CONTENTS

Acknowledgments	ix
Chapter 1: Introduction	1
Chapter 2: Understanding the Issues: Inequality and Mobility	23
Chapter 3: Inequality in Higher Education: Who Goes to College? Where Do They Enroll? Which Credentials Do They Earn?	42
Chapter 4: Getting to the College Door: Inequality in Pre-College Circumstances and Experiences	75
Chapter 5: After College	112
Chapter 6: What Can Colleges and Universities Do?	143
Chapter 7: Policy Directions	169
Chapter 8: Conclusion	210
References	219
Index	237

CHAPTER 1

Introduction

The United States is one of the most unequal countries in the developed world and inequality is growing. Reversing this trend is vital to our nation's future. It is not just the gaps in income and wealth that are unacceptable. Individuals have vastly unequal opportunities to end up at the top (or the bottom) of the ladder—no matter how hard they work, how smart they are, or how lucky they are (excepting only luck in their "choice" of parents).

Higher education generates seemingly contradictory realities, acting as both an instrument for improving individuals' economic status and a means of reproducing social inequality over generations. This book analyzes and evaluates the role of higher education in creating and reducing inequality—and in the different but related function of facilitating economic mobility for some while creating barriers for others.

Our goal is to shed light on how the expansion of education, which used to be referred to as "the great leveler," may now exacerbate rather than attenuate inequality. Has something gone fundamentally wrong? Should higher education now be viewed

1

2 CHAPTER 1

as a cause of, not the cure for, widening income gaps and diminished opportunity?

Our central thesis is that to remedy inequalities in access to higher education opportunities and their outcomes we must both mitigate the inequalities facing children and diminish the extreme variation in labor market rewards facing students as they emerge from school and move on through their working lives. The starting points for the next generation of children are determined by the level of education, earnings, career status, and wealth of their parents. By the time they reach college age, many young people have had their development shaped by inferior K-12 experiences, poor neighborhoods, inadequate housing and health care, and limited opportunities for emotional and intellectual development. The postsecondary education system must do more to compensate for these problems, but it cannot eliminate their effects. Compensating at later ages for the effects of early inequalities in children's treatment and opportunity is more expensive, less effective, and more limited in reach than preventing the inequalities in the first place.

Access to education—and in this day and age particularly to higher education—is supposed to help solve these problems. Although going to college does not pay off for everyone (and there are some colleges that fail most of their students), higher education dramatically increases the chances that people will do well in life, no matter where they started out. Just 8 percent of adults with only a high school education are among the highest-income 20 percent of families in the United States, compared with 38 percent of those with a bachelor's degree or higher; 27 percent of the first group and 7 percent of the second are in the lowest fifth of the income distribution.¹

^{1.} U.S. Census Bureau, Current Population Survey Tables for Family Income, 2020, table FINC-06.

INTRODUCTION 3

The Problems of Inequality and Limited Mobility

Which quintile you wind up in matters more now than it did fifty years ago. The share of income held by the families in the top fifth rose from 41 percent in 1967 to 49 percent in 2017; the bottom fifth's share fell from 5.4 percent to 3.8 percent over these years.² Inequality in the distribution of wealth is even greater. In 2016 the top 10 percent of earners had 50 percent of household income; the top 10 percent of households held 78 percent of the wealth.³

Inequality is a problem because it means that people at the lower end live with so much less than others—not just in material terms but in terms of the opportunities associated with access to resources. Life expectancy is correlated with social status, not only because of unequal access to health care and behavioral differences related to smoking, exercise, and diet. Evidence also suggests that people with less sense of control over their daily lives and less autonomy at work are more susceptible to a range of health problems.⁴

A growing number of economists worry that the resources wealthy individuals and corporations expend on preserving their economic and political advantages may actually reduce the economy's capacity for economic growth. Extreme inequality also threatens our political democracy, both through the overt influence of lobbying and political advertising and through a less visible tendency to equate the interests of the society to the interests of the most wealthy and powerful.

- 2. Ibid., table FINC-02.
- 3. Kent and Ricketts, "What Wealth Inequality in America Looks Like."
- 4. Marmot, Status Syndrome.
- 5. Stiglitz, The Price of Inequality.

4 CHAPTER 1

As the level of income and wealth inequality grows, the consequences of low social mobility grow more severe: the bigger the gaps in income between points on the income distribution—the 20th percentile versus the 40th, for example—the more it matters that it is hard to move up. (As the late economist Alan Krueger put it, the rungs on the ladder of economic status grow further and further apart.)⁶

Moving up the ladder is, however, just one type of mobility—relative mobility is the change in one's position relative to others. By definition, if one person moves to a higher rung, another moves down. Someone will always be at the top and someone else will always be at the bottom. The problems arise not only when the top and the bottom are very far apart but also when individuals' positions are closely tied to where they started out—when the accident of birth matters more than innate capacity and how individuals use their capacities.

There is another form of mobility that is not a zero-sum game. An economy that grows richer over time creates the possibility that all children might be better-off than their parents; everyone can in principle experience absolute mobility, moving up to a higher standard of living than that of their parents. Higher education is fundamental to providing the human capital—the skills and knowledge—that drives the economy forward, enabling society as a whole to become wealthier. If that growth in social wealth is widely shared (as was more the case in the United States from the 1940s to the 1970s than it has been more recently), it becomes feasible for most families to live better than their parents did.⁷

This distinction between absolute and relative mobility helps in sorting through the apparent inconsistencies of higher

^{6.} Krueger, "The Rise and Consequences of Inequality."

^{7.} Chetty et al., "The Fading American Dream."

INTRODUCTION 5

education's role. There is overwhelming evidence that even though it does not work out for every student who enrolls, college education is a key agent of upward mobility for individuals. College graduates are much more likely than others to end up on a higher rung of the socioeconomic ladder than their parents occupied. Moreover, higher education increases the skills and productivity of the workforce, making it more likely that the economy will grow, and absolute mobility will be widespread—each generation will be better-off than the preceding one.

At the same time, economic inequality is produced and reproduced across generations. Children who start out with a "leg up" because they are born into a higher-income family tend to preserve or extend their advantage as their lives progress. As these children mature into adulthood and parenthood, they pass on their advantages to their own children, a process that continues throughout life. There is a cycle of reproduction of inequality, in which the circumstances of each successive generation condition the circumstances of the next.

Over the last several decades, this cycle of inequality has grown increasingly intense. At every stage of life, forces that make for greater inequality have been gaining strength. The gap in spending on children's education by rich and poor families has continued to grow. The wage gap between those with more and less education grew dramatically in the 1980s and 1990s and has stayed near its historic peak since then. The power of labor unions has faded while CEO salaries have exploded. Taxes have become less progressive and estate taxes have nearly vanished. Countervailing forces are not entirely absent: the Earned Income Tax Credit, the Affordable Care Act, and the rising share of Americans who enroll in college are examples. But efforts to push back against the tide of growing inequality have been limited and sporadic.

6 CHAPTER 1

In the decades that followed World War II, the rate of economic growth was consistently high, but unlike more recent decades, economic gains were widely shared across social classes. This was a benighted era in terms of racial, gender, and social justice, but the economic mechanisms for distributing income worked differently and better than they do today. Highly progressive income taxes, rapidly expanding educational opportunity, norms constraining CEO salaries and therefore limiting the earnings of those reporting to them, and sustained and widespread prosperity were among the factors contributing to a thirty-year period of declining income inequality and expanding economic opportunity. Although the wages of African American men did experience some convergence with those of white men in this era that has been called "the great compression," a racial and gender discrimination prevented many Americans from accessing these opportunities. But each generation started life in more equal economic circumstances and with broader opportunity than the previous one.

In a process of this kind, where every stage in the process drives the next, it can be misleading to single out any particular social institution or stage in the life cycle as uniquely responsible for inequality. In the current era, where the cycle of inequality has become vicious, universal preschool would retard its growth. So would a meaningful tax on inheritances, or a resurgent labor union movement. Movement toward more equal opportunity in higher education would matter too. But no one of these changes could, on its own, alter the course of society. As scholar Anthony Atkinson has put it, "Inequality is embedded in our social and economic structure, and a significant reduction requires us to examine all aspects of our society."

^{8.} Bayer and Charles, "Divergent Paths."

^{9.} Atkinson, *Inequality*, 3.

INTRODUCTION 7

Preview: Higher Education's Place in an Extremely Unequal Society

If enough people get a good college education, the forces of supply and demand will likely work to lower income gaps, as they have in the past. Despite common complaints about the earnings premium associated with college degrees not rising rapidly enough, a reduction in inequality between those in the upper and lower reaches of the income distribution requires a narrowing of these earnings differences.

But it is not news that higher education also contributes to perpetuating the class structure across generations, in the United States and around the world. Parents with resources prioritize their children's education to maximize their prospects for success. It is not easy for those without the same money, knowledge, and connections to keep up. Access to some higher education institutions—usually those with the most resources and the best outcomes for their students—is limited to those with the strong academic backgrounds that are closely associated with growing up in affluent, educated families and having strong preschool, elementary, and secondary experiences. The colleges and universities where most of those who grew up in less privileged circumstances are enrolled have lesser resources and more uneven outcomes.

From society's point of view, one central purpose of college education is to prepare students to fulfill important social roles. Selecting the candidates most likely to succeed makes sense. We should not expect colleges simply to ignore differences in applicants' developed capacities in deciding whom to admit; colleges should not all practice open admissions. We should expect colleges to seek out students who show great promise in learning. The significant inequality in opportunity for students

8 CHAPTER 1

of different backgrounds to develop their capacities and to be able to communicate them in the application process is a fundamental obstacle in colleges' efforts to promote more widespread access to successful college experiences.

This is not to say the existing sorting and selecting system for higher education is acceptable in either a moral or practical sense. But the system needs reform, not wholesale replacement.

The dramatic differences in the employment conditions and earnings of adults with different levels and types of knowledge, skills, and credentials compound the variation in educational experiences, generating unacceptably large inequalities in standards of living.

Higher education institutions and financing systems can contribute significantly to narrowing gaps in opportunities. But reversing the spiral of inequality across generations requires much broader social reforms. Higher education will not come close to equalizing outcomes for young people from different backgrounds until satisfactory early life conditions are more nearly universal. And higher education's ability to narrow inequalities of income and wealth will be limited until the labor market and the tax and transfer systems do more to create reasonable circumstances for all children.

Higher Education Affects Inequality; Inequality Affects Higher Education

How has higher education contributed to the growing economic and social inequality in our society, and how might it help reverse the problems? Is the role higher education has played consistent with the idea of higher education as an engine for social mobility?

INTRODUCTION 9

How are higher education institutions and the higher education system in the United States influenced by the realities of operating in a regime of great and growing inequality?

As detailed in chapter 3, the rising payoff to a college education, as represented by the historically large gap in earnings between those who have earned at least a bachelor's degree and those who have not, explains a significant share of the increasing dispersion of incomes. As the earnings of four-year college graduates have grown relative to the stagnant or declining earnings of adults with lesser levels of educational attainment, the gap between the rich and the poor has grown.

But it is not a one-way street. The reality of large and growing inequality itself has major consequences for how higher education institutions and policies operate. Most centrally, growing inequality of incomes in an economy that strongly rewards knowledge and skill raises the educational stakes for all. People with incomes significantly above the average are more likely to own homes and be more stably employed. They are likely to have some accumulated assets that will allow them to survive a crisis like ill health, a natural disaster, or a pandemic in relatively good personal and financial condition. They are much more likely than lower-income families to be able to retire comfortably, leave some inheritance for their children, and help their children with things like buying a house or paying for college.

As these families' resources continue to rise further above those of the majority, they are increasingly intent on making sure they can pass their advantages on to their children. In a society where economic differences are so vast, and the benefits of economic growth go mainly to people with strong educations and high incomes, competition for place is a powerful force; parents seem to get that. In particular, affluent parents see the advantage in investing in their children's education from an

10 CHAPTER 1

early age. The quality of local schools largely determines families' residential choices and the price they will pay for housing. Parents with money also invest heavily in supplementing the education their children are provided at school.¹⁰

As fewer and fewer families have the resources to finance their children's higher education without assistance, colleges—whose resources are also limited—engage in fierce competition for these students, leading some institutions to offer more amenities that will appeal to this elite group, adding to operating costs and worsening the spiral of tuition prices.¹¹

The sorting of students by socioeconomic background into educational institutions whose relative resource levels tend to correspond to those of their students has generated much of the criticism of higher education as reinforcing inequality.

For example, Suzanne Mettler argues that higher education *promotes* inequality:

Yet today the U.S. system of higher education is evolving into a caste system with separate and unequal tiers. To be sure, more students from all backgrounds attend college and graduate with valuable degrees. But far too many from low-income and middle-class families depart early with no degrees and crippling levels of student debt. U.S. higher education as a whole is increasingly reinforcing rather than reducing class differences—and federal and state government policies need to change course.¹²

Here is how a writer for the *Chronicle of Higher Education* characterized this view:

^{10.} Kaushal, Magnuson, and Waldfogel, "How Is Family Income Related to Investments in Children's Learning?"

^{11.} Hill, "American Higher Education and Income Inequality."

^{12.} Mettler, "How U.S. Higher Education Promotes Inequality."

INTRODUCTION 11

So, for the individual, yes, higher education offers economic opportunity. But if higher education is a ticket—and increasingly *the* ticket—to economic security in this country, there are real imbalances in whose tickets get punched. . . . "The rich are getting richer because of higher education," says Mr. Mortenson, a senior scholar at the Pell Institute for the Study of Opportunity in Higher Education, "and the poor are getting poorer because of it." . . . Higher education "takes the inequality given to it and magnifies it," says Anthony P. Carnevale, director of the Center on Education and the Workforce at Georgetown University. "It's an inequality machine." ¹³

The rich are indeed getting richer in our society, and higher education needs to do more to fight that trend. But identifying higher education as the driving force behind this trend risks deflecting attention from other fundamental contributors and, more seriously, from the solutions required to redress the increasingly visible inequities in the society of which our higher education system is an integral part.

Before College

The striking unfairness of the competition for position becomes most visible as children emerge from their teen years. We see a sorting process play out: a fairly small group of those who complete high school then opt out of the education system altogether. Another small group of high school graduates moves steadily toward an extremely promising future, with the advantages offered by well-resourced, selective colleges and universities. Most of the rest struggle for success in a postsecondary system that yields very uneven results. It propels many students

13. Fischer, "Engine of Inequality."

12 CHAPTER 1

toward greatly improved opportunities and outcomes—and in doing so enables them to make important contributions to the economy and society—but also leaves too many with little to show for their investments of time, energy, and money.

But if we think of this competition for place in higher education and society as a game that begins as children come out of adolescence, we miss most of the story. We are, as it were, tuning in in the seventh inning, and most of the game has already been played. The inequalities that we see when young people reach the college crossroads have been developing since birth or even before. Understanding the potential for higher education to provide opportunities for upward mobility and to reduce inequality requires understanding the circumstances facing young people in the earlier years of their lives.

Children in this country are born into a wide range of circumstances over which they have no control. Gaps in prenatal health, early childhood education, neighborhoods, housing, health care, family structure, elementary and secondary education, and parental resources accumulate long before the question of whether and where young adults go to college arises.

Understanding the inequalities in pre-college experiences and how they affect opportunities for higher education is a prerequisite for understanding the role of higher education and the potential for its improvement.

The Transition to College (or Not)?

The investments we make in college students generally resemble the investments their families, communities, and the larger society have made in them before college.¹⁴ To oversimplify,

14. Education funding patterns differ significantly by state. A 2018 analysis indicated that in 17 states high-poverty school districts received at least 5 percent less funding per

INTRODUCTION 13

and as documented in chapter 3, the people who went to the "best" high schools go to the "best" colleges. While there are significant exceptions, by and large the people who enroll at more selective colleges and universities (both public and private) attended better-resourced high schools, had more money spent on their out-of-school development, had better health care, and so on. These resource differences aren't the only things that matter, since people certainly differ in their native capacities and in attitudes and habits they develop as children, including curiosity, academic study habits, and ambition. (These attitudes and habits may themselves be in part the product of the material and social circumstances in which children grow up. It's a lot easier to develop good study habits if you have a quiet place to study and lots of encouragement and support.) The material advantages enjoyed by children from affluent families matter a lot: they have a great deal to do with students' ability to present impressive credentials to admissions offices.

After College

Forces at play in the labor market also undercut higher education's role in reducing inequality and promoting mobility. Even if everyone left college with the same skills and credentials, they would not fare equally well in a labor market characterized by gender and racial discrimination, an outsized role for social connections and financial advantages, and numerous other factors that are far from the ideal of perfect competition.

As adults enter the labor force—whether with no college education, with some college but no degree or certificate, or

student than low-poverty districts. Only 11 states addressed the needs of low-income students by providing at least 5 percent more per-student funding to high-poverty than to low-poverty districts (Baker, Farrie, and Sciarra, *Is School Funding Fair?*).

14 CHAPTER 1

with one of a wide range of credentials that carry a message to potential employers—it is easy to think of market forces as determining who lands where and to assume that preparation and skills are appropriately rewarded. Education is certainly a big factor, but as discussed in more detail in chapter 5, social and economic institutions and forces determine who goes into which occupation and what they are paid. Why are schoolteachers paid so much less relative to other professionals in the United States than in many other countries? Why do corporate CEOs pay themselves so much better and get taxed so much less than their counterparts in the mid-twentieth century? The structure of higher education and differences across colleges don't fully explain why Black bachelor's degree recipients earn less than White graduates with similar degrees, or why long after the economy has recovered, students who graduate into a recession lag behind their peers who entered the labor market a couple of years earlier or later.

Systematic economic and political forces have been at work in recent decades, expanding the gap in market earnings between more and less educated workers. Corporations have gained leverage over workers, especially lower-wage workers, through growing concentration in major industries, aggressive campaigns against unions, and devices like non-compete agreements that reduce workers' bargaining strength. Despite reliance on a progressive income tax and a (too weak) social safety net, the United States falls well short of most other high-income countries in helping its citizens avoid extreme poverty (income less than half of the poverty line) and protecting children.

Thus, the increasingly unequal circumstances in which children grow up and are educated result in large measure from parental inequalities that themselves are influenced by labor market, housing, and health care policies, as well as by the U.S.

INTRODUCTION 15

tax and transfer system. Whatever we do to ameliorate the inequalities that pervade our nation's system of employment, earnings, savings, retirement, and redistribution will tend to make the next generation's educational path easier. If family incomes and wealth were more equal, pre-college preparation and hence college experiences would be more equal too. And less disparity in college outcomes would help equalize labor market outcomes. We need to develop a "virtuous" circle in which improvements at each life stage foster others.

The pervasiveness of inequality throughout our society does not diminish the importance of the role of higher education in counteracting that inequality. If anything, it makes that role more critical. But it does create daunting challenges. It also requires that evaluation of the strengths and weaknesses of the higher education system be informed by the context of what comes before and what comes after in students' lives.

Exploring the Questions

What does it really mean to say that higher education is increasing rather than reducing inequality? We have to ask, "compared to what?" The share of Americans enrolling in college has grown enormously in the United States since the arrival of the Baby Boomers in the 1960s. If, back in the 1960s, higher education had not responded with massive growth, the relative scarcity of college-educated workers would have made their wages go through the roof, while the wages and job prospects of those denied entrance to colleges would have languished. In fact, a major force helping to keep wage inequality in check in the 1960s and 1970s was the nation's growing investment in college. Even now, as we will argue in this book, further national investment in college, educating more students more successfully,

16 CHAPTER 1

needs to be a key element in any strategy for combating the growth of inequality. In this sense higher education has been and should continue to be an essential source of opportunity, especially for those from disfavored communities. We should not want less of it.

But enrolling more students is not enough. Higher education can and should do more to combat inequality. Institutions must focus more on both reducing stratification of students from different backgrounds into different kinds of institutions and increasing the success rates of those who embark on a college education. In addition to the personal rewards associated with achieving educational goals, an increased supply of welleducated college graduates will reduce earnings inequality. While more people than ever have a shot at college, the kind of college they can get to and especially their odds at succeeding once they get in vary enormously, depending largely on their family backgrounds. In later chapters we will show that the colleges attended by lower-income and first-generation students, as well as by students of color, tend to be starved for resources relative to others. We will report evidence that simply funding these schools better can measurably improve student outcomes. That said, claiming that the higher education system should do more to combat inequality is not the same as claiming that higher education caused it.

But this is not the whole story. The fact that individuals have a greater chance of moving up the ladder if they have a college education than if they do not does not necessarily mean that as more people go to college, it will become easier for people to switch places on the ladder. If everyone earned a bachelor's degree, earning a degree would be just enough to stay in place—not to push someone else down. And of course, not all degrees are created equal. If students from privileged backgrounds earn

INTRODUCTION 17

"better" degrees than others, they will maintain their advantage. This issue of the differences across institutions and credentials is one we will examine in depth in the chapters that follow.

The growing return to a college education between 1980 and 2010 has contributed significantly to rising inequality and the continuing high return to college since then has helped sustain that high level. Although many factors, including bargaining power, minimum wages, and other structural issues, affect inequality in earnings, if more people earned college degrees, the increased supply would tend to put downward pressure on the earnings of this group—and the declining supply of those with lower levels of education should increase their earning power as fewer workers are available to fill the less-skilled jobs with relatively low wages. But if the demand for college-educated workers grows more rapidly than the supply, the wage gap—and inequality—will grow.

Is this the fault of higher education? It is a problem if our system is not providing opportunities to all of the students who could benefit. It is also a problem if the system is so differentiated as to produce some degrees that meet the demand for a skilled labor force—but others that represent much lower levels of relevant knowledge and skills. Higher education institutions can solve only a fraction of this problem. Reducing the inequality in pre-college circumstances and in the rewards of the labor market has to be part of the solution.

Nobody should be written off at age eighteen, and there is much more we can and should do to compensate for the unfairness in opportunity that confronts people as they emerge (or don't emerge) from high school, but there is no way we can "fix" higher education in a fundamental way while turning a blind eye to the inequality in condition and in opportunity that faces people from their earliest days. Neither should we overlook the

18 CHAPTER 1

ways in which our economic system magnifies the economic consequences of the educational inequalities with which students emerge from higher education.

Lowering the return to college, both by expanding college success and by implementing policies such as increased minimum wages or guaranteed incomes that raise after-tax income for the less well-off or more progressive tax systems that lower the after-tax incomes of the very well-off, would make education more of a real choice and might limit the over-weighting of earnings growth as the main aim of college.

Moving Forward

We do not pretend to have a magic formula for solving the problems we explore in this book. In fact, we argue that policy proposals that sound like magic bullets are likely to have disappointing results and even exacerbate some of the problems they are designed to solve.

We will argue, to cite a simple but controversial example, that a policy of free public college tuition for all students will do more to strengthen the ability of students from affluent families to secure their status than it will to bolster the opportunities of those who most need help. Similarly, it is not enough to urge states to appropriate more money for public higher education; we also need to ask where the states will direct the funding and how it will be used. We will argue that elite private universities should work to enroll more low-income students, but we are not going to achieve large-scale improvement in student success by massively moving students from less selective to more selective institutions. Instead, we are going to need to focus resources and attention on improving the performance of the

INTRODUCTION 19

institutions students actually attend. Elite institutions can contribute to this effort.

But no efforts focused entirely on higher education can solve the problems of unequal educational opportunities. Instead, we must emphasize investing more in the overall environments and the pre-college education of students from disadvantaged families. And we must address the structural weaknesses of our economy that shape the lives of adults who do not have the benefit of college credentials.

Overview of the Book

The book is organized as follows. Chapters 2 and 3 provide the basic conceptual and empirical foundations for the later chapters. Chapter 2 examines the concepts of inequality, equal opportunity, social mobility, and racial justice at work in discussions of higher education's social role and reports on the current state of empirical evidence on these matters in the United States.

Chapter 3 presents a wealth of data describing the stratification and outcomes gaps that show how variations in college experience fit into the story of how inequality is produced and reproduced in our society

The next two chapters put higher education in the context of unequal lives before college and constrained opportunities in later life. Chapter 4 focuses on how differences in family structures, parenting, neighborhoods, and elementary/secondary education all affect the academic preparation of young people, in addition to their expectations, aspirations, attitudes, and behavior patterns. In chapter 5, we shift our perspective forward to the adults' work lives. Not surprisingly in our knowledge-and technology-driven economy, earnings are closely tied to

20 CHAPTER 1

educational background. But important as education is in explaining wage gaps, it does not come close to eliminating differences by race and gender. We conclude the chapter by examining the nation's relatively ineffective efforts to redress these imbalances through a progressive tax-transfer system and our willingness to tolerate a substantially higher level of extreme poverty for families with children compared to other high-income nations. Support for children in the recent pandemic recovery package provides some hope that the nation will turn its attention to addressing this vital issue.

Chapter 6 focuses on higher education itself, asking how colleges and universities can best promote more fairness and opportunity and also attenuate those features of higher education that promote the preservation of privilege. We look first at the small number of selective, relatively well-resourced institutions that generally enroll disproportionately affluent student bodies but argue the work with the greatest impact will be at the broadaccess institutions that educate, and will continue to educate, the vast majority of students seeking economic security and upward mobility. There is growing evidence that some programs and practices can significantly increase student success at non-selective institutions educating students who do not arrive with stellar academic credentials.

In chapter 7 we consider potential public policies that might strengthen the success of higher education in breaking down barriers to increasing opportunities for students from low- and moderate-income backgrounds and in weakening the link between the circumstances of birth and the life outcomes shaped by educational attainment. We ask how effective these policies can be absent parallel efforts to diminish pre-college inequities and labor market forces exacerbating earnings differentials. If our social structures provided more

INTRODUCTION 21

equal support and opportunities to all children, whether and where young people pursue college education would be much less correlated with family backgrounds.

The idea that there should be differential investment in people with different aptitudes and inclinations toward schooling is reasonable and reflects the fact that a central purpose of college education is to prepare people to fill a wide range of valuable social roles. In addition to the magnitude of the differences in investment in students, the trouble is that the aptitudes and inclinations are not developed under fair conditions. The problem of fair conditions needs to be the long-run focus. The goal of this book is to broaden the focus from the narrow question of the sorting of students into colleges toward the much more fundamental question of how we can create more meaningful options for all members of our society.

Conclusion

In this book, our main focus is on higher education. But our goal is to examine higher education in the context of the larger process of the production and reproduction of inequality—not as an isolated force whose contribution to inequality is independent of what comes before and after in people's lives. We do not focus on higher education because we think it is somehow more central or determinative of economic inequality than other institutions are, and certainly not because we think higher education is easier to change than, say, the tax system or preschool education. Rather, our focus is here because this is the part of the social system we have studied and about which we think we have something useful to say. Our intention is to modify the common misconception of higher education as itself the cause of either increased inequality or more or less prevalent

22 CHAPTER 1

opportunities for social mobility. The impact and effectiveness of higher education are conditioned on the institutions, the social forces, and the inequalities that shape individuals' early lives and their social and economic circumstances as they mature and nurture the next generation.

The "Great Sorting" that takes place in the United States as students emerge from high school makes *visible* the large inequalities that have been quietly growing in neighborhoods, schools, summer camps, and trips abroad for eighteen years. If and where young people attend college is heavily influenced by their earlier educational and life experiences. Ideally, college could provide the mechanism for erasing the wide range of effects of these early experiences. No matter where or how you grew up, if you can manage to get to college, you should be on a level playing field as you enter your adult life. While this vision may not be realistic, colleges and the governments that support them can and should do much more than we do now. Higher education can't do it all. To get closer to that ideal vision of college, we will need a patient and coordinated effort across all our major social institutions.

INDEX

Page references in italics indicate a figure or table.

401Ks, 25

Abecedarian Project, 97 accountability, 201-4 ACT scores, 58, 64, 67, 125, 148 admissions: ACT scores and, 58, 64, 67, 125, 148; competition for, 58–59 (see also competition); completion rates and, 125; credentials for, 13, 62, 117, 125, 149; higher standards for, 126; high school successes and, 117; open, 7, 62, 64, 125, 157-58, 162, 214; policy and, 146-52, 156-57, 158, 162, 168, 173, 215; rankings and, 73; selective institutions and, 58, 62, 64, 72-73, 126, 146-52, 156-57, 162, 173; stratification and, 58, 62, 64, 72; test scores and, 58, 62-63, 64-67, 125, 148, 193

affluent families: advantages of, 9–10, 13, 18, 215, 217; attainment and, 52; competition and, 12; extreme wealth and, 32; policy and, 20, 149, 172, 182, 184, 188, 192–93, 198; post-college circumstances and, 114, 123; pre-college circumstances and, 76, 104, 108–9; privileged backgrounds and, 16 (see also privileged backgrounds);

resources of, 7, 123, 193; stratification and, 58, 66, 70, 72 Affordable Care Act, 5, 95, 133 air pollution, 83, 90 American Dream, 33-34, 39 anti-trust laws, 139-41, 168, 193 Arum, Richard, 180 Asians: attainment and, 51, 52, 57, 58; degrees and, 43, 47, 48, 58, 59, 61, 65, 121-22; enrollment rates of, 50, 52, 61; income distribution and, 26; postcollege circumstances and, 121–22; pre-college circumstances and, 96, 99, 100-101; stratification and, 59-60, 61-68 athletics, 123, 193 attainment: affluent families and, 52; Asians and, 51, 52, 57, 58; Black people and, 47-52, 56-58, 84; certificates and, 13, 43, 54-56, 57, 109, 157, 159, 165, 188, 207; completion and, 47 (see also completion); degrees and, 47 (see also degrees); diplomas and, 30, 50, 54-56, 63, 67, 99; dropping out and, 53, 54, 86, 88, 91, 95-96, 160,

17011, 177, 188; enrollment and, 49, 51,

52, 56; ethnicity and, 27, 48, 50-52,

57, 58, 59, 76; graduation and, 10, 48,

238 INDEX

attainment (continued) 49-53 (see also graduation); highincome families and, 52-53, 56; high school and, 47-58; Hispanics and, 47-52, 56-58; housing and, 2 (see also housing); income distribution and, 52-53; labor market and, 20, 101; low-income families and, 52, 56, 82, 129, 212; Millennials and, 56; neighborhoods and, 82-95; parents and, 47, 54-58; policy and, 149, 196, 212; post-college circumstances and, 112-13, 117, 120, 129, 132, 136; pre-college circumstances and, 76, 82, 84, 96, 101, 103, 105; White people and, 47-52, 57, 58 autonomy, 3, 24, 166, 173 Autor, David, 116

Baby Boomers, 15, 39 Bacow, Lawrence, 180-81 Becker, Gary, 32-33 bias, 211 Black people: attainment and, 47-52, 56-58, 84; degrees and, 14, 27, 36, 47-48, 49, 56-58, 59, 65, 74, 98, 120-22, 160, 171, 196; discrimination and, 39; enrollment rates of, 52, 98; great compression and, 6; high school and, 43, 47-52, 56-58, 59, 63, 74-75, 86, 89, 98-101, 160, 163; income distribution and, 26-28; low-income families and, 36, 43, 47, 58, 61, 63, 68, 74, 78, 87, 89, 101, 179; median income for, 26-28; mobility and, 36, 39, 41; policy and, 149, 160, 163, 171, 179, 196; post-college circumstances and, 120-22, 136; pre-college circumstances and, 76, 78, 85-89, 90, 94, 96–102; selective institutions

and, 62–63, 68, 74, 171; stratification and, 59–68, 71; wages and, 6, 121 Brighouse, Harry, 153 Brookings Institution, 45, 188

California State University, 172 Campus Compact, 155 career and technical education (CTE), 207 Carneiro, Pedro, 172 Carnevale, Anthony P., 11 CEO salaries, 5-6, 14, 28, 127 certificates, 13, 43, 54-56, 57, 109, 157, 159, 165, 188, 207 Chetty, Raj, 37-39, 149, 151 Child Tax Credit, 135-36 Chronicle of Higher Education, 10-11 Coca-Cola, 140 Colby College, 154 College Navigator, 161 College Scorecard, 161, 205-6 competition: anti-trust laws and, 139-41, 168, 193; bidding wars and, 193; college characteristics and, 122-25; college resources and, 10; economy and, 139-40; elite institutions and, 10, 168; grant programs and, 201, 205; increasing, 123; institutional trade-offs and, 151; loan forgiveness and, 196; non-compete clauses and, 140; for place, 9-11; post-college circumstances and, 13-14; precollege circumstances and, 11-12; selectivity and, 58, 123, 147; skills and, 116; standardized admission tests and, 58-59 completion: background effects and, 47, 48-49, 84, 87; college, 11, 42-44,

48, 50-58, 69, 74, 82, 93, 97, 99, 100,

112, 117-18, 122, 155, 157-63, 166, 170n1,

INDEX 239

187–89, 203, 206, 214, 216; degrees and, 35, 42-44, 47, 48-49, 54, 56-58, 59, 69, 74, 96, 100, 109, 118, 121–22, 125, 157, 159, 161, 166, 170n1, 197-204; expansion of, 117-18; high school, 11, 43, 47-58, 67, 82, 88, 93, 97, 99-100, 155, 159-63; mobility and, 35; policy and, 155-63, 166, 170n1, 187-90, 197-207, 214, 216, 218; post-college circumstances and, 112, 115-18, 121-22, 125-26; pre-college circumstances and, 75, 82, 88, 93, 95-100, 105, 109; promoting higher rates of, 197-201; selective institutions and, 11, 43, 69, 74, 93, 122, 125–26, 157, 158, 188, 216; stratification and, 59, 67, 69; test scores and, 125–26. See also graduation computers, 32, 80, 166, 178-79, 206 corporations, 3, 14, 139-41, 168, 193 crime, 82-83, 88, 91, 94, 103, 104 Cunha, 78 CUNY ASAP, 201

debt: crippling levels of, 10; demographics on, 28; policy and, 161, 174, 187, 194-97, 202-5; post-college circumstances and, 132; reform and, 197 degrees: Asians and, 43, 47, 48, 58, 59, 61, 65, 121-22; associate, 43, 45, 55, 56, 57, 60-61, 67, 98, 109, 119, 158-59, 165, 188, 204, 207; bachelor's, 2, 9, 14, 16, 26-27, 31, 35, 43-48, 49, 54-58, 59-61, 67, 69, 71, 74, 96, 98, 99, 100, 109, 116, 119-25, 128-32, 149, 155, 159, 17011, 178, 188, 195, 207; Black people and, 14, 27, 36, 47-48, 49, 56-58, 59, 65, 74, 98, 120-22, 160, 171, 196; certificates, 13, 43, 54-56, 57, 109, 157, 159, 165, 188, 207; completion rates for, 35, 42-44, 47, 48-49, 54, 56-58,

59, 69, 74, 96, 100, 109, 118, 121-22, 125, 157, 159, 161, 166, 170n1, 197-204; doctoral, 47, 55, 60, 63, 65, 67, 75, 125, 188; economic status and, 42; higher income from, 44, 212; Hispanics and, 47; inequality and, 7, 9, 16–17; labor market and, 14, 69, 116, 141, 204; low-income families and, 2, 7, 42-43, 46, 56, 58, 69, 74, 99, 129, 149, 159, 212; master's, 47, 55, 57, 60, 65, 67, 124-25, 178, 199; mobility and, 35–36, 45–47; number of institutions offering, 144-45; parents and, 35, 42, 44-47, 54-63, 74, 97, 99, 171; policy and, 144, 146, 149, 154-61, 165-66, 170n1, 171, 173, 178-79, 188, 195-204, 207; post-college circumstances and, 13-14, 112-13, 116-32, 137, 140-41; pre-college circumstances and, 96-99, 100, 103, 109; privileged backgrounds and, 16-17, 36, 188; professional, 47, 54, 55, 60, 67, 98, 99; shorter time to, 197–201; skills and, 14, 17, 35, 38, 116, 166; stratification and, 59-61, 63, 65, 67, 69, 71; value of, 10, 42; White people and, 14, 27, 43, 47, 48, 58, 59, 61, 65, 122, 160 Deming, David, 98 democracy, 3, 140, 199 dental care, 76, 96-97, 210 Denver Housing Authority, 90 dignity, 29-30, 106 diplomas, 30, 50, 54-56, 63, 67, 99 discrimination, 6, 13, 27, 36, 39, 107, 120 disposable income, 132-37, 142 dropping out, 53, 54, 86, 88, 91, 95–96, 160, 170n1, 177, 188 drugs, 82 dynamic complementarity, 77, 97–99

240 INDEX

Earned Income Tax Credit (EITC), 5, 80-81, 135-36 economic growth, 6, 9, 32-33, 37, 40 economic status, 1; degrees and, 42; disposable income and, 132-37, 142; enrollment and, 75; highincome families and, 9 (see also high-income families); Krueger on, 4; less-privileged backgrounds and, 7, 43, 71, 109, 150, 153, 191; living standards and, 4, 8, 29-31, 37, 39, 112, 118, 144, 158, 182, 207, 218; low-income families and, 9 (see also low-income families); market income and, 132-37, 212; mobility and, 34-35; post-college circumstances and, 112; pre-college circumstances and, 100; private institutions and, 13, 18, 43, 58-62, 74-75, 79, 148-56, 171, 179, 183; privileged backgrounds and, 16 (see also privileged backgrounds); stratification and, 58-72; wealth and, 147 (see also wealth) elite institutions: competition and, 10, 168; difference made by, 146-50; low-income student enrollment and, 18-19, 146-50, 155, 168; online learning and, 178-80; paying more for, 69-70; per-student spending at, 123-24; policy and, 18, 146-50, 155, 168-69, 178, 180, 200; selectivity and, 58, 123, 147 (see also selective institutions); technology and, 178-80 enrollment: Asians and, 50, 52, 61; attainment and, 49, 51, 52, 56; Black people and, 52, 98; economic status and, 75; free tuition and, 183; Hispanics and, 52; increase in, 5; policy and, 147-50, 162, 172, 183, 202; precollege circumstances and, 75,

97–98; stratification and, 60, 61, 68–72; surrounding community support and, 153–55; undermatching and, 73; White people and, 52, 61, 97 equity, 25, 162, 192n28, 195, 215 ethnicity: attainment and, 27, 48, 50–52, 57, 58, 59, 76; college choice and, 120–25; discrimination and, 6, 13, 27, 36, 39, 79, 107, 120; policy and, 171, 179, 208; post-college circumstances and, 120–22, 126; pre-college circumstances and, 75–76, 94, 100; stratification and, 59–60, 61, 66. See also specific groups

fairness, 11, 17, 20-21, 27, 31, 39, 136, 191, 213, 215 Fallows, Deborah, 165 Fallows, James, 165 financial aid: Affordable Care Act and. 5, 95, 133; College Navigator and, 161; College Scorecard and, 161, 205-6; Gainful Employment rule and, 181, 196, 202, 204; GI Bill, 191; government leverage and, 190-94; grants, 191 (see also grants); growing need for, 10; LEAP and, 192; loans, 142, 150, 159, 190-97, 202; mobility and, 37; need-based, 105, 189-94; policy and, 150, 152, 169-70, 174-75, 181, 183–94, 203, 205–6, 213, 215; poverty and, 12n14; rent and, 107; selective institutions and, 215; subsidies, 78, 124, 133, 187, 191, 193, 198; Title IV, 197; vouchers, 91-92, 107 Florida State, 201 food, 29, 82, 87, 96, 106, 182, 185 Frank, Robert, 31 free expression, 32 Freeman, Richard, 120

INDEX 241

Gainful Employment rule, 181, 196, 209-10; pre-college circumstances and, 77, 87, 95-97, 106-7, 109; selective 202, 204 gender, 6, 13, 20, 32, 36, 40–41, 120 colleges and, 13 Heckman, James, 77-78, 172, 211, Georgetown University, 11 Georgia State, 201 Georgia Tech, 178 Higher Education Act, 194 high-income families: attainment GI Bill, 191 Gini coefficient, 25-26, 38, 127, 128, and, 52-53, 56; autonomy and, 24; completion rates and, 125-26; eco-131-32, 134 nomic growth and, 9; educational Goldin, Claudia, 114-15 GPAs, 62-68, 97 level corresponding to, 44; income distribution and, 113-14; mobility grade retention, 86, 90 graduation: college, 10, 49, 57, 71-72, and, 31, 35, 39; policy and, 153, 171, 183, 185, 195; post-college circum-93, 97–98, 119, 126, 146, 157, 164, 196, 198, 203, 205, 218; drop outs and, 53, stances and, 20, 113, 135, 137n21, 139; 54, 86, 88, 91, 95–96, 160, 170n1, 177, pre-college circumstances and, 75, 79-81; preserving advantage of, 42; 188; high school, 49-53, 56-58, 82, 84, 93-94, 97-98, 102, 106, 119, 130-31, stratification and, 62-63 158, 160, 211; per-student spending high school: attainment and, 47-58; and, 124, 198, 214 Black people and, 43, 47-52, 56-58, grants: accountability and, 202; com-59, 63, 74-75, 86, 89, 98-101, 160, petition and, 201, 205; eligibility 163; changing student profiles and, 17; completion of, 11, 43, 47–58, 67, and, 163; low-income families and, 149, 185, 186, 189, 191, 193; need-based, 82, 88, 93, 97, 99-100, 155, 159-63; 105, 189-93; Pell, 163, 185, 189-90, diplomas and, 30, 50, 54–56, 63, 67, 194, 196, 206, 216; policy and, 185–96; 99; dropping out and, 53, 54, 86, Tennessee Promise and, 189 88, 91, 95-96, 160, 170n1, 177, 188; great compression, 6 Hispanics and, 47, 50, 52, 56, 58-59, Great Gatsby Curve, 37, 38 63, 74, 89, 99, 101; income and, 2, Great Sorting, 22 42-47, 50-63, 74-75, 82, 88, 94, 97-99, 102, 119, 146, 149, 155-56, Head Start, 97-98 159, 171, 211; inequality and, 11, 17, health care: access to, 3, 95–97, 106–7; 22; low-income families and, 2, 42, Affordable Care Act and, 5, 95, 133; 52-54, 58, 63, 74, 82, 119, 149, 159, 211; air pollution and, 83, 90; birth weight policy and, 146, 149, 155-65, 170n1, and, 95-96; dental, 76, 96-97, 210; 171, 182, 205, 207; post-college cir-

cumstances and, 119-20, 128, 130,

131; pre-college circumstances and,

11, 75, 82, 84, 86, 88, 93-103, 106, 110;

stratification and, 59-70

inadequate, 2-3, 12, 14; life expec-

tancy and, 3; mask-wearing and, 183

(see also pandemic effects); nutrition

and, 29, 96, 106; policy and, 17011,

242 INDEX

Hispanics: attainment and, 47-52, 56-58; Black people and, 43, 47; degrees and, 47; enrollment rates of, 52; high school and, 47, 50, 52, 56, 58-59, 63, 74, 89, 99, 101; income distribution and, 26, 28; low-income families and, 43, 47, 58, 61, 63, 68, 74, 89, 91, 179; median income for, 26-28; policy and, 171, 177, 179; post-college circumstances and, 120, 121–22; pre-college circumstances and, 76, 85, 89-91, 99-102; selective institutions and, 62-63, 68, 74, 171; stratification and, 59-68, 71 housing: affordability of, 87-88; air pollution and, 83, 90; children's development and, 76-77; Cleveland study on, 84; cost of, 10; crowded, 84; Denver Housing Authority study and, 90; frequent moves and, 85-87; gaps in, 12; inadequate, 2, 76, 85; inequality and, 2, 10, 12, 14; lead paint and, 84; mobility and, 36; Moving to Opportunity (MTO) program and, 92-94; neighborhoods and, 2, 12, 76-77, 82-95, 106, 109-10, 212; noisy, 84, 87; policy and, 144, 154–55, 182, 212; poverty and, 29; pre-college circumstances and, 76-77, 82-94, 106-10; quality of, 83-85; rent and, 85, 87, 108, 185; unsanitary, 82-84; U.S. Department of Housing and Urban Development and, 92; vouchers and, 91-92, 107 human capital, 4, 32-33, 141

income distribution: Asians and, 26; attainment and, 52–53; Black people and, 26–28; college attendance and, 52–53; demographics on, 26–28, 113–14; Hispanics and, 26, 28; inequality and, 2–4, 7, 25–26, 28, 33–40, 213; mobility and, 33–40, 46; policy and, 188, 192, 195n33; post-college circumstances and, 113, 115, 118–19, 128–29, 137n21, 140; stratification and, 59; surrounding community support and, 153–55; wealth and, 3–4, 26, 28, 113–14; White people and, 26–28

income gaps, 1-2, 7, 126, 129 inequality: attainment and, 9, 20, 47-58 (see also attainment); broad-access institutions and, 156-67; college choice and, 120-22; cycle of, 5-6, 213, 218; degrees and, 7, 9, 16–17; democracy and, 3; earning power and, 6, 16-17, 112, 129, 131, 137; fairness and, 11, 17, 20-21, 27, 31, 39, 136, 191, 213, 215; Gini coefficient and, 25-26, 38, 127, 128, 131-32, 134; great leveler and, 1; growth of, 5-6, 11, 17, 79, 112, 115, 144; higher education's place in society and, 7-8; high school and, 11, 17, 22; housing and, 2, 10, 12, 14; importance of addressing, 31–33; income distribution and, 1-4, 7, 25-26, 28, 33-40, 126, 129, 213; international comparisons on, 127-36; lessprivileged backgrounds and, 7, 43, 71, 109, 150, 153, 191; low-income families and, 42-43, 46-47, 52-53, 54, 59-61, 62, 68-69, 72-74; mobility and, 3-6, 19, 33-41; parents and, 1-11, 14, 34-39, 42-47, 54-63, 66-67, 73-74; participation and, 24, 42-44, 50, 163, 166, 181, 188, 197; policy and, 145-46, 168, 191, 201, 213; post-college circumstances and, 13-15, 112-17, 127, 129, 131, 134, 135, 141; poverty

> INDEX 243

and, 29 (see also poverty); pre-college circumstances and, 11-13, 75 (see also pre-college circumstances); reduction of, 1, 3, 16–17, 24, 41–42, 134–37, 145-46, 168, 189, 191, 201; stratification and, 58-72; undermatching and, 73-74, 126; wage gap and, 5, 17, 20, 115, 212 (see also wages); wealth distribution and, 3-4, 26, 28 inflation, 28, 45, 87, 184 inheritance, 6, 9, 25, 28 insurance, 95, 133, 195

Jimmy John's, 140 Johnson, Lyndon B., 194

Isbell, Charles, 178

Katz, Lawrence, 114-15 Kennedy, John F., 32 Krueger, Alan, 4, 37, 70

labor market: anti-trust laws and. 139-41, 168, 193; attainment and, 20, 101; Baby Boomers and, 15, 39; Becker on, 32-33; CEO salaries and, 5-6, 14, 28, 127; college choice and, 120-25; college earnings premium and, 5, 15, 114-16, 126; corporations and, 3, 14, 139–41, 168, 193; degrees and, 14, 69, 116, 141, 204; expanding completion benefits and, 117-18; extreme variation in, 2, 15, 137; growing inequality in, 113-14; international comparisons of, 127-36; market income and, 132-37, 212; non-compete clauses and, 140; policy and, 20, 137-39, 144, 159, 172, 204, 209, 211, 213; post-college circumstances and, 13-15, 113-20, 114-16, 126-27, 137-39, 141; pre-college circumstances and,

20, 101; return to college education and, 118-20; skills and, 4-5 (see also skills); as solution, 17; stratification and, 69-70; tax/transfer systems and, 8; wage convergence and, 6 (see also wages); wealth and, 8, 15, 211 LaGuardia College, 165 leaky bucket analogy, 32 legal issues, 88, 145, 150 less-privileged backgrounds, 7, 43, 71, 109, 150, 153, 191 Leveraging Educational Assistance Program (LEAP), 192 life cycle, 6, 78, 107, 213 life expectancy, 3 living standards, 4, 8, 29-31, 37, 39, 112, 118, 144, 158, 182, 207, 218 loans: forgiveness of, 142, 195-96; Gainful Employment rule and, 181, 196, 202, 204; Higher Education Act and, 194; policy and, 150, 159, 190-7, lobbying, 3, 139-40

low-income families, 9; attainment and, 52, 56, 82, 129, 212; basic needs and, 24, 105; Black people and, 36, 43, 47, 58, 61, 63, 68, 74, 78, 87, 89, 101, 179; degrees and, 2, 7, 42-43, 46, 56, 58, 69, 74, 99, 129, 149, 159, 212; dependency of, 25; grants and, 149, 185, 186, 189, 191, 193; high school and, 2, 42, 52-54, 58, 63, 74, 82, 119, 149, 159, 211; Hispanics and, 43, 47, 58, 61, 63, 68, 74, 89, 91, 179; housing and, 2 (see also housing); inequality and, 24-25, 30, 42-43, 46-47, 52-53, 54, 59-61, 62, 68-69, 72-74; institutional resources and, 16; less-privileged backgrounds and, 7, 43, 71, 109, 150, 153, 191; mobility and, 39; policy

244 INDEX

low-income families (*continued*) and, 148–56, 159, 179, 182, 185–93, 198, 211–17; post-college circumstances and, 114, 126, 132–34; poverty and, 30 (*see also* poverty); pre-college circumstances and, 76, 78–80, 85, 87, 89–92, 95, 98, 101, 103, 109; social safety nets and, 14, 24, 30, 105, 118, 133, 209; social standing and, 25

McPherson, Michael, 180-81 market income, 132-37, 212 Massive Open Online Courses (MOOC), 176-79 mathematics, 77, 96, 99-100, 164, 217 median income, 26, 134, 183-84 mentoring, 78, 178 Mettler, Suzanne, 10 Millennials, 39, 56 mobility, 42; absolute, 4-5, 38-39; American Dream and, 33-34, 39; Black people and, 36, 39, 41; Chetty on, 37-39; completion rates and, 35; degrees and, 35-36, 45-47; economic status and, 34-35; financial aid and, 37; Great Gatsby Curve and, 37, 38; high-income families and, 31, 35, 39; housing and, 36; income distribution and, 33-40, 46; inequality and, 3-6, 19, 33-41; limited, 3-6, 213; lowincome families and, 39; parents and, 34-39; policy and, 20, 143-48, 152, 155, 208-9; post-college circumstances and, 117, 132; post-World War II era and, 6, 40; pre-college circumstances and, 82, 85-86, 105, 109; privileged backgrounds and, 31, 36; relative, 4-5, 34-36; skills and, 33, 35; social, 3-4, 8, 19, 22-23, 33-40,

132, 143, 145–47, 155, 208; stratification and, 69; wages and, 35; wealth and, 35–40; White people and, 36
Moving to Opportunity (MTO) program, 92–94
music, 43, 80

National Academies of Sciences, 134, 136, 138 neighborhoods: air quality and, 83, 90; attainment and, 82–95; autonomy and, 24; choice of, 24-25; crime and, 80-83, 88, 91, 94, 103, 104; dangerous, 82-83, 88, 89, 91, 94, 103, 104; differences in, 91-95; drugs and, 82; frequent moves and, 85-87; Great Sorting and, 22; housing and, 2, 12, 76-77, 82-95, 106, 109-10, 212; Moving to Opportunity (MTO) program and, 92-94; noisy, 90; policy and, 106, 149, 211-12, 217; poverty and, 92 (see also poverty); pre-college circumstances and, 19, 76-77, 82-95, 106, 109-11; resource access and, 76, 88; social norms and, 88; unsanitary, 82 New Haven Promise, 154-55 non-compete clauses, 140 nutrition, 29, 96, 106

Obama, Barack, 181, 196, 202
Okun, Arthur, 32
online learning: cost of, 175–77, 181, 216;
degree demographics for, 179; elite
institutions and, 178–80; Georgia
Tech and, 178; increased reliance on,
175; MOOCs and, 176–79; pandemic
effects and, 85, 174–75, 179; postsecondary courses and, 174, 176, 180;
quality of, 177, 179, 181, 189; self-

INDEX 245

discipline needed for, 178; technology and, 175–80; Zoom and, 175, 180 Ounce of Prevention, An (nonprofit organization), 170 Our Towns (Fallows and Fallows), 165 Overeducated American, The (Freeman), 120

Pacific Islanders, 50, 57 pandemic effects, 218; financial stability and, 9; job loss and, 24; maskwearing, 183; message of, 108-9; online learning and, 85, 174-75, 179; policy and, 174-75, 179, 183; postcollege circumstances and, 140; pre-college circumstances and, 108-9; recovery packages for, 20; relief bill and, 136 parents: affluent, 7, 9, 66, 108, 123, 172; attainment and, 47, 54-58; degrees and, 35, 42, 44-47, 54-63, 74, 97, 99, 171; inequality and, 1-11, 14, 34-39, 42–47, 54–63, 66–67, 73–74; mobility and, 34-39; policy and, 147, 150, 164, 171-72, 176-77, 179, 185, 186; postcollege circumstances and, 123, 132, 135–36, 141; pre-college circumstances and, 76, 79-83, 94, 97-100, 106, 108, 110; resources of, 7, 12, 76, 81, 110, 123, 179; stratification and, 58–63, 66–67; wealth of, 1-2, 4, 39, 123, 147 participation, 24, 42-44, 50, 163, 166, 181, 188, 197 patents, 139-40 Pell Grants, 163, 185, 189-90, 194, 196, 206, 216 Pepsi, 140 Perry Preschool, 97 policy, 21; admissions and, 146-52, 156-57, 158, 162, 168, 173, 215; affluent

families and, 20, 149, 172, 182, 184, 188, 192-93, 198; alternatives to college and, 207-8; attainment and, 149, 196, 212; Becker on, 32-33; Black people and, 149, 160, 163, 171, 179, 196; broad-access institutions and, 156-67; completion and, 155-63, 166, 170n1, 187-90, 197-207, 214, 216, 218; completion rates and, 197–201; debt and, 161, 174, 187, 194-97, 202-5; degrees and, 144, 146, 149, 154-61, 165-66, 170n1, 171, 173, 178-79, 188, 195-204, 207; elite institutions and, 18, 146–50, 155, 168–69, 178, 180, 200; enrollment and, 147-50, 162, 172, 183, 202; ethnicity and, 171, 179, 208; financial aid, 150, 152, 169-70, 174-75, 181-94, 203, 205-6, 213, 215; focus on quality and, 173-80, 204-6; free tuition and, 169-70, 174-75, 181-90; Gainful Employment rule and, 181, 196, 202, 204; government leverage and, 190-94; grants and, 185-96, 201-2, 205-6; health care and, 17011, 209-10; Higher Education Act and, 194; high-income families and, 153, 171, 183, 185, 195; high school and, 146, 149, 155-65, 170n1, 171, 182, 205, 207; Hispanics and, 171, 177, 179; housing and, 144, 154-55, 182, 212; income distribution and, 188, 192, 195n33; inequality and, 145-46, 168, 191, 201, 213; institutional accountability and, 201-4; institutional tradeoffs and, 151-52; key directions for improving, 197–208; labor market and, 20, 137-39, 144, 159, 172, 204, 209, 211, 213; legal issues and, 145, 150; low-income families and, 148-56, 159, 179, 182, 185–93, 198, 211–17; mobility

246 INDEX

policy (continued) and, 20, 143-48, 152, 155, 208-9; neighborhoods and, 106, 149, 211-12, 217; Okun on, 32; pandemic effects and, 174-75, 179, 183; parents and, 147, 150, 164, 171-72, 176-77, 179, 185, 186; policy and, 201-2, 205-6; postcollege circumstances and, 136-41; poverty and, 182, 212; pre-college circumstances and, 105-7, 171-73; private institutions and, 144, 147-57, 158, 168, 171-73, 179, 183, 190, 193, 198; privileged backgrounds and, 168, 188, 191; remediation and, 163-65, 218; selective institutions and, 18, 20, 145-58, 162, 171-73, 179, 188, 198, 201, 209, 215-18; skills and, 144, 155, 164, 166, 178, 183, 199, 203-5, 207, 209; societal contribution and, 152-55; spending, 169, 170n1, 188, 196n34, 198-201; STEM programs and, 166; stratification and, 155; systemic improvement of, 210-18; taxes and, 8, 15, 25, 80, 113, 132-37, 141, 144, 152, 187, 191, 197–98, 202, 209–12; thought experiment for, 216-18; Title IV, 197; Top Ten Percent rule and, 149; tuition, 147, 172, 182-95, 208; wages and, 182, 206; wealth and, 144, 147, 151-52, 161, 182, 189, 210-11, 214-15; White people and, 156, 160, 163 post-college circumstances: affluent families and, 114, 123; Asians and, 121-22; attainment and, 112-13, 117, 120, 129, 132, 136; Black people and, 120-22, 136; college choice and, 120-22; competition and, 13-14; completion and, 112, 115-18, 121-22, 125-26; debt and, 132; degrees and, 13-14, 112-13, 116-32, 137, 140-41;

economic status and, 112; effects of college choice and, 120–25; ethnicity and, 120-22, 126; high-income families and, 20, 113, 135, 137n21, 139; high school and, 119-20, 128, 130, 131; Hispanics and, 120, 121-22; income distribution and, 113, 115, 118-19, 128-29, 137n21, 140; inequality and, 112-17, 127, 129, 131, 134, 135, 141; international comparisons on, 127–36; labor market and, 13-15, 113-20, 126-27, 137-39, 141; low-income families and, 114, 126, 132-34; mobility and, 117, 132; pandemic effects and, 140; parents and, 123, 132, 135–36, 141; policy and, 136–41; poverty and, 133-38, 141; private institutions and, 123-24; returning to college and, 118-20; selective institutions and, 122-26; skills and, 113-16, 120, 127, 132; taxes and, 113, 116, 120, 132–37, 141-42; test scores and, 123, 135; tuition and, 124, 142; wages and, 115-20, 121n8, 126, 137-41; wealth and, 123-25; White people and, 121, 122 post-World War II era, 6, 40 poverty: absolute, 29-31; Child Tax Credit and, 135–36; concentration of, 89-91; dignity and, 29-30; Earned Income Tax Credit (EITC) and, 5, 80-81, 135-36; extreme, 14, 20, 89; financial aid and, 12n14; income inequality and, 78-82; National Academies report on, 134; official line for, 14, 30-31, 88; policy and, 182, 212; post-college circumstances and, 133-38, 141; pre-college circumstances and, 78-82, 85, 88-101, 104 pre-college circumstances: Abecedarian Project and, 97; affluent families

INDEX 247

and, 76, 104, 108-9; Asians and, 96, 99, 100-101; attainment and, 76, 82, 84, 96, 101, 103, 105; Black people and, 76, 78, 85–89, 90, 94, 96–102; competition and, 11-12; completion and, 75, 82, 88, 93, 95-100, 105, 109; degrees and, 96-99, 100, 103, 109; early childhood education and, 97-99; economic status and, 100; enrollment and, 75, 97-98; ethnicity and, 75-76, 94, 100; government spending on, 104-5; Head Start and, 97-98; health care and, 77, 87, 95-97, 106-7, 109; high-income families and, 75, 79-81; high school and, 11, 75, 82, 84, 86, 88, 93-103, 106, 110; Hispanics and, 76, 85, 89-91, 99-102; housing and, 76-77, 82-94, 106-10; improving, 162-63; inequality and, 79; K-12 experiences and, 99-105, 110-11; labor market and, 20, 101; lowincome families and, 76, 78-80, 85, 87, 89–92, 95, 98, 101, 103, 109; mobility and, 82, 85-86, 105, 109; music lessons and, 80; neighborhoods and, 19, 106, 109-11; pandemic effects and, 108-9; parents and, 76, 79-83, 94, 97-100, 106, 108, 110; Perry Preschool and, 97; policy and, 105-7, 171-73; poverty and, 78-82, 85, 88-101, 104; private institutions and, 75, 79, 109; privileged backgrounds and, 77, 81-82, 107; promising futures and, 11-13; selective institutions and, 11, 13, 93, 109; skills and, 78, 84, 90, 100, 109-10, 217; stratification and, 105; taxes and, 80, 106; test scores and, 84, 92, 95–100, 103; thought experiment for, 216-17; tuition and, 78, 104; tutoring and, 80; wages and, 218;

wealth and, 104, 106; White people and, 76, 78, 84, 86, 89-91, 94, 96-102, 108 preschool, 6-7, 21, 89, 97-98, 110, 210, 217 private institutions: economic status and, 13, 18, 43, 58, 59-62, 74-75, 79, 148-56, 171, 179, 183; elite, 18, 123, 149 (see also elite institutions); policy and, 144, 147-57, 158, 168, 171-73, 179, 183, 190, 193, 198; postcollege circumstances and, 123-24; pre-college circumstances and, 75, 79, 109; stratification and, 58-62 privileged backgrounds: degrees and,

privileged backgrounds: degrees and, 16–17, 36, 188; life prospects and, 74; mobility and, 31, 36; policy and, 168, 188, 191; pre-college circumstances and, 77, 81–82, 107; preservation of, 20; selective institutions and, 20, 71, 73

Race between Education and Technology,
The (Goldin and Katz), 114–15
rankings, 73
reading skills, 96, 100, 217
Reardon, Sean, 79
reform, 8, 77, 107, 136, 142–44, 194n30, 197, 209, 216, 218
remediation, 163–65, 218
rent, 85, 87, 108, 185
Roadmap to Reducing Child Poverty, A
(National Academies), 135
Russell Sage Foundation, 77

Sanders, Bernie, 188 SAT scores, 58, 62–63, 64–67, 125, 148, 193 segregation, 76, 101, 102, 107, 149n7

248 INDEX

Spencer Foundation, 77

selective institutions: admissions and, 58, 62, 64, 72-73, 126, 146-52, 156-57, 162, 173; Black people and, 43, 62-63, 68, 74, 171; characteristics of, 122-25; completion rates and, 11, 43, 69, 74, 93, 122, 125–26, 157, 158, 188, 216; Hispanics and, 43, 62-63, 68, 74, 171; institutional trade-offs and, 151-52; policy and, 18, 145-58, 162, 171-73, 179, 188, 198, 201, 209, 215-18; post-college circumstances and, 122–26; pre-college circumstances and, 11, 13, 93, 109; stratification and, 58, 62-72; test scores and, 125-26; tuition and, 69, 124, 215; undermatching and, 73; White people and, 62-63, 66, 68, 217 skills: academic, 84, 90, 178, 214; Becker on, 32-33; college earnings premium and, 5, 15, 114–16, 126; competition and, 116; credentials and, 8, 13-14, 205; degrees and, 14, 17, 35, 38, 116, 166; Heckman on, 211; human capital and, 4; knowledge and, 4, 8-9, 17, 33, 203; life cycle, 78; math, 96, 99-100, 164, 217; mobility and, 33, 35; policy and, 144, 155, 164, 166, 178, 183, 199, 203-5, 207, 209; post-college circumstances and, 113-16, 120, 127, 132; pre-college circumstances and, 78, 84, 90, 100, 109-10, 217; productivity and, 5; reading, 84, 90, 96, 100, 217; social, 109; technology and, 78, 114-15, 166, 199; wages and, 17, 35, 115-16, 120, 212 social capital, 73, 214 social justice, 6, 137n21 social safety nets, 14, 24, 30, 105, 118, 133, 209 social status, 3, 33-35

SSIG, 192 Stanford University, 154 STEM programs, 166 Stiglitz, Joseph, 33 stratification: admissions and, 58, 62, 64, 72; affluent families and, 58, 66, 70, 72; Asians and, 59-60, 61-68; Black people and, 59–68, 71; completion and, 59, 67, 69; degrees and, 59-61, 63, 65, 67, 69, 71; economic status and, 58-72; enrollment and, 60, 61, 68-72; ethnicity and, 59-60, 61, 66; GPAs and, 62-68; high-income families and, 62-63; high school and, 59-70; Hispanics and, 59-68, 71; importance of addressing, 69-72; income distribution and, 59; labor market and, 69-70; mobility and, 69; outcome gaps and, 19; parents and, 58-63, 66-67; policy and, 155; pre-college circumstances and, 105; private institutions and, 58-62; privileged backgrounds and, 20, 71, 73; reduction of, 16; selective institutions and, 58, 62-72; test scores and, 63, 64, 68, 70; tuition and, 69; White people and, 59-60, 61-68 students of color, 16, 149, 154. See also specific group subsidies, 78, 124, 133, 187, 191, 193, 198 summer camps, 22, 79-80

talent, 34, 43, 137, 150, 153, 172 taxes, 21; CEOs and, 5–6, 14; Child Tax Credit and, 135–36; disposable income and, 132–37, 142; Earned Income Tax Credit (EITC) and, 5, 80–81, 135–36; estate, 5; fiscal policy system and, 141; inheritance, 6;

INDEX 249

mobility and, 25; policy and, 144, 152, 187, 191, 197-98, 202, 209; postcollege circumstances and, 113, 116, 120, 132-37, 141-42; pre-college circumstances and, 80, 106; progressive, 5-6, 14, 18, 20, 113, 120, 133, 141; reform and, 8, 136, 144; transfer system and, 8, 14-15, 25, 80, 113, 132-37, 141, 209, 211-12; transfer systems and, 8 teachers, 14, 67, 103, 104 technology: computers, 32, 80, 166, 178-79, 206; cost-cutting by, 168, 175-81; economy and, 19, 32, 139, 199; elite institutions and, 178-80; Goldin/Katz on, 114-15; MOOCs and, 176-79; online learning and, 175-80; as savior, 175-80; skills and, 78, 114-15, 166, 199; STEM subjects and, 166; Zoom, 175, 180 test scores: ACT, 58, 64, 67, 125, 148; post-college circumstances and, 123, 135; pre-college circumstances and, 84, 92, 95-100, 103; SAT, 58, 62-63, 64-67, 125, 148, 193; stratification and, 63, 64, 68, 70 Title IV, 197 Top Ten Percent rule, 149 tuition: financial aid and, 78 (see also financial aid); free, 18, 142, 169-70, 174-75, 181-90, 213, 216; policy and, 147, 172, 182-95, 208; post-college circumstances and, 124, 142; precollege circumstances and, 78, 104; selective institutions and, 69, 124, 215; spiraling costs of, 10, 183-85, 213; stratification and, 69

undermatching, 73–74, 126 unemployment, 24, 90, 108, 120, 138, 141

tutoring, 80, 154

University of Buffalo, 154
University of California-Irvine, 180
University of Texas-Austin, 149
University of Virginia, 154
University of Wisconsin-Eau Claire, 154
U.S. Department of Education, 55–56, 92
U.S. Department of Housing and Urban Development, 92
U.S. Federal Reserve Bank of New

violence, 103, 104 vouchers, 91–92, 107

U.S. Supreme Court, 32

York, 71

wages: Baby Boomers and, 15, 39; Black people and, 6, 121; college choice and, 120-25; college earnings premium and, 5, 15, 114-16, 126; disposable income and, 132-37, 142; gap in, 5, 17, 20, 115, 212; income distribution and, 2 (see also income distribution); international comparisons on, 127-36; lower, 14, 17-18, 115-16, 118, 120, 121n8, 138, 140-41, 212 (see also low-income families); market income and, 132-37, 212; median income and, 26, 44, 134, 183-84; minimum, 17-18, 115-16, 118, 120, 138, 141, 212; mobility and, 35; policy and, 182, 206; post-college circumstances and, 115-20, 121118, 126, 137-41; pre-college circumstances and, 218; stagnation of, 116

wealth: college earnings premium and, 5, 15, 114–16, 126; disposable income and, 132–37, 142; distribution of, 3–4, 26, 28; gaps in, 1, 4, 26, 28, 123, 189; income distribution and, 3–4, 26,

250 INDEX

wealth (continued)

28, 113–14; labor market and, 8, 15, 211; mobility and, 35–40; parental, 1–2, 4, 39, 123, 147; policy and, 144, 147, 151–52, 161, 182, 189, 210–11, 214–15; post-college circumstances and, 123–25; pre-college circumstances and, 104, 106; protection from risk by, 24 welfare, 30–31, 137n21, 144, 210 White people: attainment and, 47–52, 57, 58; degrees and, 14, 27, 43, 47, 48, 58, 59, 61, 65, 122, 160; enrollment rates of, 52, 61, 97; great compression

and, 6; income distribution and, 26–28; mobility and, 36; policy and, 156, 160, 163; post-college circumstances and, 121, 122; pre-college circumstances and, 76, 78, 84, 86, 89–91, 94, 96–102, 108; selective institutions and, 62–63, 66, 68, 217; stratification and, 59–60, 61–68 Whither Opportunity (research compendium), 77

Yale University, 154

Zoom, 175, 180