher education, but in two distinct directions.

The disaggregation of these enrollment trends by race/ethnicity reveals that for low-income White students, the greatest shift since 2000 has been away from first attending public four-year institutions to attending for-profit institutions and, to a lesser extent, community colleges (**TABLE 3**). The initial enrollments of low-income Black and Hispanic students have exhibited less of a shift and more of a magnification—on the order of 6 to 8 percentage points—of their enrollment in for-profit institutions.

TABLE 3: Percentage of First-Year Low-Income College Students by Race/Ethnicity and Institution Type, 2000 and 2008

YEAR	RACE/ ETHNICITY	PUBLIC 4-YEAR	PRIVATE 4-YEAR	PUBLIC 2-YEAR	PRIVATE FOR- PROFIT	OTHER/ MORE THAN ONE
2000	WHITE	22%	8%	52%	10%	8%
	HISPANIC	17%	13%	45%	18%	7%
	BLACK	20%	7%	51%	15%	8%
	ASIAN	22%	6%	56%	9%	7%
	NATIVE AMERICAN	10%	10%	65%	8%	7%
2008	WHITE	14%	6%	56%	16%	8%
	HISPANIC	14%	8%	48%	24%	7%
	BLACK	18%	5%	48%	23%	7%
	ASIAN	15%	5%	56%	11%	13%
	NATIVE AMERICAN	20%	#	51%	11%	17%

NOTE: The percentage of first-time Native American students in private not-for-profits is indistinguishable from zero.

SOURCE: NCES 2000 and 2008

IMPLICATIONS OF FINDINGS

The findings from this analysis demonstrate that while a majority of low-income young adults still start at community colleges, the underlying enrollment trends suggest that beginning at a four-year college, public or private, is becoming less common. Further, the rate at which low-income students are relying on for-profit institutions to fulfill their academic goals is dramatically increasing.

Both community colleges and for-profit institutions play an important role in the national effort to significantly increase degree completion, but the growing dependence on these two types of institutions may have unintended adverse effects on low-income young adults' completion and post-college prospects. In short, there are two important differences between community colleges and the for-profit sector—the odds of completing and the likelihood of long-term financial distress.

Community colleges provide vital access to low-income students by offering affordable education, open enrollment, course convenience, and geographic proximity. While these institutions make postsecondary education highly accessible to these populations, they may not have sufficient support mechanisms to help students persist through completion (Turner 2004).

Conversely, several high-profile for-profit institutions have made a commitment to students' needs by delivering career-focused education and much-needed instructional and support services, especially for low-income and minority students (Bienen 2010). Yet, while students at for-profits are succeeding in earning certificates and associate's degrees, they have the lowest six-year bachelor's completion rates among four-year institutions (Snyder and Dillow 2010). Critics continue to cast doubt as to whether graduates of for-profit institutions find stable, employment with measurable value in the labor market even with a credential (Carey 2010; Kutz 2010), but this concern can be raised about many short-term postsecondary programs.

Young adults enrolled at community colleges and for-profit institutions are also prone to the negative consequences of borrowing, such as being more at risk of defaulting on their student loans, than those enrolled in public or private, not-for-profit, four-year institutions (Cunningham and Kienzl 2011; Scott 2009). Carrying a sizeable debt burden while trying to secure or maintain employment may hamper graduates' ability to fully capitalize on their investment in education (Lynch, Engle and Cruz 2010).

Further stratification of postsecondary enrollments weakens our nation's efforts to boost degree completion rates. An important policy goal is to help low-income young adults to better figure out their educational options and promote more informed choices. For example, these young adults should have more information on the appropriate use of college financing, especially when it comes to borrowing, given these students' expected returns on their education investments, academic abilities, and learning styles, and institutions' affordability, quality, and convenience.

WHAT COMES NEXT

Clearly, one cannot talk about institutional enrollment without taking financial aid into account. Thus, the next brief will focus on the trends and adequacy of financial aid, while the fourth brief in the series will examine the extent to which low-income young adults are academically prepared for postsecondary education, including the need for remedial education.

REFERENCES

- Bienen, H. 2010. "In Defense of For-Profit Colleges." *The Wall Street Journal*, OPINION, July 24.
- Bound, J., M. Lovenheim, and S. Turner. 2010. "Why Have College Completion Rates Declined? An Analysis of Changing Student Preparation and Collegiate Resources." *American Economic Journal: Applied Economics*, 2, 129–57.
- Carey, K. 2010. "Why Do you Think They're Called For-Profit Colleges?" *The Chronicle of Higher Education*, July 25.
- Cunningham, A., and G. Kienzl. 2011. *Delinquency: The Untold Story of Student Loan Borrowing*. Institute for Higher Education Policy: Washington, DC.
- Dillon, E., and K. Carey. 2009. *Drowning in Debt: The Emerging Student Loan Crisis*. Education Sector: Washington, DC.
- IHEP (Institute for Higher Education Policy). 2002. *The Policy of Choice: Expanding Student Options in Higher Education*. Institute for Higher Education Policy: Washington, DC.
- Kutz, G. 2010. *For-Profit Colleges: Undercover Testing Finds Colleges Encouraged Fraud and Engaged in Deceptive and Questionable Marketing Practices*. Written testimony before the Committee on Health, Education, Labor, and Pensions, U.S. Senate. GAO-10-948T. U.S. Government Accountability Office: Washington, DC.
- Lynch, M., J. Engle, and J. Cruz. 2010. *Subprime Opportunity: The Unfulfilled Promise of For-Profit Colleges and Universities*. Education Trust: Washington, DC.
- NCES (National Center for Education Statistics), U.S. Department of Education. 2000. National Postsecondary Student Aid Study Survey 1999–2000 (NPSAS: 2000) Undergraduate Data Analysis System.
- NCES, U.S. Department of Education. 2008. National Postsecondary Student Aid Study Survey 2007–08 (NPSAS: 2008) Undergraduate Data Analysis System.
- Perna, L. 2007. "The Sources of Racial-Ethnic Group Differences in College Enrollment: A Critical Examination." *New Directions for Institutional Research*, 133, 51–66.
- Scott, G. 2009. *Proprietary Schools: Stronger Department of Education Oversight Needed to Help Ensure Only Eligible Students Receive Federal Student Aid*. Report to the Chairman, Subcommittee on Higher Education, Lifelong Learning and Competitiveness, Committee on Education and Labor, House of Representatives. GAO-09-600. U.S. Government Accountability Office: Washington, DC.
- Snyder, T., and S. Dillow. 2010. *Digest of Education Statistics 2009* (NCES 2010-013). National Center for Education Statistics, Institute of Education Sciences, U.S. Department of Education: Washington, DC.
- Turner, S. 2004. "Going to College and Finishing College: Explaining Different Educational Outcomes." In *College Decisions: How Students Actually Make Them and How They Could*, ed. Caroline Hoxby. University of Chicago Press: Chicago, IL.



The Institute for Higher Education Policy (IHEP) is an independent, nonprofit organization that is dedicated to access and success in postsecondary education around the world. Established in 1993, the Washington, D.C.-based organization uses unique research and innovative programs to inform key decision makers who shape public policy and support economic and social development. IHEP's Web site, www.ihep.org, features an expansive collection of higher education information available free of charge and provides access to some of the most respected professionals in the fields of public policy and research.

INSTITUTE FOR HIGHER EDUCATION POLICY
1320 18th Street, NW, Suite 400
Washington, DC 20036

202 861 8223 TELEPHONE
202 861 8307 FACSIMILE
www.ihep.org WEB