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Amid recession, some college admissions policies look at students' wealth

By Steven Brint
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In these agonizing months between the completion of college applications and the arrival of the first envelopes in the spring, many high school seniors and their parents are speculating about whether the economic downturn will harm their chances of admission to one of the nation's top colleges and universities. And a few well-to-do parents I know have even confessed their hope that hard times and declining endowments may have improved their children's chances of admission, as colleges look for full-paying freshmen.

Before the recession, most of America's wealthiest and most selective colleges and universities were following policies designed to increase the numbers of low- and moderate-income students on their campuses. First, they evaluated applications without consideration of parents' ability to pay, a practice known as "need blind" admissions. Second, if students qualified for financial aid, many of these colleges promised to meet their full demonstrated need.

But while about two dozen of the country's top-tier colleges and universities -- schools such as Harvard and Princeton, Williams and Amherst -- are maintaining these policies and, in a few cases, expanding their financial commitments to low- and moderate-income students, at schools just below this tier, admissions are becoming more "need aware." These schools are now making some admissions decisions with an eye to an applicant's ability to pay, and some are unofficially reserving new seats for those who can pay full freight.

Meanwhile, the top public universities -- the Chapel Hills, Ann Arbors and Berkeleys -- are moving to [enroll larger numbers of out-of-state students](#), who pay higher tuition and therefore tend to be wealthier than in-state students.

Of course, wealthy families have always enjoyed an advantage at the top colleges. In the 1950s, Arthur Howe, the admissions director at Yale, calculated that at least two-thirds of Yale's students would need to pay their full way for the university to meet its financial obligations. Today, many institutions provide scholarship aid to more than a third of their incoming classes -- at Princeton nearly half receive financial aid -- but admits are, as a group, still much wealthier than the general population. SAT scores are strongly correlated to family income, so an admissions policy that favors high scores means a large proportion of students whose parents can pay \$50,000 a year. High-income families can also support activities, such as playing violin with the city orchestra, that make for impressive applications.

And need-blind colleges and universities are not necessarily wealth blind. As Daniel Golden reported in his 2006 book, "The Price of Admission," some schools, such as Duke, have long made space in each class for "developmental admits" -- students who wouldn't be accepted but for wealthy parents or grandparents who might donate large sums to the school.

Still, in recent years the top three to four dozen private colleges and universities tried to enroll diverse classes and to meet the financial needs of all their students. This wasn't cheap -- by the early 2000s, tuition had become so expensive that even families earning as much as \$180,000 a year were qualifying for

financial aid grants-- but, in the boom times before the economic crisis, when endowments were growing by as much as 8 percent a year, institutions could afford it.

The situation has changed. As C. Anthony Broh, a higher-education consultant who has advised private colleges and universities on their admissions and financial aid policies, told me, the combination of recent endowment losses (many schools lost hundreds of millions of dollars when their investments plummeted), declines in annual giving and increased need among applicants has placed extraordinary strains on institutions just below the top two dozen. These colleges and universities, he said, "would like to follow the same practices as the top tier, but cannot afford to do it anymore."

Tufts University's experience offers a prime example. Admissions Director Lee A. Coffin described the situation his staff faced last year in an interview with the Tufts Daily. The admissions committee began deliberations with a need-blind approach, but when 95 percent of the class was full, it had to stop. Tufts had spent its entire financial aid budget. With 850 folders to go, Coffin and his colleagues could admit only the applicants who could pay full fare.

Bowdoin, Brandeis, Carleton, Colby, Grinnell, Middlebury, Reed and Washington University are among the other schools that have recently backed away from need-blind admissions or delayed plans to adopt such policies. To help make up shortfalls in their financial aid budgets, they have also increased the number of transfer, foreign and waiting-list students they accept, since students in these categories have never been considered on a need-blind basis and, in the case of foreign students, are not usually eligible for aid.

Brandeis, for example, increased by 10 percent the proportion of international students it accepted last year, and senior administrators at Tufts now travel regularly to countries including Mexico and India to build alumni networks that can help recruit full-paying students. Other schools have added seats with the intention of filling them with transfer, international and wait-listed students who do not require aid. Well-endowed Columbia University, which admits domestic students on a need-blind basis, is adding 50 seats to its fall 2010 freshman class. One can't help but wonder: Will these slots be filled by full-fare international students?

Meanwhile, the top public universities are admitting more out-of-state applicants, who pay higher tuition than in-state students and are not eligible for state-funded financial aid programs. The University of Michigan and the University of Virginia were two pioneers in this practice, and today about a third of their classes come from out of state. At Michigan, upper-division students from elsewhere pay about \$37,000 in tuition -- only a few thousand dollars less than at a top private university. Non-resident tuition at the University of Virginia is not far behind. "We support many forms of diversity, geographic diversity among them," Virginia's dean of admission, Greg Roberts, told me. These out-of-state students don't just offer different perspectives, however: The tuition they pay covers 1 1/2 times the cost of their education.

All this can come at the cost of heightened social tension on campus. Last month, the Associated Press [reported](#) that at the University of Wisconsin at Madison, a popular song about out-of-state "coasties," with lyrics referring to a "Jewish American princess" who wastes her father's money, has prompted charges of anti-Semitism. Tom Mortenson, an Iowa resident and a higher-education policy analyst who writes the newsletter Postsecondary Education Opportunity, told me that Iowa City has changed as the University of Iowa looks beyond state lines for a larger share of its student body. (Iowa enrolls the highest proportion of out-of-state students, 48 percent, of any large public university.)

"Students from Illinois brought truckloads of money. Suddenly, the streets were full of cars that were newer than those of the faculty. We brought in a bunch of rich kids, who partied and drank and got into trouble with the police," Mortenson said. "This isn't what public higher education is supposed to be about."

The budget crisis at the University of California, where I teach, has people wondering whether the UC campuses should follow the path pioneered by Michigan. Berkeley is already trying. Stunned by a more than \$100 million funding cut, Berkeley will [increase its share of full-paying out-of-state students](#) from

around 10 percent to more than 20 percent in one year, hoping to make as much as \$15 million in the process.

California's governor, Arnold Schwarzenegger, announced last week that he will [introduce a constitutional amendment](#) to shift state funding priorities away from prisons and toward higher education. But with political opposition to his proposal already forming, it is unlikely that the idea will slow Berkeley's push to enroll more out-of-state students.

Elsewhere, a few private institutions, such as Amherst College, continue to work hard to increase their proportion of students from low- and moderate-income families. In a recent interview, Anthony Marx, Amherst's president, told me that the school is motivated by a sense of social responsibility. "The big national question is: What do you do to make great education accessible to talented students whose families are not wealthy?" he said. "As a country, we have moved in the opposite direction. We won't see the full damage for a generation, and by that time the leaders and politicians who made the prior choices will be long gone."

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