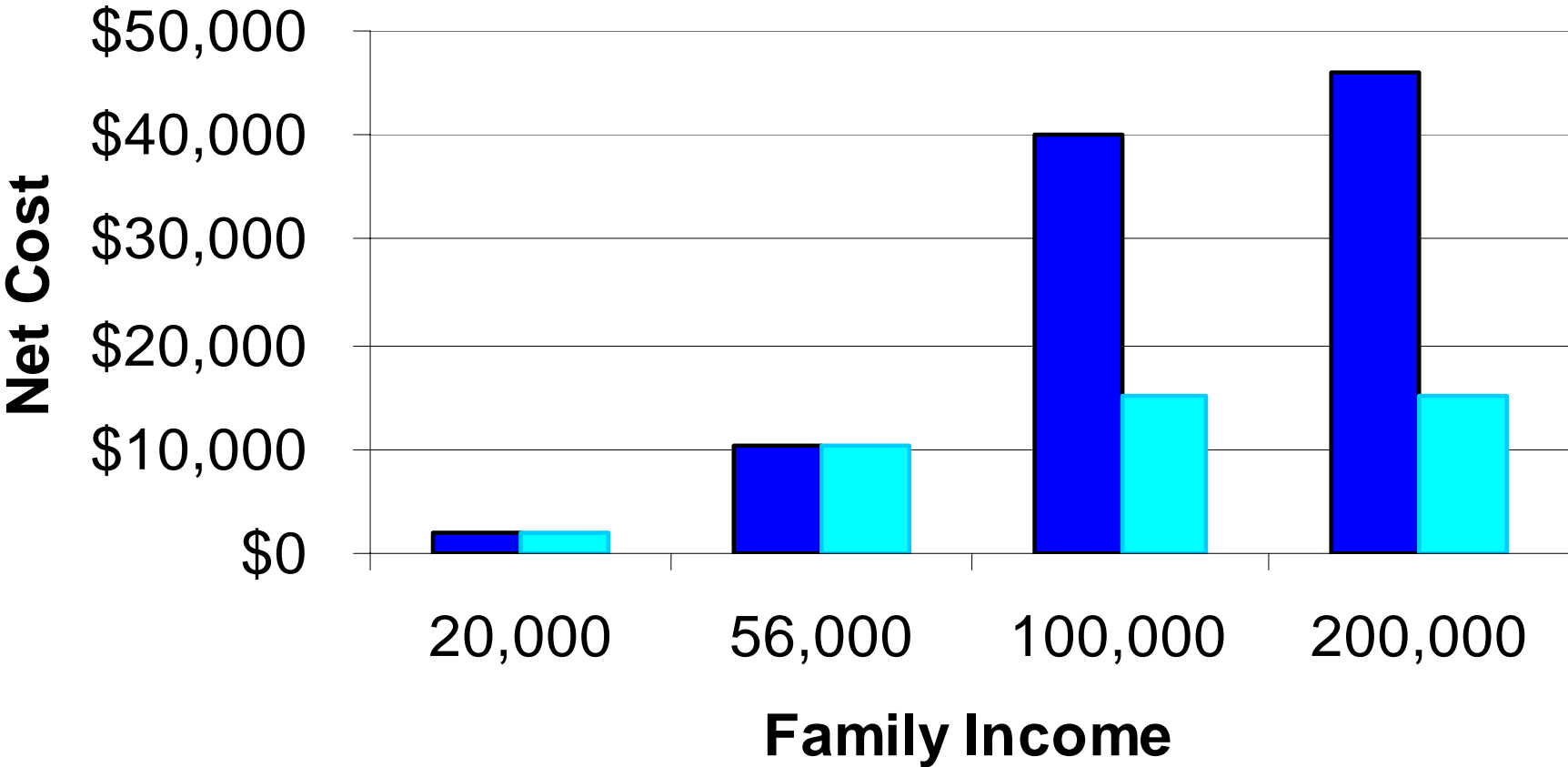


The Squeeze on Families: Rising Costs, Growing Debt, and Access to College

Charles T. Clotfelter

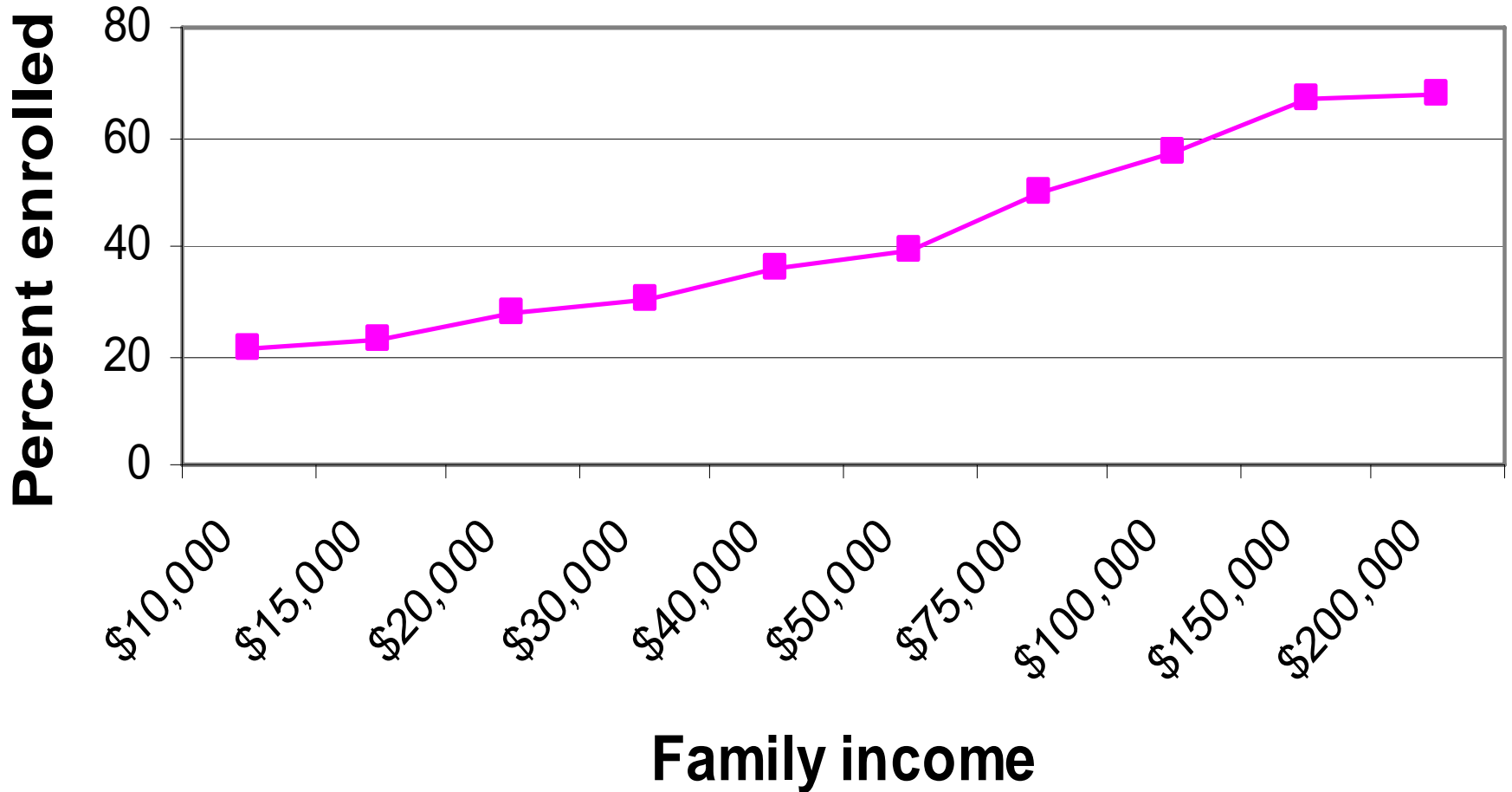
September 12, 2006

Net Cost of Attending Two North Carolina Universities, by Family Income

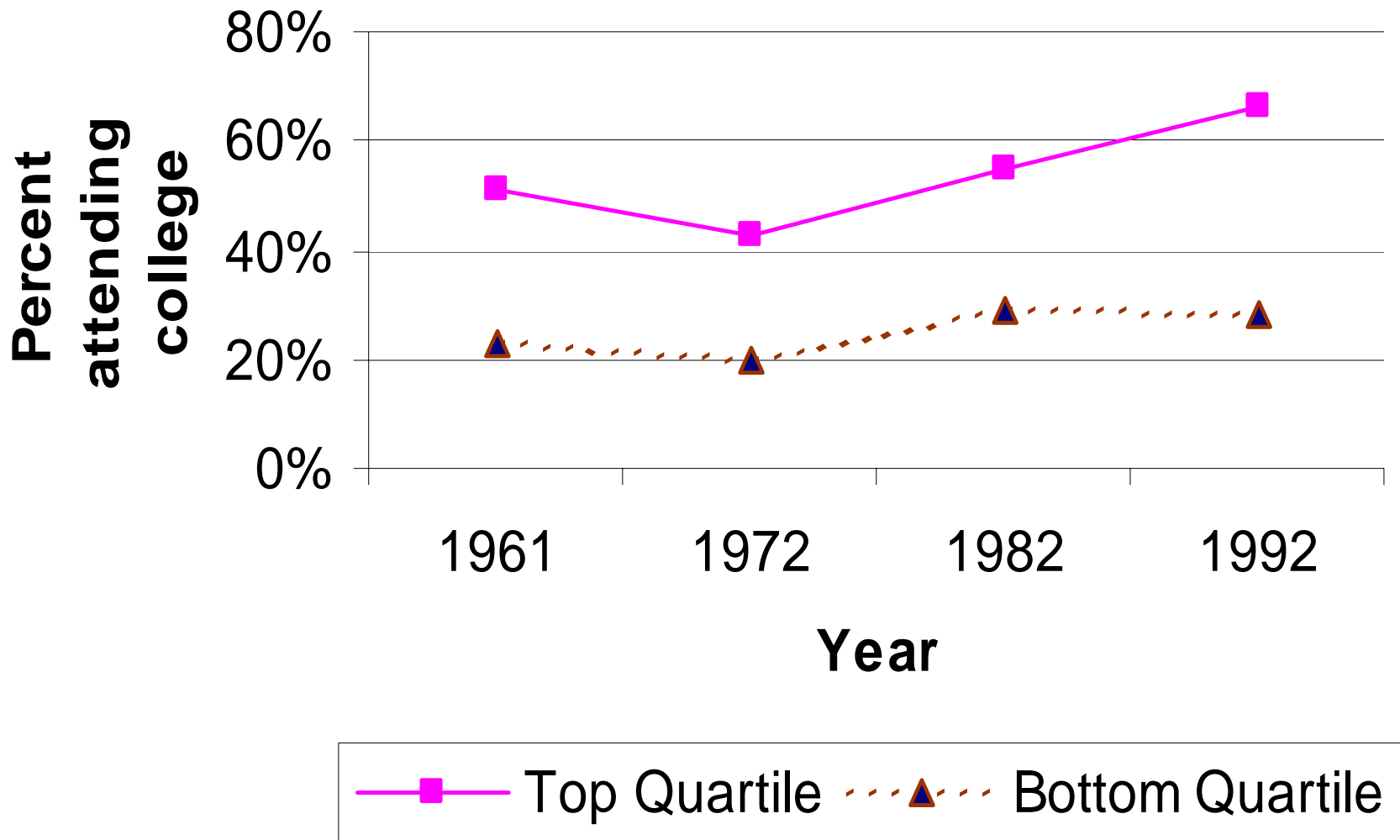


Duke **UNC**

Percentage 18-24, in 2- or 4-year Colleges, by Family Income, 2004



Percent Attending 4-Year Colleges, Top and Bottom Income Quartiles, Selected Years



Income distribution of students at private 4-year colleges, by tuition level, 2003/04

		Family	income	quartile	
Tuition level	Lowest	2nd	3rd	Highest	Total
Lowest	31	23	26	20	100
2 nd	19	25	26	30	100
3 rd	16	21	26	37	100
Highest	13	16	22	48	100

What explains the lower income–higher income gap?

- Quality of K-12 education
- Resources outside the school
- Information (and aspirations)
- Public subsidies that favor the middle class

Why public subsidies tend to favor the middle class

- The biggest subsidies are at the most selective institutions.
- Only those who attend get subsidized.
- Only those who are admitted can attend.
- Admission is based largely on courses taken, grades, and test scores.
- Students with higher family incomes tend to have strong credentials.