Convergence: Trends Threatening to Narrow College Opportunity in America reports that the New England region faces an array of trends similar to national concerns. These include the limited buying power of the Pell Grant, increased reliance on loans rather than grants, the use of tuition discounting by colleges and universities, and shifting demographics. While some trends vary from state to state, the region, on average, faces a number of challenges. The full report is available at http://www.ihep.org.

Background

- Higher education provides economic and social benefits both to individuals and society as a whole.
  - People with more education tend to have higher salaries, higher savings, more leisure time and better health/life expectancy.

- However, for a significant number of people—low-income students, students of color, first-generation college-goers—our higher education system does not work well, if at all.
  - For example, 51 percent of students in New England graduated from a public four-year institution within six years, compared to 37 percent of African American students and 39 percent of Hispanic students.
  - In 2000, African Americans and Hispanics made up 11 percent of 18 year-olds, on average for the six states, but made up 8 percent of undergraduates.

- New England—Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont—is a region with distinct higher education characteristics and challenges.
  - While New Englanders have higher median salaries than the nation as a whole ($60,512 compared to $53,699) the prices for many goods and services (including housing and college tuition) also are higher.
  - In 2005-06, overall tuition and fees at New England’s colleges and universities were the most expensive in the country.
  - More than half (54 percent) of postsecondary institutions in New England are private four-year institutions.
  - Fewer students in New England are students of color—about 13 percent of students in 2002 were Black, Hispanic, Asian, or American Indian, compared to 29 percent across the country.
  - While other regions of the country are gearing up for population and enrollment growth in the coming decade, according to recent projections, the number of public high school graduates in New England will peak in 2008 and then decline.
  - New England colleges and universities are twice as rural as all institutions in the United States—10 percent of New England institutions are located in rural areas, compared to 5 percent overall.
  - Regional results are sometimes skewed by the two most populous states, Connecticut and Massachusetts which, for example, tend to be different from more rural states in the region.

- Over the coming decade, it will become increasingly important for New England higher education institutions and systems to close enrollment gaps and better educate currently underserved students.
  - From 2006 through 2018, in New England, the number of White school-age children will decline while the number of non-White students will increase.
Trends and Threats to College Opportunity

A number of trends in New England could affect the opportunity for disadvantaged students to attend college, graduate with a degree, and be prepared to join the region’s future workforce.

- New England states provide relatively low amounts of grant aid to students, but that aid is much more likely to be need-based aid. On average across the six states, non-need-based state grants make up less than 1 percent of all state grant awards.

- However, from 2002-03 to 2003-04, four of the six New England states (Connecticut, Maine, Massachusetts, and New Hampshire) decreased their need-based grant aid.

- At the federal level, the power of Pell Grants to make higher education more affordable for low-income students has decreased over time, particularly in New England due to relatively high tuition levels.

- Undergraduate enrollment projections out to 2015 suggest that even though New England’s minority population will increase, the region’s institutions and campuses will lag behind the nation in terms of diversity, with fewer than 30 percent of undergraduates being students of color.

- Because New England has so many private four-year institutions, tuition discounting and the use of institutional aid are important components in financial aid packages in the region.

Convergence

The points at which these trends converge and interact with each other have been missing from the big-picture dialogue about higher education in America. If current trends continue unchecked, we can expect that:

- More financial aid will flow to students and families in the upper income categories.

- For all low-income students except the very highest achievers, financial aid will be less effective in the face of rising tuition.

- On the whole, higher education will grow less affordable, and those who do enter higher education will be forced to take on more debt.

- Social stratification will increase, to the detriment of society as a whole.

Recommendations

- Limit tuition increases at each state’s public institutions to that state’s average increase in family income.

- Increase need-based aid programs to make full awards available to all eligible students.

- Continue to maintain a large majority of state financial aid programs as need-based.

- If states have academically based aid programs, ensure that those programs are sustainable, and target the intended populations by employing income caps, prohibiting the replacement of state aid with Pell Grant dollars, and ensuring that programs are well publicized.

- Implement programs to reward public institutions that perform well in attracting and retaining low-income students and students of color.

- Shift the balance of institutional financial aid to assist those who are otherwise qualified but lack the financial resources to attend college.

- Encourage private sector investment in need-based student aid, and tie privately funded scholarships and other programs to early intervention initiatives that create a seamless support system from K-12 to the attainment of a postsecondary degree.