

Transcript Policy 360 Episode 52

Kelly Brownell (KB): Hello and welcome to Policy360. I'm Kelly Brownell, the Dean of the Sanford School of Public Policy at Duke University. For a long time in the United States, leaders in higher education have highlighted the important of diversity, that meeting somebody from a different country or a different race, someone with more or less money than you, matters. It can shape how students think about important issues and interact with the world around them. And so, for decades, college leaders have publicly voiced work to expand college education to disadvantaged groups.

But in his new book, "Unequal Colleges and the Age of Disparity", economist Charles Clotfelter has come to a conclusion that might be startling to some. Professor Clotfelter is a Z. Smith Reynolds professor of Public Policy Studies at the Sanford School of Public Policy at Duke University. He says America's system of undergraduate education was unequal in 1970 and, in a startling discovery, is even more so today.

Charlie Clotfelter contends that, despite a revolution in civil rights, billions spent on financial aid, and the commitment of colleges to greater equality, stratification has grown starker in part because colleges cater largely to children of elites. So, welcome, Charlie, to Policy 360.

Charles Clotfelter (CC): Thank you, Kelly.

KB: So, first, why did you focus on the decades since 1970?

CC: I wanted to get as much historical perspective as I could, and 1970 is about as far back as you can go and get detailed data of the sort I wanted. I wanted not only to look at the income of students, but also wanted to look at other things, including their religion, their father's and mother's religious background, their political leanings, how much time they spent in high school studying, so I have a pretty wide variety of pieces of information and I wanted to go back and take a 40-year look at it.

KB: I'm trying to find out more about how you came to these conclusions and how you gathered the information, and, in fact, what the exact conclusions are, because you hear colleges boast a lot about how diverse they are these days. It becomes part of their recruitment efforts. You know, "We have this many percent of these kinds of people" and this like that; so, it's stunning to find out that this may be masking something other than what the appearances are. But, before we dive into that, because you're talking about colleges, define "college", or how did you choose to narrow the term?

CC: I used the word "college" to cover colleges and universities that have four-year undergraduate baccalaureate programs; so, basically, I'm talking about the market for four-year college. Diversity has several different dimensions, of course. If you compare the racial and ethnic distribution or composition of colleges today and compare them to what they were back then, it's a sea change; Duke University allowed its first African-American student as undergraduate in the 1960's. Imagine what the undergraduates looked like back in the 50s and

40s; today, it is a richly diverse undergraduate population, and the same can be said about Amherst, Illinois State, and, to some extent, colleges up and down the line. What has surprisingly not changed so much is the diversity in terms of socioeconomic background. So, if you look at things like family income of students, or whether students went to public or private school, you'll find that there has in fact been not more diversity, but somewhat less.

KB: So, how can this be? Duke and a number of other universities do need-blind admissions. Maybe you can explain what that concept is all about. But, how can this occur in the face of those kinds of activities universities engage in?

CC: So, we have seen two great forces at work over this four-decade period. One, as you referred to, affirmative action has been a strong and sincere effort on the part of admissions officers; but, I think, more generally, the admissions process has become more objective and more credential-based and less subject to the old-boy and old-girl system. So, that's- on the one side, those are forces of equality, but on the other side has been a tremendous widespread and stubborn, pervasive change in income distribution. Beginning in about 1980, the income distribution in this country changed. Between 1981 and 2014, the income of the middle fifth of the population went up 14%, the income at the top fifth went up 96%, and at the very top it was even more. So, what happened was that these newly-affluent families (and some of them were heavily affluent), they were getting used to buying whatever they wanted, the real estate they wanted, the cars they wanted, simply by doing what you do in the market. But there was one sought-after asset that they could not actually buy in the same way and that was admission to one of these prestigious universities or colleges, so a new frenzy of activity began and the affluent families found a way to succeed. And you can see that through test-prep courses, you can see that through internships, unpaid internships, and the result was, despite the efforts of the equality-seekers, we found, at the end of the day, that the affluent families did quite well in getting their kids into the most elite schools.

KB: So, two things seem to be occurring in conflict and there's a logical explanation in my mind, but tell me if I'm wrong. So, at the same time, if these colleges are becoming more diverse on certain grounds, say racially, but becoming less diverse in terms of social class, it must be because there's a growing upper-middle class among certain racial groups that are now feeding into the college admissions.

CC: Exactly. There are African-Americans who have high incomes and who went to private school and, if they are out there, the schools that need to diversify in terms of race and ethnicity will be looking at them. There's another aspect, Kelly, that I should touch on. Well, I mean, first of all (let me) say that the increasing elite quality of the selective colleges in terms of income is not as dramatic as the racial one by any measure. But, another thing that has occurred, has happened on the supply side, and that is, the richest colleges, especially the private richest colleges, have gotten much richer. In science, this is sometimes called the Matthew Effect; those with get more. And what that's meant for universities like Duke is that, far from what the chancellor Kenneth Pye thought back in 1980 when he wrote his report, "Directions for the Future". He was thinking, "It's time to retrench, because we're never going to be able to keep up with the likes of University of North Carolina". Far from that, this has been a golden era for places like Duke. And, if you look at the compensation for faculty, the amount of money that is

spent on buildings, if you just look around this campus, you will see more cranes than you'll see in some parts of lower Manhattan.

KB: So, let's get into the economics of this. Can you explain the concept of need-blind admissions?

CC: Need-blind admissions is a policy of looking at applicants, judging applicants, and making decisions about acceptance irrespective of their probable or expressed need for financial support. This is a policy that is used at our undergraduate admissions office and has been as long as I have been associated with the university. It's a privilege and it's an expensive privilege to have this policy, but Duke is rich enough to do it.

KB: So, how can it be then, if this is the case, that need-blind admissions procedures are used, but you still get this preponderance of -- I mean, you don't get the socioeconomic distribution you'd like? Now you mentioned before that one mechanism might be that the students who come from upper-income families get access to assets like tutoring for standardized tests and things like that. There are other means by which this gets activated.

CC: It's a variegated answer. One would have to do with the -- how assiduous is the admissions office in seeing out the applicants in low-income neighborhoods? That's one thing. Then the thing is, there are aspects of admissions that are influential. Do you know how to play one of the sports that our college plays? If you do, then you have a leg up, and it turns out that the knowledge of lacrosse and squash is not distributed evenly. And so, knowing one of these things-- if it's going to impress an admissions officer that you have traveled in Latin America, then that's good, but it's not going to be something that everybody can put on their transcript.

KB: So, what can be done? If you could choose a thing or two that might help alleviate the problems you've outlined, what would they be?

CC: They wouldn't be easy. A beefed-up Pell Grant system, that would do something, but if you think about-- well, let's put political possibility aside, because anything I mention is going to be not that likely. One thing that universities would not like would be for their unearned income to be taxed on the same basis as their income from unrelated business.

KB: So, explain about that, why that would be better.

CC: Because then it would be harder for Yale and Duke to accumulate all of this money in this vast savings account which they could actually be using to make it cheaper for low-income students to be going. A second thing is, we give preferential treatment to legacies (that is the children of alumni). Well, this is (as one writer wrote) it's equivalent to giving preference to white folks. And, I guess the third thing is, you know, politically maybe the least likely. But anything that would reverse the growing income inequality in the country would tend to slow these processes down.

KB: Well, that's a big, big picture.

CC: That's a big one.

KB: No question. Well, Charlie, thanks so much for joining us. This is really a pretty remarkable set of findings that you're producing that, would be very interesting to see the reactions to your book, but thanks again for sharing this information.

CC: My pleasure.

KB: So, joining us today is Charles Clotfelter, he is the Z. Reynolds Professor of Public Policy at the Sanford School of Public Policy at Duke University. His book, "Unequal Colleges in the Age of Disparity", will be out this month from Harvard University Press. We'll have a link in our website, policy360.org. Until next time, I'm Kelly Brownell.