

**The Upshot**  
COST OF COLLEGE

# Hidden Side of the College Dream: Mediocre Graduation Rates

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To rise in society, “go to college” is such a proven prescription that Michelle Obama made a rap video of it. But while, on average, college graduates have lower unemployment rates, earn higher wages and even have longer-lasting marriages, there’s less discussion of the many students lost between enrollment and graduation.

The challenges can be greatest for the 7.2 million students who need federal loans to attend college. According to a new report by Third Way, a Washington-based think tank, only 55 percent of these students who attend private nonprofit colleges graduate within six years. Of the 1,027 private colleges studied, 761 have graduation rates of less than 67 percent.

At public universities, which the report does not study, the rate is even lower, 46 percent. Historically, public universities are charged with providing education to the masses and have less control over their admission standards.

The Third Way report points out that high schools in which more than a third of students do not graduate on time are labeled to receive special attention by federal standards. If colleges were held to that measure, 74

percent of the private nonprofit colleges and 83 percent of public colleges would fail. But there isn't a widely accepted bar for college graduation rates; a college can have a graduation rate as low as 2 percent and still preserve its accreditation.

As a metric, graduation rate has its limitations: It measures only first-time, full-time students, counting transfer students as dropouts. And it does not count students who take longer than six years to graduate.

But the report shows that many colleges are not fulfilling their promise of upward mobility to students, particularly those who are trying to become the first in their families to earn a degree.

“Graduation rates are primarily two factors: what the student brings and what the college brings to the experience,” said Bob Shireman, senior fellow at the Century Foundation, who specializes in accountability for for-profit colleges.

Colleges that have high graduation rates tend to be more selective and tend to have students who are more affluent and more academically prepared. Colleges with lower graduation rates tend to admit a higher percentage of students with Pell grants, which usually go to lower-income students.

This is why graduation rates are so tricky: The colleges that have the lowest rates are the very same ones that are taking the biggest chances on students. Is it worth it to admit the students on the margins of educational success when you know half of them will drop out? Especially when the costs of dropping out are so high? How low can a graduation rate get before it does more harm than good?

“There is a legitimate policy conversation about where you draw that line,” said Lanae Erickson Hatalsky, an author of the Third Way paper, “but no one is even having that conversation right now.”

Getting first-generation college students to succeed presents challenges that more elite colleges often don't face.

The University of La Verne is a commuter college 30 miles east of Los Angeles and, according to Third Way, has a six-year graduation rate of 59 percent. Its student body is 44 percent Hispanic, and 46 percent of all students are Pell grant recipients.

For these students, money is a huge roadblock to graduation.

"That is the No. 1 reason our students give when they drop out," said Beatriz Gonzalez, vice provost for the University of La Verne.

Many of her students also work to support themselves or their families, she noted, so they tend to spend much less time on campus and therefore feel less attached to the university.

Another reason students drop out, Ms. Gonzalez said, is that they don't feel sure they belong. For them, any setback or poor grade can make them question whether they should be in college in the first place.

Any solution for the graduation gap would be complicated, Ms. Erickson Hatalsky said, but she suggested that, among other things, the federal government could use Pell grants to do better by these students. The federal government is trying to ensure that money is given to poorer K-12 schools to match richer schools in their districts; it could also adjust the targeting of Pell grants.

"We hand over the exact same amount money to Spelman as Harvard," Ms. Erickson Hatalsky said of the money per student in Pell grants. "We act as if they're all the same right now. In K-12 we differentiate."

Targeting the resources in support of lower-income students could then improve college graduation rates.

“It’s not that the low-income students are destined to fail,” Mr. Shireman said. “It’s just that they have more challenges, so it takes a lot more resources to ensure that they succeed.”

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