

Figure 7. Average Earnings of Male Full-Time, Year-Round Workers as a Proportion of the Average Earnings of High School Graduates by Educational Attainment: 1971-2003. From College Board “2006 Trends in Higher Education Series: Education Pays.”

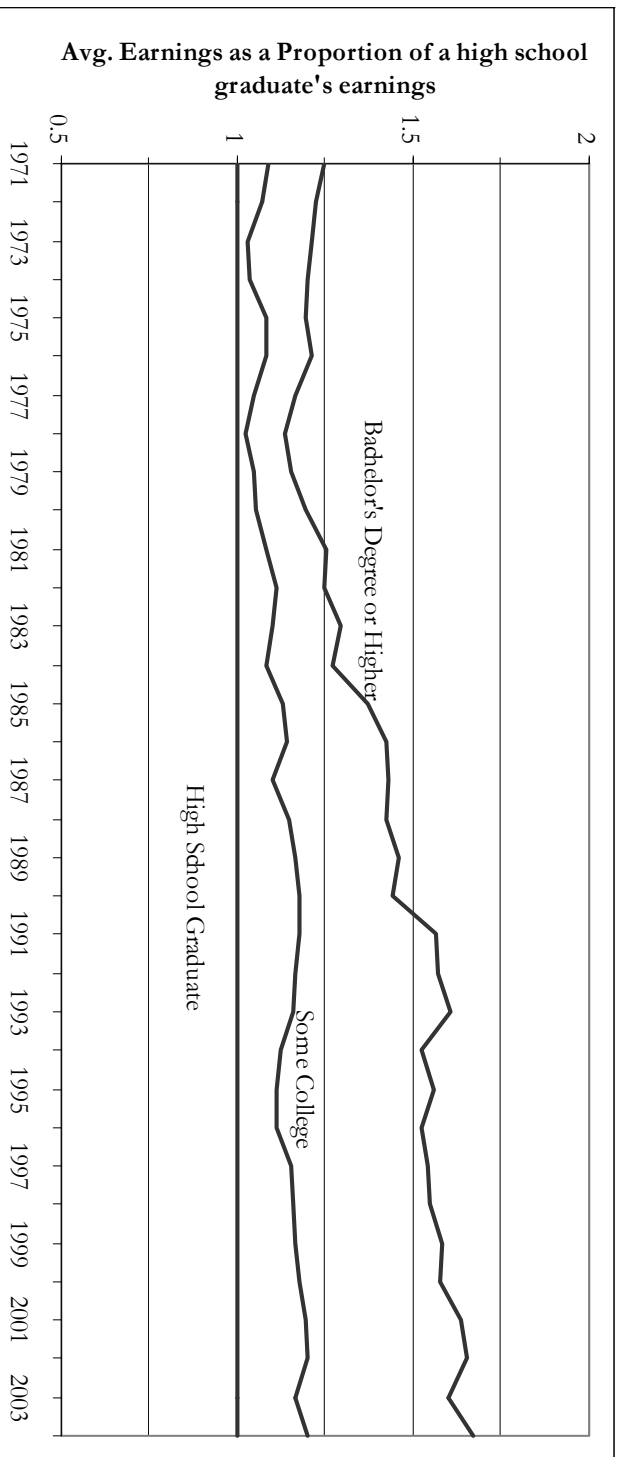
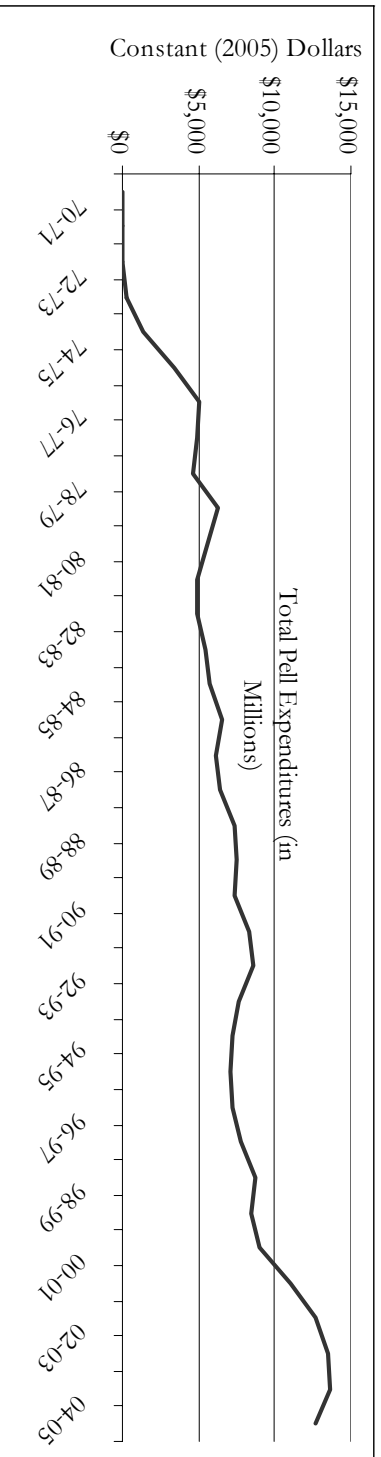


Figure 8. Total Pell Expenditures (in millions) in constant 2005 dollars, from College Board, “2006 Trends in Higher Education Series: Pell Grants.”



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Who Ever Thought Need-Based BEOG/PELL Grants Would Produce Greater Equality in Postsecondary Educational Opportunity?

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“No qualified student who wants to go to college should be barred by lack of money.”
—President Richard Nixon, 1970 Presidential Message on Higher Education

The Questions

Controversy continues about the enrollment-induced effects of need-based grants during the first decade (1973-82) of the federal government’s Basic Educational Opportunity Grant (BEOG) program (later renamed the Pell Grant program). Did these grants, as had been predicted, increase enrollment rates for young people from lower income families? What did the early research reveal? How can the differing research findings be reconciled? How have enrollment rates by family income level played out over the first 25 years of the BEOG program?

Expected Enrollment Rate Responses to Need-Based Grants

Three prominent proposals for need-based grants laid the basis for President Nixon’s proposal (1970) and subsequent Congressional legislation (1972) to implement the BEOG program.

Daniel Patrick Moyrhan (U.S. Department of Labor) proposed a program that would raise overall undergraduate enrollment by as much as 20 percent (1966).

Clark Kerr’s Carnegie Commission on Higher Education proposed a slightly different program that would increase overall undergraduate enrollment by 12.5 percent (1968).

Alice Rivlin (Department of Health Education and Welfare) proposed a still different program that would increase overall undergraduate enrollment also by 12.5 percent (1969).

These enrollment increases implied much greater percentage increases in enrollment rates for young people from lower income families (Hartman 1972). Because the targeted groups might constitute a quarter to a third of the college-eligible population, increases in their enrollment rates would have to be as much as three to four times greater than the overall percentage increases.

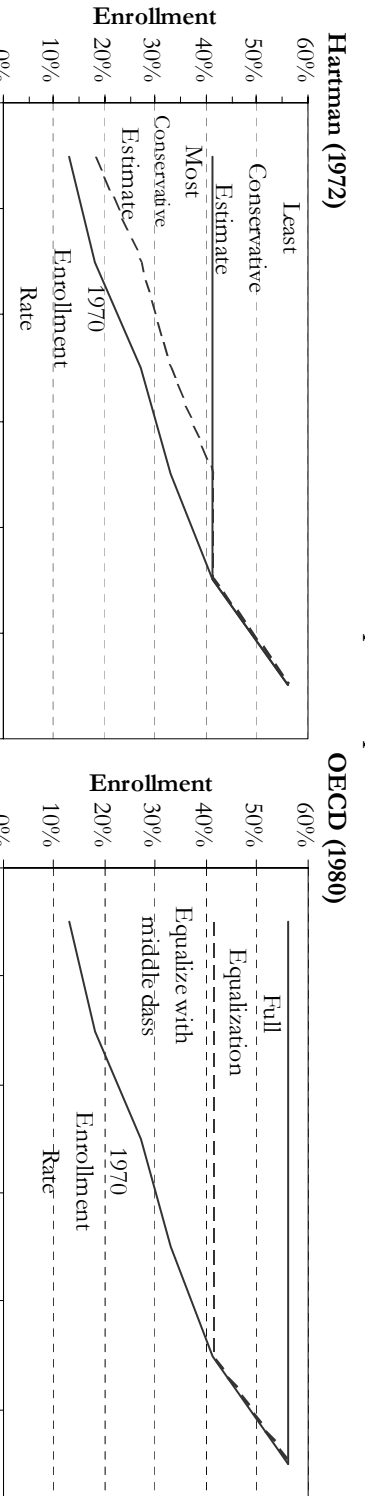
Early evidence on the effects of BEOG

Early reports pointed to the BEOG program’s success (US Office of Education (1975), Carnegie Commission (1979), and the OECD (1980). Especially noteworthy was the OECD conclusion that the program “had to a large extent removed differences in participation in tertiary education between low, middle, and high income strata: (p.121).

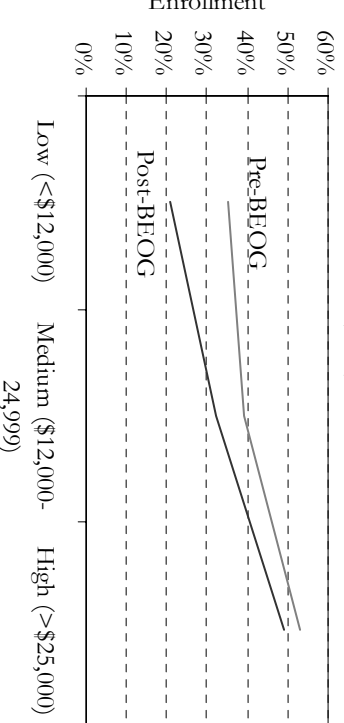
The meta-analysis by Leslie and Brinkman (1988) documented the program’s success. Drawing on 124 research studies, they concluded that BEOG/Pell grants accounted for 31 percent of 1982 full-time undergraduate enrollment rates for students from Low Income families, 13 percent for students from Middle Income families, and 3 percent for students from High Income families.

In sharp contrast, Hansen (1983, 1984) concluded that as of the late 1970s no narrowing could be observed in the enrollment rate gap between students from families with below average incomes relative to those from above average incomes.

What Accounts for these Different Assessments: A Graphical Representation



Leslie & Brinkman (1988)



Hansen (1984)

| Year | Enrollment Rates | Ratios |
|------|------------------------------|--------|
| 1972 | < Med = 35.8 > Med = 49.2 | 0.727 |
| 1978 | < Med = 32.2 > Med = 45.8 | 0.703 |

Figure 1. Illustrative impact of BEOG grants on full-time college enrollment rates for dependent high school graduates 18-24 enrolled full time in 1970.

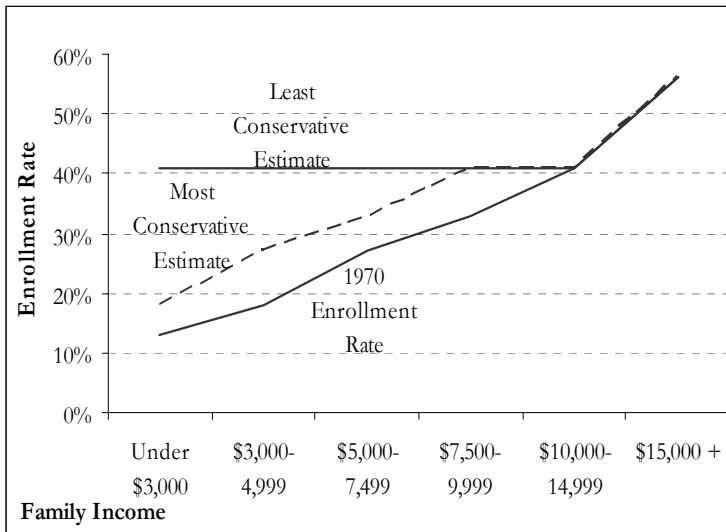


Table 1. Hartman's analysis of the impact of BEOG on college enrollments and on college enrollment rates by family income brackets, for dependent high school graduates age 18-24 enrolled full time in 1970, based on his least and most conservative assumptions

| Family income brackets | 1970 Enrollment rates (1) | Under Hartman's most conservative assumption | | Under Hartman's least conservative assumption | |
|------------------------|---------------------------|--|--|---|--|
| | | Estimated enrollment rate (2) | Percentage increases in enrollment rates (3) | Estimated enrollment rate (4) | Percentage increases in enrollment rates (5) |
| Under \$3,000 | 13% | 18% | 40% | 41% | 215% |
| \$3,000-4,999 | 18% | 27% | 47% | 41% | 128% |
| \$5,000-7,499 | 27% | 33% | 25% | 41% | 52% |
| \$7,500-9,999 | 33% | 41% | 24% | 41% | 24% |
| \$10,000-14,999 | 41% | 41% | 0% | 41% | 0% |
| \$15,000 + | 56% | 56% | 0% | 56% | 0% |
| Average | 36% | 40% | 9% | 45% | 20% |

Sources: Col. 1 from Hartman (1972), p. 494; Col. 2 calculated by author based on Hartman's assumptions p. 470; Col. 3 calculated by author from cols 1-2. Note: the enrollment rates in col. 1 include both full-time and part-time students.

Figure 2. Actual maximum BEOG/Pell Grant awards (in 1978 dollars) (BEOG phased in 1973 through 1976)

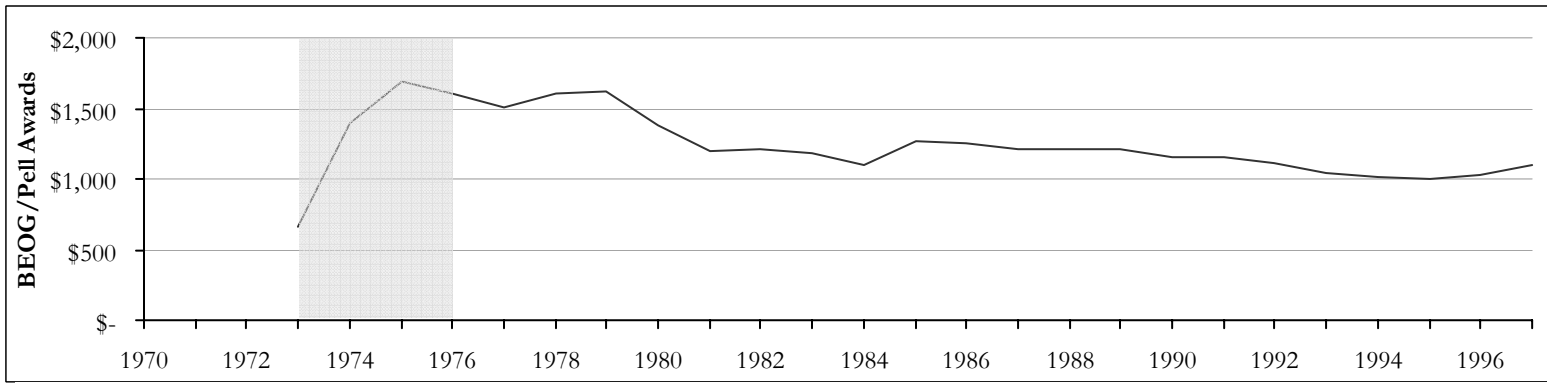


Figure 3. Average net price at public 4-year institutions (in 1978 dollars) for students awarded actual maximum BEOG/Pell

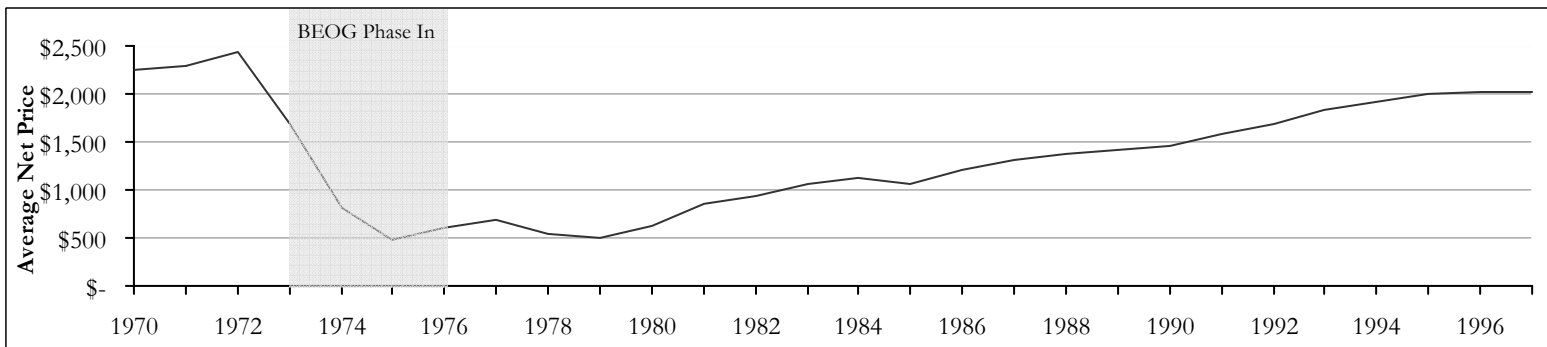


Figure 4. Percentages of recent high school graduates and population age 18-19, 20-21, 22-23 enrolled in college.

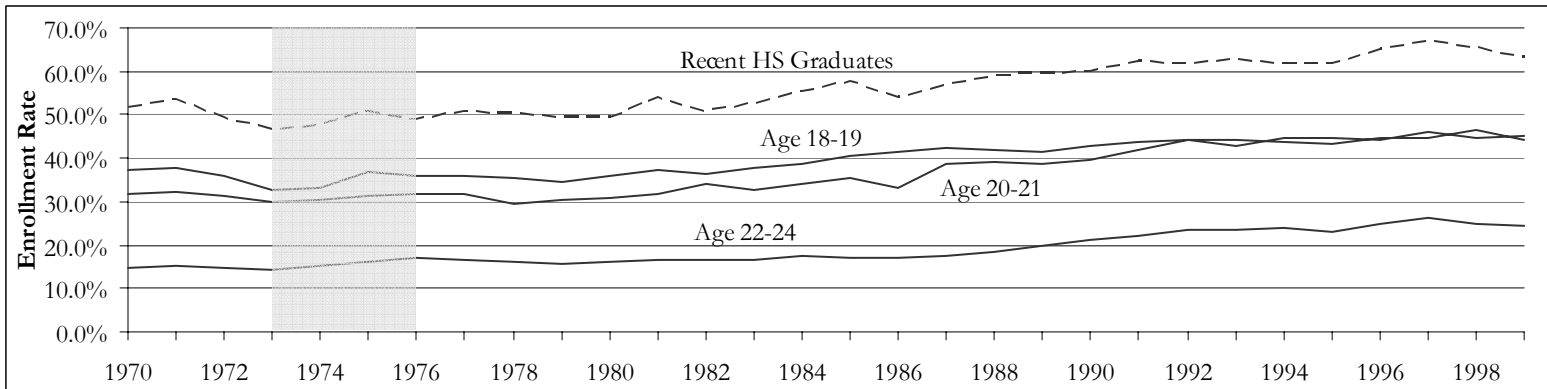


Figure 5. College enrollment rates for dependents age 18-24 enrolled full-time by family income quartiles in constant 1978 dollars

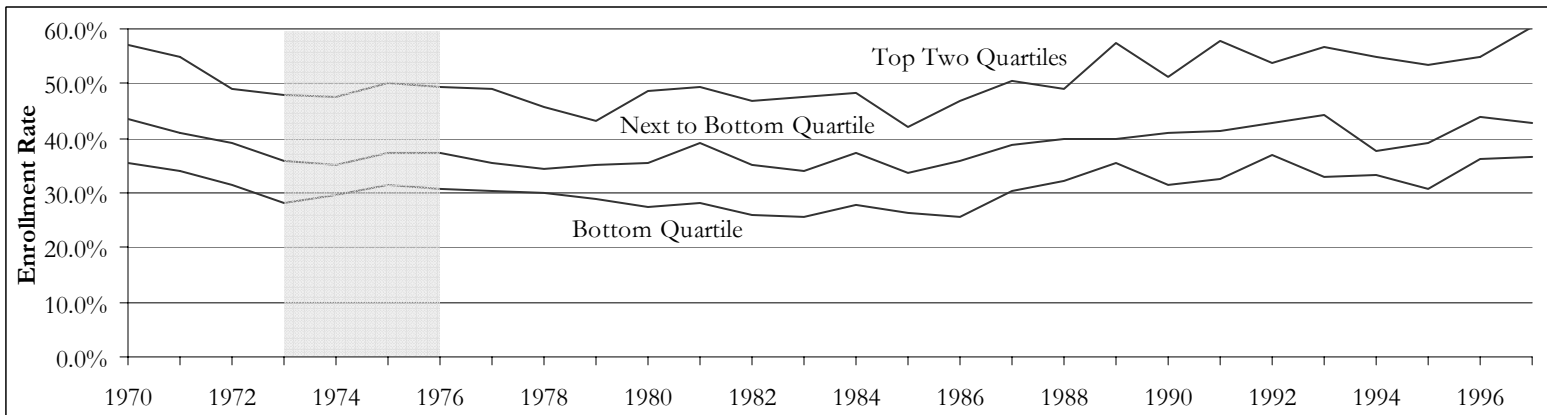
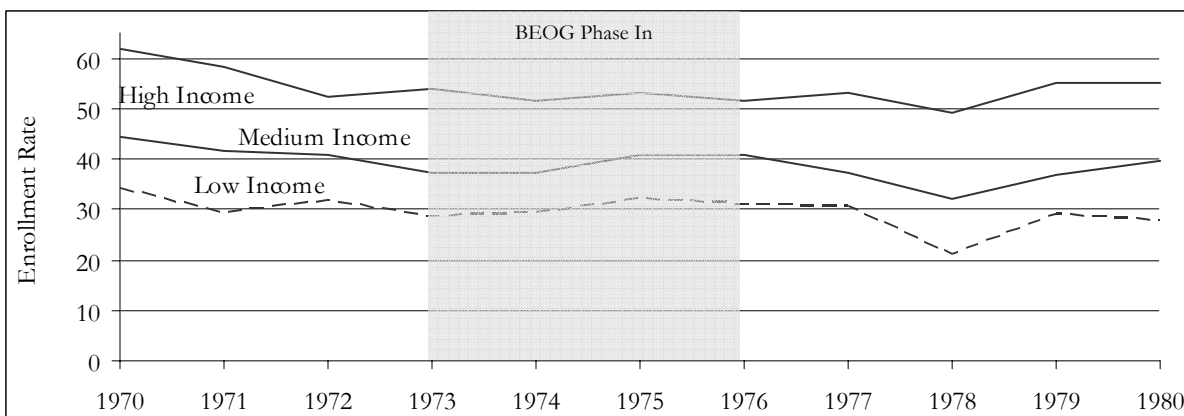


Figure 6. College enrollment rates for dependents age 18-24 enrolled full-time by family income levels—Low (<\$12,000), Medium (\$12,000-24,999), High (>\$25,000+)—in constant 1978 dollars: The Leslie & Brinkman Analysis*



*Note: Results for the Medium and High categories are approximate because the top value of the highest defined income bracket of \$20,000-24,999 when expressed in 1978 dollars is less than the \$25,000 cutoff in constant 1978 dollars value used to define the break between the Medium and High categories.

Sources:

Fig. 1 Derived from Hartman (1972), pp.468-472.
Fig. 2 College Board Trends database.
Fig. 3 Data from Fig. 2; and U.S. Dept. of Ed. Digest of Educational Statistics, "Table 313, Average undergraduate tuition and fees and room and board charged for full-time students in degree-granting institutions, by type and control of institution: 1964-65 through 1999-2000."
Fig. 4 Ibid, "Table 184. College enrollment rates of high school graduates. Graduates, by race/ethnicity: 1960 to 1999" and "Table 7. Percentage of the population 3 to 34 years old enrolled in school, by age group: Selected years, 1940 through 2004."
Fig. 5 Derived from U.S. Bur. of Census, Current Population Reports, Series P-20, School Enrollment—Social and Economic Characteristics.
 "Enrollment Status and Level of Education of Primary Family Members 18-24 Years Old, by Family Income, Marital Status, Race, and Sex (annual issues contain October data) [titles of tables and numbering of tables varies somewhat from year to year]. Family income data are shown in constant 1978 dollar quartiles. Note that data from 1987 onward are not strictly comparable with earlier data.; also, the percentages reported have standard errors of 1 percentage point or less.
Fig. 6 Ibid. Family income data are shown in constant 1978 dollar categories (Low: under \$12,000; Medium \$12,000-\$24,999; and High (\$25,000 and above).

Table 1. Derived from Hartman (1972), pp. 468-472.

Table 2. Derived from Leslie & Brinkman, (1988), pp.147-156, and data cited for Figure 5.

Table 2. Leslie and Brinkman's implied full-time college enrollment rates for dependent youth age 18-24, based on revision of their analysis using Current Population Survey data with family income groups defined in constant 1978 dollars.

| Family Income Groups | Enrollment Rates | | Percentage of 1978 Enrollment Rates Attributed to BEOG | Estimated Enrollment Rates in Absence of BEOG |
|----------------------|------------------|------------------|--|---|
| | Pre-BEOG (1972) | Post BEOG (1978) | | |
| Low | 35 | 31 | 32 | 21 |
| Medium | 39 | 37 | 13 | 32 |
| High | 53 | 51 | 3 | 49 |
| All | 43 | 40 | 16 | 34 |