GEORGETOWN UNIVERSITY

Center
on Education
and the Workforce

McCourt School of Public Policy

202.687.7766
cew.georgetown.edu
3300 Whitehaven St., NW, Suite 3200
Washington, DC 20007

The Forgotten 500,000 College-ready Students

Methodology

This video is based on published research from the Georgetown University Center on Education and the Workforce.[1] These research use National Center for Education Statistics (NCES) longitudinal education studies including High School and Beyond (1980-92), National Education Longitudinal Study 1988-2000, and the Education Longitudinal Study (ELS), 2002-2012. This video relies on analysis of the ELS data. The findings are consistent across all three surveys.

The NCES studies include survey administered exams in math and science, administratively collected ACT/SAT scores, and extensive student, school (postsecondary and secondary), and family background/environmental data. These data allow us to generate test based quartiles of college readiness centered on the ACT/SAT score while including students who do not take those college admissions exams, which results in a college-readiness distribution of all students – including those not attending college. Previous Georgetown Center research confirms that the college-readiness measure tracks very strongly with college success.

Every year, 500,000 students in the top half of their high school class are college-ready and never get a college credential—not even a certificate.

Based on our test based college readiness measure, we determine that the top two quartiles of tested readiness are a good measure of being college-ready. In general, being above 1000 on the SAT/ACT does not lower overall system graduation rates. Students in this range (both 3rd and top quartile) graduate in the 70-80 percent range when attending the top 500 most selective institutions.

Most of these students go to college, but drop out—so they get all the debt and none of the benefits a degree confers.

Numerous Georgetown Center studies, such as The College Payoff or The Undereducated American, document the lifetime earnings benefits of obtaining a degree.

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[1] Carnevale, et al., "Achieving Racial and Economic Diversity with Race-Blind Admissions Policy," 2014; Carnevale, et al., Separate and Unequal, 2013; Carnevale and Strohl, "How Increasing College Access Is Increasing Inequality," 2010; Carnevale and Rose, "Socioeconomic Status, Race/Ethnicity, and Selective College Admissions," 2004.

Five million students over ten years is almost half of what we need to meet the coming shortage of college talent.

The Gates Foundation states that there will be a shortage of 11 million workers with college degrees over the next decade. Our work across the three longitudinal studies suggests that the number of college ready youth lost each year is consistent thus we add 10 years of 500,000 lost students to estimate 5 million lost over 10 years.

Forty-seven percent of these students are low-income.

The NCES studies enable our analyses to define income groups. We use a three part metric of socio-economic status (SES) that consists of highest parental education, occupational prestige, and family income because it has proven to be a more stable indicator of family financial status compared to earnings which can fluctuate by 30% across any two years. Low income is defined as bottom half of SES.

If these 500,000 lost youth got BAs, they would provide a $400 billion dollar boost to the US economy.

The data suggest a million dollars difference across the life cycle between a high school degree and a BA. This would mean a loss of $500B, but because of labor market participation, success among some workers without degrees, and a sense of caution we use the low end $400B estimate.

Spending an additional $5,000 dollars a year per student for support services can help get them to graduation.

The costs of interventions are difficult to estimate given the fact each sub-group has widely varied needs. This being said we looked to existing literature that gives some rough data on intervention costs at various points of college readiness. We anchor the top on Hoxby's work showing the effectiveness of informational delivery to the top 2 percent of $5 per intervention. We anchor the median on work down by the College Advising Corps, and various insights from the literature. The College Advising Corps does not focus on individuals but on high schools with low postsecondary enrollment rates but in conversation with these knowledgeable practitioners, we estimate $10,000 per year per intervention. This estimate seems reasonable when we think about the very large impact on graduation rates obtained by moving students from open-access institutions to the top selectives, which is about a $10,000 dollar difference. Using these cost data along with various research estimates around the 75th percentile combined with the percentile test distribution of the lost 500,000 students, our test-controlled interventions average out to $5,000.

This being said, the estimate should not be interpreted to mean that we have a one-size fits all intervention for sale at $5,000 a pop that will solve all the inefficiencies in postsecondary. Rather, it suggests that there are packages of interventions that can be applied to individuals (financial aid, tutoring, etc.) or system wide (counseling, block/cohort scheduling, etc.) that can move the needle on completion in significant ways at costs per person that are dwarfed by the social and personal improvements these interventions can bring.