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The Upshot
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The Methodology of Our College-Access Index

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The choice for anyone who wants to evaluate American colleges is often between incomplete data and no data.

Colleges value their independence and have frequently resisted efforts by outsiders to compare the makeup of their enrollments, the true cost of attendance or the progress that their students make. The organization that has had the most success in requiring colleges to report data, not surprisingly, is the federal government, which also subsidizes higher education.

To compile our College Access Index — which measures efforts to enroll lower-income students — we relied on data from the Education Department and supplemented it with more recent data provided by colleges. This data has limitations, and it's worth understanding them. (Transparency is a central goal at The Upshot.) In an ideal world, colleges would provide more detailed information about the economic make-up of their students. But the data they publish is nonetheless meaningful. That data is the only way to judge whether college officials are following through on their claims of recruiting high-achieving students from all backgrounds.

Our index covers the subset of colleges – about 100 of them – with a four-year graduation rate of at least 75 percent. These tend to be selective colleges with a record of doing well by the majority of lower-income students who enroll there. Alongside the index for each private college in this group, we also listed its endowment per student, to give context about the different resources these colleges have.

The index itself is based on two categories. The first is the share of freshmen in the previous three academic years – 2011-12, 2012-13 and 2013-14 – who received Pell grants. The Department of Education publishes Pell data for all colleges for 2011-12 and 2012-13; about four-fifths of the colleges in our group sent us data for 2013-14.

The Pell grant is the second-largest federal financial-aid program, after the federal loan program. As a rule of thumb, families in the bottom 40 percent of the income distribution tend to receive Pell grants.

In 2012, for example, 80 percent of students who were financially dependent on their parents and came from households with income below $30,000 received a Pell grant, according to Sandy Baum, an economist specializing in higher education. Among students from households making between $30,000 and $50,000, more than 60 percent received Pell grants. In the $50,000-to-$60,000 group, 44 percent did. The numbers begin dropping sharply above $60,000.

The biggest downside of using the Pell grant as a measure is that it treats students just above the threshold as no different from affluent students. A college that enrolls many students from families making $75,000 a year may be somewhat more economically diverse than a college with an identical share of Pell recipients but fewer middle-income students. Colleges do not release any consistent income data about students above the Pell threshold.

By and large, though, the colleges with the largest shares of Pell recipients also have the most economically diverse student bodies – because Pell is such a large program.

The second statistic in our index is the average net price in 2012-13 for students who came from households making between $30,000 and $48,000 a year. (Looking at the average for students from households making less than $30,000 would have produced similar results.)

Net price reflects the total cost of attendance – tuition, fees, room and board – and subtracts financial-aid grants from the college, the federal government or a state government. Appropriately, student loans and wages from work-study jobs are considered to be part of the price that students pay themselves; the value of a loan, for example, is not subtracted from the net price.

That last point is important. If you're wondering how a household making $40,000 can afford to pay, say, $10,000 or $15,000 for college, the answer is that much of this money comes from loans and student wages. On average, graduates of private colleges have about $32,000 in debt at graduation – a substantial sum but one not nearly large enough to make skipping college a good idea.

As the net price data has begun to receive more attention recently, some colleges and analysts have pointed out that it is incomplete, and it is. It covers only students who receive federal financial aid (but families making between $30,001 and $48,000 generally do). Not all colleges seem to define annual income in precisely the same way, as the Chronicle of Higher Education has noted. And the net-price statistics don't distinguish between the rare wealthy student whose family didn't make much money in a given year and the typical low-income student.

But when you think through each of these issues, you come to realize that they do not change the big picture. Colleges with lower net prices are doing more to reduce the cost of attendance for students of modest means.

Ideally, colleges would release a consistent set of net-price data, covering all students, in narrow income buckets. Until they do, however, the net-price data is an important measure. It shows which colleges are charging their low- and middle-income students more money and which are charging less. Without it, the rest of us – students, parents, taxpayers, policy makers – are left with competing claims from colleges about how generous each of their financial-aid policies are. Ignoring the existing measures of economic diversity because they have limitations, as some college officials would prefer, would be a little like ignoring all economic statistics or all baseball statistics because each is imperfect.

Longer term, we would be better served by better data. It's possible that the federal government will eventually require colleges to release such data; the Obama administration is in the midst of an effort to release clearer data on colleges. Absent that, colleges have it within their power to improve the situation, by releasing consistent, even more comprehensive numbers.

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