The Problem

- Temptation to view ethical principles such as equity in admissions and financial aid policies as a luxury we can’t afford in these hard times.

- Appearance of ethical behavior does not necessarily correspond to the socially optimal or morally justified choice.
Not a New Problem

Fall 1998 article posed basically the same question:

“Must we choose between abandoning the goals of diversity and educational opportunity and risking institutional insolvency?”
Appearance vs. Reality:
It’s Not So Simple

- Divestment from weapons manufacturers
- Sweatshop debates

- Need-blind admissions
- Need-based aid only
- Meeting full need
- No loans
Need-blind Admissions

- Is this an either / or question?

- Impact on individual aid packages
Only Need-based Aid?

- Defining need-based aid
- Ability vs. willingness to pay

- Does non-need-based aid take dollars out of the pockets of low-income students?

- Rawls
Meeting Full Need

- Meeting need vs. gapping
- Packaging
- Rationing funds / competing priorities
No Loan Promises

- Promises made in better times: Is it always right to keep them?

- What will be sacrificed to keep these promises?

- Are there negative externalities for the vast majority of students who must borrow to go to college?
Foreseeable Consequences: The Dangers of Competitive Strategies

- **Short-term vs Long-term**
  - Impact on applicant pool
  - Reputation
  - Destructive competition

- **Tragedy of the Commons**
  - Interests of individual institutions vs. higher education as a whole

  Students without ability to pay will drop out of the pool.
Equity and Efficiency

- Efficiency may promote equity
- Equity may promote efficiency
- Perceived trade-offs may be misleading
Ethical Purity:
It’s Not So Simple

- Liberal arts education and preparation for the labor force
- Measuring learning outcomes
Ethical Leadership

- Taking foreseeable consequences into account
- Not focusing only on what looks like the “right” thing to do
- But keeping values and mission at the forefront – even in difficult times
Balancing Act

• It might be easier if there were a choice between equity and efficiency.

• Controlling costs and using funds efficiently is a prerequisite for equity and access.

• What is the primary institutional mission?

• Honesty

• Hard heads and soft hearts.
Crossing the Finish Line:
Completing College at America’s Public Universities

by William G. Bowen, Matthew M. Chingos, Michael S. McPherson
Figure 2-2. Bachelor’s Degree Attainment by Socioeconomic Status

- Bottom Income Quartile
- Second Income Quartile
- Third Income Quartile
- Top Income Quartile

Bachelor’s Degree Attainment Rate (Percent)

Neither Parent Graduated from College:
- 9% (Bottom)
- 17% (Second)
- 27% (Third)
- 32% (Top)

At Least One Parent Graduated from College:
- 29% (Bottom)
- 39% (Second)
- 46% (Third)
- 68% (Top)
Figure 5-7. Comparison of Overall Graduation Rates for Students Who Undermatched to a SEL B Institution and Students Who Did Not Undermatch.

Graduation Rates:
- Students Who Undermatched from a SEL A to a SEL B:
  - Graduated in Five or Six Years: 66%
  - Graduated in Four Years: 44%
- Students Who Matched to a SEL A:
  - Graduated in Five or Six Years: 81%
  - Graduated in Four Years: 59%
Figure 5-5. Undermatch Rates by Family Income and Parental Education

<table>
<thead>
<tr>
<th>Undermatch Rate (Percent)</th>
<th>Bottom Quartile</th>
<th>Second Quartile</th>
<th>Third Quartile</th>
<th>Top Quartile</th>
<th>No College</th>
<th>Some College</th>
<th>College Degree</th>
<th>Graduate Degree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>59%</td>
<td>54%</td>
<td>42%</td>
<td>27%</td>
<td>64%</td>
<td>51%</td>
<td>41%</td>
<td>31%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Family Income</th>
<th>Parental Education</th>
</tr>
</thead>
</table>
Figure 7-2. BA Attainment Rates of White Students Who Started at 4-year vs. 2-year Institution
Causes of undermatch

- Can we afford it?
- Does it matter where I go?
- Will I feel comfortable?
- Why can’t our daughter just stay close?
Giving advice

- To disadvantaged families
- To school districts with low-income students
- To policy makers
Consequences of System Change

- If selective schools don’t expand

- If selective schools do expand

- What about the students who are “left behind”?