

# Higher education and upward mobility increasingly inaccessible to poor in the US

Kathleen Martin  
5 May 2017

As the gap between rich and poor grows, so does the disparity in the attainment of higher education and, in turn, upward social mobility.

A study published in late April by the Urban Institute focused on wealth and social mobility shows that individuals from high-wealth families are more than 1.5 times as likely to complete two to four years of college by age 25 than those from low-wealth households.

Household wealth is measured by total family wealth relative to others in the study (including home equity), and upward social mobility is defined as “the likelihood an individual whose parents did not graduate from college completes at least two or four years of college.”

Participants of the study were broken into four household wealth quartiles: high, \$223,438 and above; middle-high, \$45,000-\$223,437; low-middle, \$2,000-\$45,000; and low, \$2,000 and less.

Data released last year in a separate study by the Pew Charitable Trusts gives a better idea of how many people in the population would fall into each category more generally. While both studies break data into different wealth brackets, loosely comparing the correlating statistics to correctly understand the placement of most Americans into these quartiles gives a better idea of how many people are actually likely to climb out of economic despair, or to have “social mobility.”

Nearly one-fifth, or 19.34 percent, of all US households total have negative wealth. Negative wealth means that the total sum of all debts exceeds the value of that household’s assets. If correlated to the results of this study, one-fifth of the population would automatically fall into the “low-wealth” quartile of \$2,000 or less used in the Urban Institute study.

Others have noted that this section of the population with negative wealth is expected to increase rapidly in

the near future due to the massive amounts of student loan debt weighing on millions of young college graduates today, with small likelihood of repaying the debt and even less likelihood of being able to afford a house or even a car of their own.

The authors of the study note: “We analyze total wealth, not relying exclusively on housing wealth.” However, the poorest households lost the greatest total portions of their wealth following the 2008 mortgage crisis, including what is commonly the largest contributor to a working class person’s wealth: their home. The youth participating in the study from this section of the population have only a 30 percent chance of completing two years of college, and a 14 percent chance of completing four.

“[O]nly 29 percent of youth from the bottom quartile of the family wealth distribution complete two or more years of college education,” the study notes, “and only 26 percent are upwardly mobile—that is, complete at least two years when neither parent graduated from college.” In comparison, 78 percent of youth in the top quartile complete two or more years of higher education, and 61 percent are upwardly mobile. The study also notes that this latter disparity widens when contrasting the differences between the quartiles and four-year degree completion.

The next quartile, low-middle, is a household whose wealth is anywhere from \$2,000 to \$45,000. According to the Pew data, 13.42 percent of US households have wealth ranging from zero to \$19,999, with over half of that percentage falling closer to the low end. The remaining 6.31 percent makes up households with \$5,000 to \$19,999 in wealth.

The study did not gather specific information on academic success, employment during college, whether or not the participant had children, and what kind of

institution the participant was enrolled in. This, too, makes a difference, given that the majority of low-income (and likely low-wealth) students cannot afford to attend 95 percent of American higher education institutions. Youth with family responsibilities and full-time jobs, unstable housing, and a host of other challenges are much less likely to have success academically than their wealthy peers.

While the parents of students from low-income and low-wealth families are not expected to contribute as much financially to the cost of their child's tuition, and while overall the cost of attending a junior or community college is much less expensive than a traditional four-year college, the financial strain is proportionally greater on families with less money.

“These results suggest that family wealth can help children complete college, even holding constant other characteristics such as family income and education,” the authors of the Urban Institute concluded. “Wealth might provide the needed resources for families to get their children in and through college, or wealthier families may live in areas with better schools and social networks that help them get to college.”



To contact the WSWs and the  
Socialist Equality Party visit:

**[wsws.org/contact](https://wsws.org/contact)**