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### Understanding the role of family wealth in college access

#### *First: wealth and income are different, and wealth is much more important*

- Income is the amount of money earned in a given time period
- Wealth is the value of all assets less all debts
- Low-wealth students worse off than low-income students, and high-wealth students better off than high-income students in the college-going process (see charts 1-6; see Table 1 for more information on income and wealth deciles)
- While income is important, I find its significance diminishes or completely disappears when I consider wealth

#### *Wealth has a greater impact on selective college attendance and less of an impact on college application and less selective college attendance*

#### *Why does wealth matter? It's the money itself, but it's also things related to wealth*

- I tested to see if it's wealth itself or if it's some other background characteristic related to wealth. I found the following to be significant predictors for the listed outcome:
  - **Applying to college:** academic achievement; college expectations; parents' education; having a quiet study area at home
  - **Attending a two-year college:** academic achievement; college expectations; parents' education; peers' college expectations; how well the parents know school activities; and not attending a school classified as "other" (like an alternative school) versus a traditional, comprehensive public school
  - **Attending a less selective four-year college:** academic achievement; college expectations; parents' education; how well the parents know school activities; attending a technical-vocational, Catholic, or home school versus a traditional, comprehensive public school
  - **Attending a more selective college:** academic achievement; college expectations; parents' education; attending a Catholic or private secular school or not attending home school versus a traditional, comprehensive public school

#### *Racial differences in wealth explain disparities in college access*

- Large gaps exist between racial, ethnic groups in college access (see Chart 7)
- When wealth is accounted for, some of the racial and ethnic disparities in college access are explained
- When academic achievement is accounted for along with wealth, the racial and ethnic disparities are eliminated, and often reversed

### ***Wealth's impact persists regardless of student's level of academic achievement***

- While wealth can lead to higher levels of academic achievement, all else equal, wealthier students are more likely to apply to college and attend college, particularly selective colleges
- When looking at **who applies to college**, differences across wealth and income deciles are much less than differences across academic achievement quartiles (see Chart 8; see Table 1 for more information on income and wealth deciles)
- Wealthy and high income students are more likely to **attend college** than their less wealthy and less high income counterparts, but neither wealth nor income trumps academic achievement (see Chart 9)
- Students in the top decile of wealth and income are much more likely to **attend a four-year college** than less privileged students of similar academic achievement (see Chart 10)
  - In some cases, lower achieving higher wealth students are more likely to attend a four-year college than higher achieving lower wealth students
- **Most and highly selective colleges** truly are for the highest achieving of the high wealth and high income student population, although there is some matriculation by high achieving students from across the economic spectrum (see Chart 11)

### ***State policy should focus on increasing the wealth of low-wealth families, promote factors that improve college access***

- Policy must focus on the pure financial aspect of wealth and also the non-financial factors that relate to wealth, like academic achievement and college expectations
- Policymakers should be particularly concerned about the plight of low-wealth students if they care about where students go to college

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