

# Merit-based scholarships in US to widen gap between high and low-income college students

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3 January 2013

In the US, higher education scholarships based on need are rapidly being replaced by merit-based scholarships. With working class and poor students already finding a college education increasingly unaffordable, the merit-based scholarships will only increase the education gap between high- and low-income students.

The nonpartisan National Association of Student Grant & Aid Programs reports that as of the 2010-2011 academic year, 29 percent of state funding for higher education scholarships is now merit-based, the highest percentage on record, while the percentage of scholarships based on need decreased to 70.8 from 72.6 percent during the previous academic year. During this time, *Inside Higher Ed* reported, nearly half of the states cut back on need-based scholarships.

According to *The Wall Street Journal*, 27 states have now instituted some form of a merit-based system state funding for scholarships, and proponents of this movement cite two reasons for its popularity: state funding for scholarships has fallen behind steadily increasing tuition hikes (the result of falling state revenues and salary hikes for college and university administrative positions) and a perceived “brain-drain” of talented students from their home states. However, the National Bureau of Economic Research conducted a recent study of 15 states with merit-based programs and found the decrease in so-called brain drain to be negligible, the *Journal* reported.

At the head of this movement is Georgia, which switched to a merit-based system in 1993 by amending its constitution to create a lottery and funnel the resulting revenue to the scholarship program. Georgia state Senator and chair of the Senate Appropriations Subcommittee on Higher Education Cecil Staton declared the purpose of the program to be the

promotion of “hard work and that is what we should be encouraging.”

This program has certainly helped students (and their parents) who meet the requirements: a 3.70 or higher Grade Point Average (GPA) and high SAT and ACT college admission test scores qualify the applicant for full tuition reimbursement, while an applicant with a 3.0-3.6 GPA with or without the required test scores qualifies them for the smaller HOPE (Helping Outstanding Pupils Educationally) scholarship.

The *Wall Street Journal* offers the example of University of Georgia junior Sarah Beck, whose 3.7 high school GPA and high test scores earned a full scholarship. Happily, her parents, a teacher and a nuclear engineer, did not have to worry about saving for their daughters’ higher education because “we knew [the scholarship] would be waiting for me,” the *Journal* reported. But those who can’t save enough to send their children to college are, in large part, paying for these scholarships at the same time that they watch their own children either drop out of college for lack of funding or find jobs (if they’re lucky) that require only two-year or high school degrees.

The nonpartisan Georgia Budget & Policy Institute reports that counties from low-moderate average incomes spent the most for lottery tickets in Georgia but received proportionally fewer merit-based scholarships.

Students from higher income areas are also much more likely to receive larger scholarships than their lower income counterparts. The *Journal* found that students from ZIP Codes with yearly incomes larger than \$50,000 were twice as likely to receive at least the smaller HOPE merit scholarship as those who came from a \$30,000 ZIP code. Those qualifying for the full scholarship were three times as likely to have come

from the higher income ZIP codes.

If lower income students are somehow able to patch together the funds to start college, they are also much less likely to complete their degree programs. At Georgia State University, where 40 percent of the students come from families earning less than \$30,000 per annum, the change in scholarship criteria, i.e., smaller amounts for those with a GPA below 3.7, resulted in dozens of students having to leave school due to the lack of funding.

Nationwide, the difference in graduation rates for the top vs. the bottom economic tiers is staggering, with the gap in graduation rates widening by nearly 50 percent over the past two decades; and 54 percent of students from wealthy families earn bachelor's degrees while only 9 percent of college students receive equivalent degrees, according to *CNN Money*.

These and recent corroborating findings have led the *New York Times* to acknowledge it is not race but class divisions that best predict success or failure at colleges and universities. A December 12 article entitled "For Poor, Leap to College Often Ends in a Hard Fall," focuses on three young women from Galveston, Texas. Bright and determined, they excelled in high school and entered college in 2008 with high expectations, but four years later only one is still studying while the other two are burdened by massive debts and trying to make ends meet.

Obstacles common to almost all working class and poor students who attempt to complete college degrees include poor high school preparation (due to insufficient funding), high book costs, the need to find a second or even third part-time job, or a shift change that forces a student to stop attending classes, poor nutrition and so on. The list is long.

The article's authors add that of the "fewer than 30 percent of students in the bottom quarter of incomes who even enroll in a four-year school ... fewer than half graduate." Moreover, "Poor students have long trailed affluent peers in school performance, but from grade-school tests to college completion, the gaps are growing." Professor Reardon, a Stanford sociologist, told the *Times*, "The racial gaps [in test scores and college attendance and graduation] are quite big, but the income gaps are bigger." For four decades, the American ruling elite has proclaimed that inequality is the product of a racial fault line instead of class. On this

basis Affirmative Action programs were promoted and racial, gender, and identity politics became a staple of every college and university. At the same time, increasing numbers of working class students of every race, ethnic background, and gender have fallen further behind. Replacing need-based scholarships with merit-based scholarships will only widen the distance.



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