

VIEWED THROUGH A DIFFERENT LENS: EVALUATING VIRGINIA HIGHER EDUCATION

*People say I have a distorted lens. I think I
see things as they really are.*

- Nikki Sixx, Musician and Songwriter



It may seem odd to some that we begin this analysis of Virginia higher education with a quote from Nikki Sixx, who plays a very loud bass for the heavy metal band Mötley Crüe. But his observation is pertinent to our task. This chapter looks at Virginia higher education through a different lens – one that gives minimal attention to highly publicized ranking systems, such as that conducted annually by U.S. News & World Report, and instead focuses on what could be termed higher education bread-and-butter issues.

Whether a resident of Loudoun County or Wise County, the representative Virginian wants to know if she can afford higher education and whether she will need to take on debt to earn a bachelor's degree. And, if she does earn that degree, will it serve as an economic springboard that vaults her upward in society?

These are questions that most institutions choose not to answer up front. Virtually every Virginia college and university has produced a carefully nurtured institutional narrative that is filled with smiling undergraduates, supplemented by grateful alumni who sing the praises of their alma mater. It isn't that these presentations are false per se, but rather that they are incomplete and omit answering the questions we have just posed. When, for example, is the last time an institutional video included a segment addressing the financial challenges faced by a 35-year-old single mother of two who is struggling to earn her degree?

Major media outlets focus intently on U.S. News & World Report’s annual rankings of the country’s colleges and universities. We are told, for example, that Virginia’s Washington and Lee University is rated the ninth best liberal arts institution in the nation (in 2021). We can and should laud W&L’s achievement even as we note that, unfortunately, it is substantially irrelevant to the higher education issues that face ordinary Virginians. W&L, after all, enrolls only about .5% of Virginia’s college students¹ and 79% come from outside the state.² Opportunity Insights, a nonpartisan research and policy institute, estimates that 81.3% of students at W&L are from households whose incomes place them in the top income quintile nationally, while only 1.12% are from households in the bottom income quintile.³

Our focus in this chapter is not upon national rankings and accompanying media pizzazz but rather on the questions that matter most to everyday Virginians: Can they afford to attend college? Will they have to go into debt to do so? How likely is it that they will be able to earn a degree? Will a degree enable them to improve their economic circumstances?

Affordability And Student Debt

It is critical to understand that there usually is a substantial difference between the official “sticker price” that colleges and universities publish on their websites and the average net price that students actually end up paying after grants and scholarships have been taken into account. Readers who have ever purchased a new automobile are familiar with this world. The sticker price on the window of a new car seldom is the price a customer actually pays. Instead, it is a starting point for negotiations between seller and buyer.

And so it is in American higher education. On some campuses, virtually all students receive some form of discount that enables them to pay a net price that is less than the posted sticker price. The discount may come in the form of scholarships that allow them and their parents to brag a bit. The data in columns 2-4 of Table 1 tell us that the average net price paid by in-state students at a four-year public college or university in Virginia was only 63.2% of the sticker price in 2018-19. In the independent college sector, the average campus discount was much larger; the net price there constituted only 49.8% of the sticker price.

The salient point is that posted sticker prices border on irrelevancy for those students who can demonstrate financial need, or who possess talents that the institution wants to capture (an excellent student, a superb athlete, etc.). Scholastic Aptitude Test (SAT) scores and high school grade point averages often are important determinants of the size of the discount a student receives, but a variety of other factors also can come into play, including the student’s home town, academic major, gender and race.

Thus, for the typical student, it is the average net price in column 3 of Table 1 that is most important unless the student comes from a lower-income household. What constitutes a low income? The lowest income category reported by the U.S. Department of Education’s College Navigator website is for students who come from households with annual incomes of \$30,000 and below. Column 5 reports the average net price paid by individuals in this lowest household income category.

William & Mary’s modest academic year net price of only \$4,711 for its lowest-income students is an attention grabber and W&L’s \$1,612 price seems amazingly low. These figures make it appear as if the two institutions have made strong commitments to helping significant numbers of lower-income students matriculate on their campuses. Not so. The reality is that neither institution enrolls very many students who come from \$0 to \$30,000 annual income homes – in 2018-19, the number was only 1.35% of the undergraduate student body at W&M and it was an even smaller 1.12% at W&L.

1 U.S. Department of Education, the Integrated Postsecondary Education Data System, <https://nces.ed.gov/ipeds>. Hereafter, IPEDS.

2 U.S. Department of Education, College Navigator, <https://nces.ed.gov/collegenavigator/>. Hereafter, College Navigator.

3 Opportunity Insights, <https://opportunityinsights.org/data>. Hereafter, Opportunity Insights.

Except for the Commonwealth’s historically black colleges and universities (HBCUs) and the University of Virginia’s College at Wise, no public four-year institution in Virginia enrolls a high percentage of low-income students. Indeed, the average public four-year campus in the Commonwealth enrolls only 6.34% from the lowest-income quintile, while 45.69% of the undergraduate student body are from the highest-income quintile. When external observers lament that higher education is becoming the province of the wealthy, they have Virginia data to back up their assertions.

A perusal of Table 1, however, reveals that substantial variations exist in both the public and independent sectors regarding average net prices. In the public sector, these prices range from Norfolk State University’s low of \$12,645 to Christopher Newport University’s twice-as-high \$25,443. In the independent realm, the lowest average net price is Regent University’s \$15,062, while the high value is Hampden-Sydney College’s \$34,853. It is fair to say that the higher education market for undergraduates is highly differentiated in Virginia. Many enrollment and pricing models exist.

Independent institutions such as the University of Richmond and W&L enroll high proportions of their undergraduate student bodies from higher-income households (74.23% of UR undergraduates come from the highest-income quintile and it is a highest-in-the-nation 81.34% at W&L). However, Table 1 reveals that four of Virginia’s public institutions (University of Mary Washington, UVA, James Madison University and W&M) draw at least 64% of their student bodies from the upper 20%.

Indeed, contrary to the expectations of some, the entire public sector in Virginia is more heavily tilted toward the highest-income quintile than is true at the Commonwealth’s independent institutions. Of the undergraduate student bodies at Virginia’s public four-year institutions, 45.69% are drawn from the highest-income quintile, whereas Virginia’s independent institutions average only 42.49% in this regard. One reason for this is that several independent institutions that draw their students regionally or locally are situated in rural

areas within Virginia where earned incomes are lower. Averett University, Ferrum College and Mary Baldwin University provide examples. If we set aside the Commonwealth’s two public HBCUs, then the remaining dozen public institutions draw an average of more than 51% of their undergraduate student bodies from the highest 20% of the national income distribution. A recent op-ed in *The Washington Post* argued, “College isn’t the solution for the racial wealth gap. It’s part of the problem.”⁴ The author might have had Virginia in mind.

The data in Table 1 also tell several other interesting stories, one of which relates to the extent to which institutions “discount” the tuition and fees and other revenues they receive from students. Put bluntly, most campuses imitate many businesses by putting some or all of their products “on sale.” They discount their sticker prices by offering grants and scholarships. Column 4 tells us that the typical public four-year institution in Virginia retains only 63.2% of the full-price revenue it collects per student. That is, it discounts (gives away) 36.8% of its sticker price revenue in grants and scholarships. Independent-sector discounting is even more dramatic – private institutions collectively retain only 49.8% of their sticker price revenue.

Revenue discounting has risen in recent years as institutions have scrambled to maintain enrollments or to “improve” the makeup of their student bodies. At W&M, for example, the real (price-adjusted) revenue the institution earns per full-time equivalent student declined from 53.1% of its sticker price in FY 2009 to 47.3% in FY 2019. At Virginia Union University, the comparable decline was more dramatic, going from 87.5% in FY 2009 to 68.3% in FY 2019.⁵ To some extent these proportionately larger price concessions reflect enrollment realities. Headcount college enrollments nationally have fallen nine years in a row⁶ and it does not appear as if conditions are going to improve anytime soon. Between 2019 and 2036, the number of public high school graduates in Virginia is forecast to decline by 22%.⁷

4 Dorothy A. Brown, “College isn’t the solution for the racial wealth gap. It’s part of the problem,” *The Washington Post* (April 9, 2021), www.washingtonpost.com/outlook/2021/04/09/student-loans-black-wealth-gap.

5 IPEDS.

6 National Student Clearing House, www.studentclearinghouse.org.

7 Western Interstate Commission for Higher Education, “Knocking at the College Door,” (December 2020), Table 2, www.wiche.edu/wp-content/uploads/2020/12/Knocking-pdf-for-website.pdf.

The larger proportionate price concessions being made by colleges and universities may seem to be good news for Virginia college students, but reality is that in absolute terms, even after adjusting for price inflation, the net prices paid by Virginia college students have risen steadily. Increases at some institutions have been stratospheric. At CNU, price-adjusted tuition and fees for in-state students rose 55.6% between fall 2009 and fall 2019, yielding an annual compound rate of increase of 4.5%.⁸ Lest someone mistake what this means, this is the rate of increase in excess of the increase recorded by the consumer price index.

The pricing story differs substantially in the Virginia Community College System (VCCS), where much lower prices prevail. The average VCCS institution sticker price is only about one-fifth (22.3%) of that advertised by independent-sector institutions and only about three-eighths (37.9%) of that published by the average Virginia public-sector institution. These numbers have importance because sticker prices usually are the first financial number most prospective students encounter when they begin to shop higher education institutions.

The average net prices ultimately paid by students, of course, are substantially lower. In Virginia, the average net price paid by a community college student in 2018-19 was \$7,132,⁹ compared to \$18,350 at a representative four-year public institution and \$24,567 at a representative independent-sector institution. Thus, a year's study at a Virginia community college is less than half the cost of the same year at the typical Virginia four-year public institution and less than a third of doing the same year of study on a typical Virginia independent-sector campus.

Students sort themselves out accordingly. Table 2 reveals that 16.1% of students on Virginia's community college campuses came from households in the lowest-income quintile.¹⁰ Compare this to 6.34% at the four-year publics and 5.55% at the independent-sector institutions (Table 1). At the other end of the spectrum, 15.4% of community college students come from the highest-income quintile, compared to 45.69% at the four-year public institutions and 42.49% on independent-sector campuses.

Tidewater Community College has for many years advertised (accurately), "From here, go anywhere." Among the many well-known individuals who started their college careers at a community college are astronaut Eileen Collins, Walt Disney, Morgan Freeman, Tom Hanks, Steve Jobs and Ross Perot. Opportunities abound for the ambitious student at a Virginia community college. However, the Commonwealth's current system of funding higher education institutions, its practice of allowing each institution freedom to set its own tuition and fees and its inadequate funding of financial aid, taken together, effectively restricts the choices that many Virginians realistically can make at community colleges or any other institution.

It is readily apparent that today's Virginia college students are distributed across the institutional continuum substantially based upon their household incomes. One might accord little importance to this phenomenon were it not for three factors. First, the probability of a given student eventually earning a baccalaureate degree is higher if she enters a four-year institution rather than a community college. Second, substantially more money is being spent per student at the four-year institutions than in the community college system. Third, the subsequent employment and earnings prospects of students typically are enhanced (though not always) if they start out traveling the four-year college route.

The policy dilemma for Virginia is not that the preceding three conditions exist but instead the degrees to which they exist¹¹ and the extent to which household incomes dictate student choices. In a democratic, opportunity-oriented society, family incomes should not decide all issues, especially those relating to education. Societal cohesion will diminish and even break down if household income levels preordain the opportunities available to talented and ambitious citizens.

⁸ *Chronicle of Higher Education*, "Tuition and Fees, 1998-99 Through 2018-2019," <https://www.chronicle.com/article/tuition-and-fees-1998-99-through-2018-19>.

⁹ This is the net price paid by a community college student who is living with a family.

¹⁰ The members of these households might be unsupported by parents or guardians.

¹¹ We would expect, for example, a program in engineering to be more expensive than a program in sociology and for the typical graduate program to be more expensive than the typical undergraduate program. The salient question is not about such differentials but instead who gains access to the various programs.

TABLE 1

**STICKER PRICES, NET PRICES AND STUDENT INCOME PERCENTILES:
VIRGINIA COLLEGES AND UNIVERSITIES, 2018-19**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Institution	Sticker Price on Campus, 2018-19	Average Net Price, All Students, 2018-19	Ratio of (3) to (2)	Average Net Price, Students from \$0-\$30,000 Households, 2018-19	Ratio of (5) to (3)	Percent of Student Body Coming from Lowest Income Quintile Households, 2015	Percent of Student Body Coming from Highest Income Quintile Households, 2015
PUBLIC INSTITUTIONS							
Christopher Newport University	\$31,102	\$25,443	.818	\$16,529	.650	4.97%	33.82%
College of William & Mary	\$39,221	\$18,551	.473	\$4,711	.254	1.35%	69.82%
George Mason University	\$30,284	\$20,157	.666	\$16,204	.804	6.15%	47.92%
James Madison University	\$27,356	\$18,708	.684	\$14,196	.759	1.85%	64.48%
Longwood University	\$27,330	\$19,636	.718	\$14,704	.749	3.10%	46.59%
Norfolk State University	\$24,995	\$12,645	.506	\$11,277	.892	20.61%	10.04%
Old Dominion University	\$26,456	\$16,681	.631	\$12,017	.720	8.46%	29.33%
Radford University	\$24,088	\$14,981	.622	\$12,071	.806	4.40%	43.10%
University of Mary Washington	\$28,250	\$21,640	.766	\$12,988	.600	1.27%	65.29%
University of Virginia	\$33,493	\$17,579	.525	\$8,882	.505	2.82%	68.40%
Virginia Commonwealth University	\$32,041	\$20,968	.654	\$16,768	.800	7.08%	36.92%
Virginia Military Institute	\$31,494	\$13,428	.426	\$8,789	.655	4.60%	53.08%
Virginia Tech	\$26,834	\$18,449	.688	\$11,138	.604	2.84%	57.72%
Virginia State University	\$23,239	\$18,034	.776	\$15,586	.864	19.24%	13.08%
<i>Averages</i>	<i>\$29,014</i>	<i>\$18,350</i>	<i>.632</i>	<i>\$12,561</i>	<i>.690</i>	<i>6.34%</i>	<i>45.69%</i>
INDEPENDENT INSTITUTIONS							
Averett University	\$47,918	\$24,013	.501	\$21,385	.891	8.18%	21.13%
Bridgewater College	\$51,310	\$18,727	.365	\$14,220	.759	5.96%	32.01%
Eastern Mennonite University	\$51,500	\$24,936	.484	\$22,935	.920	5.22%	35.31%
Ferrum College	\$48,530	\$23,010	.474	\$19,806	.861	11.28%	23.61%
Hampden-Sydney College	\$62,304	\$34,853	.559	\$23,836	.684	1.64%	64.78%

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Hampton University	\$42,380	\$27,441	.647	\$29,650	1.080	7.96%	31.60%
Hollins University	\$55,555	\$20,457	.368	\$15,824	.774	4.69%	49.95%
Liberty University	\$40,075	\$28,881	.721	\$27,896	.966	N.A.	N.A.
Mary Baldwin University	\$43,525	\$17,879	.441	\$15,218	.851	7.33%	27.31%
Marymount University	\$50,766	\$27,843	.548	\$22,212	.798	9.58%	39.17%
Randolph-Macon College	\$55,860	\$27,429	.491	\$23,012	.839	2.47%	56.20%
Randolph College	\$57,365	\$26,802	.467	\$16,205	.605	6.26%	44.54%
Regent University	\$29,763	\$15,062	.506	\$15,584	1.035	N.A.	N.A.
Roanoke College	\$61,095	\$27,180	.445	\$17,473	.643	2.91%	51.46%
Shenandoah University	\$47,000	\$29,311	.624	\$25,891	.883	4.81%	42.03%
Southern Virginia University	\$28,261	\$20,816	.737	\$16,192	.778	7.66%	40.92%
Sweet Briar College	\$38,100	\$25,859	.679	\$20,529	.794	3.09%	49.19%
University of Lynchburg	\$53,650	\$24,987	.466	\$19,128	.766	N.A.	N.A.
University of Richmond	\$67,020	\$25,282	.377	\$9,112	.360	1.74%	74.23%
Virginia Wesleyan University	\$50,517	\$25,000	.495	\$20,816	.833	8.10%	37.17%
Virginia Union University	\$31,358	\$21,417	.683	\$20,636	.964	N.A.	N.A.
Washington and Lee University	\$70,500	\$23,301	.331	\$1,612	.069	1.12%	81.34%
Averages	\$49,289	\$24,567	.498	\$19,053	.780	5.55%	42.49%

Sources: College Navigator for sticker prices and average net prices; Opportunity Insights for student income percentiles

TABLE 2

**STICKER PRICES, NET PRICES AND STUDENT INCOME PERCENTILES:
VIRGINIA COMMUNITY COLLEGES, 2018-19**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Institution	Sticker Price at Home, 2018-19	Average Net Price, All Students, 2018-19	Ratio of (3) to (2)	Average Net Price, Students from \$0-\$30,000 Households, 2018-19	Ratio of (5) to (3)	Percent of Student Body Coming from Lowest Income Quintile Households, 2015	Percent of Student Body Coming from Highest Income Quintile Households, 2015
Blue Ridge Community College	\$13,912	\$10,534	.757	\$9,611	.912	10.35%	20.51%
Central Virginia Community College	\$9,012	\$5,436	.603	\$4,679	.861	10.96%	16.52%
Dabney S. Lancaster Community College	\$10,325	\$5,951	.576	\$4,958	.833	13.80%	9.23%
Danville Community College	\$11,110	\$7,955	.716	\$6,995	.879	16.67%	10.27%
Eastern Shore Community College	\$10,300	\$6,117	.594	\$5,530	.904	37.02%	5.48%
Germanna Community College	\$10,523	\$7,271	.691	\$5,919	.814	7.30%	26.41%
J. Sargeant Reynolds Community College	\$9,998	\$6,106	.611	\$5,107	.836	12.68%	23.12%
John Tyler Community College	\$10,410	\$6,573	.631	\$5,442	.828	9.31%	26.31%
Lord Fairfax Community College	\$10,349	\$6,580	.636	\$5,517	.838	8.25%	21.36%
Mountain Empire Community College	\$11,510	\$6,427	.558	\$5,832	.907	26.34%	5.71%
New River Community College	\$11,117	\$6,907	.621	\$5,728	.829	11.66%	19.18%
Northern Virginia Community College	\$14,370	\$9,440	.657	\$8,175	.866	9.69%	35.87%
Patrick & Henry Community College	\$11,400	N.A.	N.A.	N.A.	N.A.	19.33%	6.35%
Paul D. Camp Community College	\$8,472	\$5,071	.599	\$3,601	.710	24.56%	11.01%
Piedmont Virginia Community College	\$11,190	\$6,913	.618	\$5,950	.861	10.42%	22.51%
Rappahannock Community College	\$11,120	\$7,740	.696	\$6,749	.872	17.20%	12.93%
Richard Bland College	\$12,300	\$12,203	.992	\$11,081	.908	6.17%	22.41%
Southside Virginia Community College	\$12,042	\$7,736	.642	\$7,203	.931	28.64%	5.24%
Southwest Virginia Community College	\$13,803	\$8,326	.603	\$8,137	.977	27.23%	5.73%
Thomas Nelson Community College	\$10,266	\$6,879	.670	\$5,696	.828	13.86%	15.15%

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Institution	Sticker Price at Home, 2018-19	Average Net Price, All Students, 2018-19	Ratio of (3) to (2)	Average Net Price, Students from \$0-\$30,000 Households, 2018-19	Ratio of (5) to (3)	Percent of Student Body Coming from Lowest Income Quintile Households, 2015	Percent of Student Body Coming from Highest Income Quintile Households, 2015
Tidewater Community College	\$10,829	\$7,943	.733	\$6,721	.846	14.85%	16.24%
Virginia Highlands Community College	\$11,110	\$6,493	.584	\$5,944	.915	19.29%	8.62%
Virginia Western Community College	\$10,941	\$6,663	.609	\$6,179	.927	11.62%	17.26%
Wytheville Community College	\$7,225	\$2,761	.382	\$2,057	.745	18.62%	6.09%
Averages	\$10,985	\$7,132	.649	\$6,209	.871	16.08%	15.40%

Sources: College Navigator for sticker prices and average net prices; Opportunity Insights for student income percentiles

STUDENT DEBT

The rising real price of higher education simultaneously has reduced college enrollments and forced students and families to go into debt. It has been widely publicized that the student loan debt to the federal government now exceeds \$1.58 trillion, up from \$.81 trillion 10 years previously.¹² Unfortunately, student debt does not stop there. In addition, households borrowed an estimated \$132 billion from private lenders.¹³ Further, on top of all this, 14% of parents borrowed an additional \$100 billion through the federal government’s Parent PLUS loan program. These loans averaged a hardly insignificant \$37,000 per borrower.¹⁴

Nationally, 69% of the graduating class of 2019 took out student loans, which averaged \$29,900.¹⁵ In Virginia, SCHEV tells us that the average level of student debt in 2020 exceeded \$30,000.¹⁶

Students who graduate with debt are less likely to buy a car or purchase a home, but more likely live at home with their parents, and less likely to get married.¹⁷ An estimated 12% of public college attendees who take out student loans default on those loans, although creative labeling has disguised the reality that perhaps three times as many student debtors now are not servicing their debts as required. Ultimately, this behavior leads to tragedy. Since student loan debt ordinarily is not dischargeable in a bankruptcy proceeding, default on a student loan results in a black mark on one’s financial records that will trail her the remainder of her life.

¹² Center for Microeconomic Data, Federal Reserve Bank of New York, “Household Debt and Credit Report,” third quarter, 2021, www.newyorkfed.org/microeconomics/hhdc.
¹³ Student Loan Hero, “A Look at Shocking Student Loan Debt Statistics for 2021,” <https://studentloanhero.com/student-loan-debt-statistics/#:~:text=88%25%20of%20graduates%20from%20for,class%20of%202018%20was%20private>.
¹⁴ Student Loan Hero.
¹⁵ Student Loan Hero.
¹⁶ State Council of Higher Education for Virginia, “Student Loans: All Institutions,” https://research.schev.edu/studentdebt/DebtProfile_SL021.asp.
¹⁷ See James V. Koch, *The Impoverishment of the American College Student* (Washington, DC: The Brookings Institution, 2019), 64-65, for a discussion of the effects of student debt on economic behavior.

There is an additional, more subtle problem with federal student loans that often is overlooked. Evidence exists that the flow of federal student loan money into institutions results in their charging higher tuition and fees.¹⁸ This is an example of what economists label a “moral hazard” problem. If the federal government is going to pay for some portion of every tuition and fee increase, then there is an incentive for an institution to make larger increases in these prices than they would have made otherwise.

We will note the obvious: High levels of student debt are bad economic news for the individuals who incur this debt, for businesses that hope to sell to them and for governments. Thus, public policies aimed at restraining college cost increases and/or increasing the availability of student financial aid often make good sense.¹⁹ Virginia, however, generally has soft-pedaled the former and underfunded the latter. The Commonwealth’s romance with college ratings, plus centuries of tradition, has militated against change. Only very recently has this scenario begun to change, primarily because of the ascension of women and Black legislators into leadership positions. Their sensitivity to the issues we have outlined has begun to influence how public institutions are funded and how financial aid dollars are allocated.

First-Time, Full-Time Six-Year Graduation Rates

One of the most commonly cited measures of an institution’s productivity is its graduation rate, and the most commonly cited graduation rate is the one that measures the percentage of first-time, full-time students who earn a baccalaureate degree in six or fewer years. Despite many acknowledged deficiencies, graduation rates continue to be widely used and cited. Thus, like it or not, they become part of the discussion.

The major problem with the six-year graduation rate for first-time, full-time freshmen is that it’s not clear it is a good descriptor of a modern institution of higher education. The Association of American Colleges & Universities reports that 37% of all undergraduate students transferred at least once between 2008 and 2014.²⁰ How does one assign credit or blame to the institutions in question? Further, in fall 2020, 35.3% of students at public four-year institutions were enrolled part time.²¹ In addition, more than 40% of students attending public institutions today are age 25 or older.²²

The upshot is that the first-time, full-time graduation rates are a performance measure that focuses on what happens to individuals who enter college as full-time students after receiving their high school diplomas. This is interesting information to have available, but hardly definitive. First-time, full-time six-year graduation rates don’t include approximately half of all undergraduate students today.

And yet the U.S. Department of Education’s highly touted College Navigator website reports first-time, full-time six-year graduation rates without commenting on, or compensating for, their problematic nature. Further, the “What are we really measuring here?” status of these rates has not discouraged widely cited institutional rating systems, such as the rankings published annually by U.S. News & World Report, from using them as an input in their calculations.

¹⁸ James V. Koch, 51-68.

¹⁹ Free college for all, however, probably is not among the best solutions.

²⁰ Association of American Colleges & Universities, “Transfer and Mobility: A National View of Student Movements” (August 2015), www.aacu.org.

²¹ College Navigator, National Center for Education Statistics, “Total Fall Enrollment in Degree-Granting Postsecondary Institutions,” Table 303.40, https://nces.ed.gov/programs/digest/d19/tables/dt19_303.40.asp.

²² College Navigator, Table 303.40.

These reservations notwithstanding, six-year graduation rates for first-time, full-time freshmen are frequently cited and we cannot change this practice. We can, however, provide context for those rates here. We will sensitize our interpretation of them by recognizing the most important factors that influence them. We take six factors into account:

HHINC = Median household income of students at the institution (*higher incomes ordinarily mean higher graduation rates*)

SAT = Midpoint summary SAT score of an institution's students (*higher SAT scores usually mean higher graduation rates*)

NETPRICE = Average net price of attendance after grants and scholarships have been taken into account (*higher net prices discourage attendance and reduce graduation rates*)

PCTFTT = Percentage of students who are full time (*when more students attend full time, graduation rates are likely to rise*)

PCTTRANS = Percentage of undergraduate students who transferred to an institution from a community college (*transfer students can lose both academic credits and a sense of belonging, which results in lower graduation rates*)

IND = Whether the institution is public or private/independent (*private institutions do not receive much, if any, state funding and by itself this bodes to decrease graduation rates*)

Using a statistical technique known as multiple linear regression, we generate estimated graduation rates for each institution based upon these six factors. The estimated graduation rates tell us what we should expect from a college or university in terms of graduation rates if it operates similarly to other four-year institutions in Virginia. We have 36 four-year Commonwealth campuses in our sample (14 public, 22 independent) and our analysis sifts the data from each.

Our analysis enables us to determine how specific variables influence graduation rates. Consider the role that household incomes play. In our

Virginia sample, every one percentile upward movement by the student body in the national income distribution increases an institution's expected graduation rate by .75% (holding other things constant). This makes sense because students coming from upper-income households have a greater ability to pay for higher education. Thus, if a student body becomes wealthier (as indicated by the incomes of students' home households rising) and collectively moves up 10 percentiles in the national income distribution (say, from the 50th percentile to the 60th percentile), then we predict a 7.5% increase in that school's graduation rate.

Analogously, a 100-point increase in the midpoint SAT average on a campus translates to a 5.7% increase in that campus's graduation rate. We also can predict that a 5% absolute increase in the number of community college transfers coming to a four-year institution will reduce that campus's graduation rate by 1.69%.

It should come as no surprise that just two factors (SAT and HHINC) by themselves explain about three-quarters of the variability in graduation rates at Virginia's four-year colleges and universities. Put differently, if we know the average academic preparation of students as a group, and we also know the annual income level of the average student household, then we can explain about 75% of the ups and downs in graduation rates for first-time, full-time students within six years after they initially matriculated. The tendency for this to hold true has caused some to argue that American higher education no longer is a vehicle that reduces inequality within our society, but rather has shifted to become a mechanism by which inequalities are accentuated.²³

Table 3 presents data showing the actual graduation rates of Virginia colleges and universities and in parentheses any difference between that rate and our predicted rate. Thus, for Virginia Commonwealth University, its actual graduation rate (67%) and our predicted rate are identical.

One should not make too much of small differences between our predicted graduation rates and the institutions' actual graduation rates. However, Southern Virginia University, an independent institution located in Buena Vista that enrolls about 1,000 students, reports a graduation rate

²³ Among many, see Jillian Berman, "Higher education essentially preserves intergenerational racial and class inequality: How coronavirus could make it worse," MarketWatch (June 12, 2020), www.marketwatch.com/story/how-the-coronavirus-pandemic-could-create-a-ticking-time-bomb-that-worsens-racial-and-income-inequality-in-higher-education-2020-06-11.

of 31%, a massive 25% below the value we predict based on the incomes and SAT scores of its students, its proportion of full-time students, etc. Quite simply, by our metric, SVU is underperforming and should investigate why this is true. Mary Washington's -13% and Ferrum's -11% underperformances also should be matters of concern to those campuses.

In Mary Washington's case, a substantial 29% of each entering class transfers out of the institution (the highest rate among the public institutions in our sample).²⁴ It behooves UMW to find out why. Students entering UMW emanate from households whose incomes rank on average in the 79.6th percentile nationally²⁵ and their SAT midpoint score was a very respectable 1,174 in 2018-19.²⁶ Ordinarily, such data translate to much higher graduation rates. If we knew nothing other than the income percentile and SAT midpoint score for UMW, already we predict a graduation rate of 72 for it, rather than its actual 65.

At the other end of the spectrum, Regent University's +11% performance, Virginia Tech's +10% showing, Longwood University's +9% performance and Marymount University's +8% achievement should prompt other schools to attempt to ascertain what these institutions are doing right. Not all "best practices" are transferable from one campus to another, but many are.

Regent University provides an interesting and probably distinct example. The institution's student body does not reflect either especially high household incomes or lofty SAT scores. Four things stand out at Regent, however. First, it is an inexpensive institution whose net cost of attendance is the second lowest among accredited four-year independent institutions in Virginia. Second, 61% of its undergraduate enrollees are 25 or older; the average in our 36-institution sample is only 10.9%. Presumably these more mature individuals have made firm life choices and also have the ability to pay for college. Third, Regent advertises that it is a "Christ-centered" institution.²⁷ Those who do not find this congenial likely do not enroll at Regent. Those who do are more likely to

have firm career plans in mind and might choose to pursue, for example, a B.A. degree in Christian ministry or a degree in a discipline such as psychology or government that is tailored to enable them to exercise their faith. Regent students are motivated toward a goal. Fourth, Regent has made a strong commitment to distance learning. This helps students who otherwise might choose to drop out for family reasons to continue through to graduation.

Finally, let us focus our attention on the four HBCUs in our sample: Hampton University, Norfolk State University, Virginia State University and Virginia Union University. Though the average graduation rate at NSU, VSU and VUU collectively is only 34.3%, none of their performances can be labeled as disappointing given the six factors previously outlined. Indeed, VUU exceeds its expected graduation rate by 5%.

Hampton University represents a different situation. Along with HBCUs such as Howard University, Morehouse University and Spelman University, HU is considered among the HBCU elite. Its 66% graduation rate, which compares favorably to Virginia's non-HBCU institutions, signals one of the reasons why. HU, however, also enjoys a \$280 million endowment thanks to the fundraising prowess of its soon to retire president, William Harvey.²⁸ By itself, this places HU in a different class from all but a few other HBCUs in terms of the resources available to it.

Beyond higher incomes and SAT scores, there does not appear to be a magic elixir that consistently generates high graduation rates. There is modest evidence that institutions that spend proportionately more on instruction enjoy higher graduation rates and also that Black students in particular benefit from having Black role models on their campuses. Increased levels of state appropriations per full-time equivalent student do not appear to be related to graduation rates. Higher levels of expenditures on intercollegiate athletics act as a drag on graduation rates, as do increasing proportions of expenditures on student services.²⁹

24 College Navigator.

25 Opportunity Insights.

26 College Scorecard.

27 www.regent.edu.

28 National Association of College and University Business Officers, "2020 NACUBO-TIAA Study of Endowments" (April 22, 2021), 2020 NACUBO-TIAA Study of Endowments.

29 This evidence is summarized and extended in James V. Koch and Omari H. Swinton, *Pulling Back the Veil: Assessing the Performance of Historically Black Colleges and Universities* (Johns Hopkins University Press, forthcoming).

TABLE 3

ACTUAL AND PREDICTED FIRST-TIME, FULL-TIME SIX-YEAR GRADUATION RATES FOR 36 VIRGINIA COLLEGES AND UNIVERSITIES, 2019

Public Institutions	2018-19 First-Time, Full-Time Six-Year Graduation Rate (Over/Underperform Predicted Value)	Independent Institutions	2018-19 First-Time, Full-Time Six-Year Graduation Rate (Over/Underperform Predicted Value)
Christopher Newport University	78 (+5)	Averett University	42 (-4)
College of William & Mary	90 (-5)	Bridgewater College	59 (+7)
George Mason University	71 (+0)	Eastern Mennonite University	58 (+1)
James Madison University	84 (+3)	Ferrum College	29 (-11)
Longwood University	75 (+9)	Hampden-Sydney College	68 (-4)
Norfolk State University	36 (-1)	Hampton University	66 (+2)
Old Dominion University	53 (-5)	Hollins University	66 (+2)
Radford University	55 (-5)	Liberty University	47 (-5)
University of Mary Washington	65 (-13)	Mary Baldwin University	38 (-5)
University of Virginia	95 (+1)	Marymount University	58 (+8)
Virginia Commonwealth University	67 (0)	Randolph-Macon College	68 (+1)
Virginia Military Institute	79 (+2)	Randolph College	51 (-6)
Virginia Tech	86 (+10)	Regent University	57 (+11)
Virginia State University	38 (-1)	Roanoke College	70 (+5)
		Shenandoah University	60 (+2)
		Southern Virginia University	31 (-25)
		Sweet Briar College	65 (+3)
		University of Lynchburg	58 (-1)
		University of Richmond	89 (-1)
		Virginia Wesleyan University	48 (-5)
		Virginia Union University	29 (+5)
		Washington and Lee University	94 (+2)

Notes: Because these are six-year graduation rates for 2019, this means that the students being measured began their studies as first-time, full-time students in fall 2013. UVA Wise is not included because data were not available. First-time, full-time graduation rates come from the U.S. Department of Education's College Navigator. The data for the predictive model come from the College Navigator (percent full-time and average net price), Opportunity Insights (household incomes), the U.S. Department of Education's College Scorecard (SAT scores) and the State Council of Higher Education for Virginia (community college transfer rates).

Economic Mobility

Institutions of higher education have long prided themselves on the vital roles they play in increasing the economic and social mobility of their students. Metaphorically, colleges and universities are said to open doors of opportunity and enable their graduates to climb the ladder of success. Valid or not, these notions have become important building blocks that help define how most Americans believe this segment of their society should operate.

Historically, there has been more than fluff attached to these metaphors. The City College of New York alone, for example, can boast such esteemed graduates as Colin Powell, Jonas Salk, Woody Allen, Henry Kissinger, Felix Frankfurter, Andy Grove, Ed Koch, Eli Wallach, Alfred Stieglitz, Faith Ringgold, Edward G. Robinson, Bernard Baruch, Ira Gershwin, Upton Sinclair, Kenneth Arrow, Abraham Maslow, A. Philip Randolph and Alan Dershowitz.

A single flagship state university, the University of California, Berkeley, boasts 29 Nobel Prize winners among its alumni, who include Steve Wozniak, Earl Warren, Gregory Peck, Jerry Brown, Daniel Kahneman, Robert McNamara, Jack London, Betty Friedan and Michio Kaku.

America's HBCUs have served as a wellspring for many individuals who have helped shape society. HBCU graduates include Martin Luther King Jr., Thurgood Marshall, Oprah Winfrey, Spike Lee, Toni Morrison, Alice Walker, Samuel L. Jackson, Marion Wright Edelman, Langston Hughes, Ralph Ellison and Booker T. Washington.

These are impressive lists, but the individuals on them are either old or deceased. Thus, it is legitimate to ask: Do institutions of higher education still provide the means to move upward in society? Are some institutions better at this than others? How do Virginia colleges and universities fare in this regard?

Opportunity Insights, which we mentioned earlier, has assembled an impressive database that tracks the earnings of individuals who attended

most colleges and universities in the United States. It is, however, limited to those born in the years 1980, 1981 and 1982, who subsequently attended college (presumably beginning about 1998 and extending through 2013). The focus is on the income such individuals earned in 2014. The earnings of any other persons in these individuals' households are not counted.³⁰

PUBLIC FOUR-YEAR INSTITUTIONS

Let's begin by examining the economic mobility performances of Virginia's four-year public institutions. Opportunity Insights uses the terminology "kids" to refer to former students in order to distinguish them from their parents. We will follow suit even though many hardly qualify as kids.

Column 2 of Table 4 displays the income percentiles in 2014 of kids who were born in 1980, 1981 and 1982. They may or may not have graduated and they may have earned subsequent academic degrees. They are assigned to the institution where they were registered the greatest number of years. One can see that the income percentiles range from 56.7 at NSU to 78.0 at Virginia Military Institute. The median value is the 64.5th percentile ranking for Old Dominion University and Radford University. Thus, by 2014, departing students at these two institutions had ensconced themselves within the fourth income quintile and had average individual incomes exceeding 64.5% of households.

However, as column 4 in Table 4 reveals, in only 6 of 15 possible cases was the income percentile of the kids higher than that of their parents when they entered college. NSU's 1.304 bulge of kids' incomes over parents' incomes means that by 2014, former NSU students were earning 30.4% more (in real terms) than their parents were earning years earlier when the students entered the university. VSU, with a kids/parents ratio of 1.249, also stands out in this regard.

The data in Table 4 appropriately might be construed as an advertisement for the transformative economic prowess of HBCUs. Both Norfolk State and Virginia State exhibit considerably more effectiveness in raising the relative economic status of their students than does the typical PWI (predominantly white institution) in the remainder of the population. The two HBCUs may indeed be doing a very good job in this regard; however,

30 Opportunity Insights.

when incomes are scaled 0 to 100 as we have done, it is a much easier task to achieve relative success if one starts at the lower end of that scale. Mathematically, it is difficult for W&M (where the parental income percentile was 81.4) to achieve large proportional gains.

Nevertheless, excepting VMI, the largest relative upward movements in the income distribution are found at the somewhat less selective institutions rather than at those institutions ranked among U.S. News & World Report's elite.

There is a racial context to this circumstance. Enrollment of minority students, especially Blacks, is far higher at the somewhat less selective institutions than at the elite. In 2018-19, the percentages of Black undergraduate students at W&M, UVA and Virginia Tech were 7%, 7% and 4%, respectively. At George Mason University, ODU and VCU, the respective percentages were 11%, 32% and 28%.³¹ Thus, far more Black students achieve their relative income gains at the somewhat less selective institutions.³²

The policy moral to this story is that the relative contributions of somewhat less selective institutions to the economic mobility of their former students usually are higher than those from more selective institutions. Further, since the less selective institutions admit far more students from lower-income households than the selective institutions, their total impact on economic mobility far exceeds that of the more selective institutions. The more selective institutions may do wonders for a small number of lower-income and some minority students, but as column 3 of Table 4 reveals, the representative undergraduate at these institutions comes to campus from an upper-income household. Contrast the 80.9th household income percentile of UVA students to the 61.4th income percentile of ODU students. This difference between the two is an entire income quintile and its impact is readily evident when one steps foot on these campuses and observes the students as they walk to and from classes.

³¹ College Navigator.

³² In absolute terms, however, their 2014 salary may be higher if they attended a more selective institution.

³³ College Navigator.

³⁴ College Navigator.

An additional way to frame the economic mobility analysis is to ask what happens to students who come to Virginia institutions from households in the bottom quintile (lowest 20%) of the income distribution. Where do they end up? Column 5 of Table 4 relies on Opportunity Insights data to supply the answer for students attending Virginia's public four-year institutions. At JMU, for example, students who come from the lowest 20% of the income distribution ended up in 2014 in the 64.8th percentile of the income distribution. At UMW, the leader in this regard, the comparable metric was 70.2%. These would be entirely praiseworthy performances if they applied to very many students on these campuses. In fact, a mere 1.27% of UMW's undergraduates come from the bottom quintile of the income distribution, while it is 1.85% at JMU.³³ Thus, few students actually benefit from these institutions' proficiency in moving them upward. By contrast, 7.1% of undergraduates at VCU emanated from the lowest 20% of the income distribution, while the number was 20.65% at NSU.³⁴ This means that the overall impact of institutions such as VCU and NSU on economic mobility is much larger than that at either UMW or JMU.

INDEPENDENT INSTITUTIONS

How do private (independent) institutions of higher education in Virginia fit into this picture? Table 5 tackles this issue by means of a sample that consists of 19 not-for-profit institutions and four for-profit private institutions.

Where the not-for-profit independents are concerned, in general the students come from families that have less income than those attending the publics (the 63rd percentile of the income distribution for the publics, but only the 56th percentile for the independents). This is a reality contrary to the expectations of casual observers.

Years later, students who attended Virginia's four-year public institutions were earning incomes that placed them in the 66.5th percentile nationally versus only the 62.7th percentile for the not-for-profit independents. The

differences are starker with respect to the for-profit institutions; their students subsequently earned incomes that placed them only in the 48.6th percentile. A representative four-year public institution, then, is more effective in providing an economic lift to its students than the typical independent institution, and the gap between the two is especially large when the comparison is with for-profit campuses.

To the extent that a sample of four for-profit institutions allows us to make any useful generalizations, we note that they tend to enroll lower-income students who subsequently do not rise as far upward in the income distribution as students attending either a public or an independent four-year institution. We will defer any discussions of federal student loan policies concerning for-profit institutions to another day.

COMMUNITY COLLEGES

Opportunity Insights publishes comparable data for community colleges, although the income connection between community colleges and their students is less firm because large numbers of these students ultimately transfer to four-year institutions. This means that either community college students end up being counted at the four-year institution, or the impacts of the four-year institution and the “transfer from” institution are mixed together. Hence, we have a lower level of confidence in the data reported in Table 6 than the data found in Tables 4 and 5.

Community colleges offer a badly needed low-cost alternative to the four-year institutions we have just profiled. Community colleges appeal to the income segments that most four-year institutions downplay or ignore. This is, however, a relative consideration. The average income percentile of the households of students attending Virginia’s community colleges is 50.7 – in other words, the middle of the income distribution. The comparable percentile for the four-year public institutions is 67.9, while it is 68.9 for the not-for-profit institutions. These percentile rankings underscore the fact that Virginia higher education leans in the direction of servicing those better off financially than those on the lower end of the scale.

Note that 16.1% of the student body of the representative Virginia community college come from households in the lowest quintile of the

income distribution, while another 19.5% emanate from the second income quintile. If there are citizens who are neglected or left out in American society, it is likely that these individuals are among them. It is at community colleges where the rubber meets the road in terms of society providing hope and opportunity. And, it is precisely such lower-income students who are being largely ignored by Virginia’s most prestigious institutions.

Even so, the community college alternative is not perfect. Community college students on average do not end up with earned incomes comparable to those enjoyed by students from the four-year institutions. Further, if they came to their community college campus from a household in the lowest 20% of the income distribution, their incomes do not increase to the same level as would be true at either the four-year public or independent colleges and universities.

TABLE 4

**MEASURING THE INCOME MOBILITY PROVIDED BY PUBLIC FOUR-YEAR COLLEGES AND UNIVERSITIES IN VIRGINIA:
OPPORTUNITY INSIGHTS DATA, 1980-2014**

(1)	(2)	(3)	(4)	(5)
Institution	Kids' Income Percentile	Parents' Income Percentile	Kids' Percentile Divided by Parents' Percentile	Kids' Percentile if Parents Were in the Lowest-Income Quintile
Christopher Newport University	61.8	66.6	.928	55.9
College of William & Mary	72.1	81.8	.881	66.9
George Mason University	69.4	69.4	1.000	68.4
James Madison University	70.5	79.5	.886	64.8
Longwood University	62.6	71.6	.875	59.8
Norfolk State University	56.7	43.5	1.304	54.3
Old Dominion University	64.5	61.4	1.050	62.7
Radford University	64.5	69.4	.929	59.1
University of Mary Washington	67.4	79.6	.846	70.2
University of Virginia	75.7	80.9	.936	69.5
University of Virginia's College at Wise	62.2	54.4	1.143	57.2
Virginia Commonwealth University	61.0	64.7	.942	58.9
Virginia Military Institute	78.0	74.1	1.053	67.4
Virginia Tech	73.2	76.4	.959	69.6
Virginia State University	57.2	45.8	1.249	53.6
Averages	66.5	67.9	.999	62.6

Sources: Opportunity Insights and author calculations

TABLE 5

**MEASURING THE INCOME MOBILITY PROVIDED BY INDEPENDENT FOUR-YEAR COLLEGES AND UNIVERSITIES IN VIRGINIA:
OPPORTUNITY INSIGHTS DATA, 1980-2014**

(1)	(2)	(3)	(4)	(5)
Institution	Kids' Income Percentile	Parents' Income Percentile	Kids' Percentile Divided by Parents' Percentile	Kids' Percentile if Parents Were in the Lowest-Income Quintile
NOT-FOR-PROFIT				
Averett University	58.5	54.4	1.07	54.9
Bridgewater College	64.1	65.4	.98	52.2
Eastern Mennonite University	60.1	66.1	.91	44.8
Emory and Henry College	62.1	62.5	.99	52.3
Ferrum College	59.1	56.9	1.04	51.1
Hampden-Sydney College	72.8	79.4	.92	68.2
Hampton University	65.3	61.6	1.06	60.6
Hollins University	56.7	71.1	.80	59.2
Mary Baldwin University	57.8	61.0	.95	57.0
Marymount University	64.0	64.0	1.00	56.8
Randolph-Macon College	68.9	78.0	.88	58.9
Randolph College	58.7	69.2	.85	48.8
Roanoke College	64.6	73.9	.88	65.2
Shenandoah University	60.5	68.8	.88	54.7
Southern Virginia University	45.9	65.1	.71	40.9
Sweet Briar College	60.2	72.6	.83	65.1
University of Richmond	75.3	84.6	.89	56.9

TABLE 5

**MEASURING THE INCOME MOBILITY PROVIDED BY INDEPENDENT FOUR-YEAR COLLEGES AND UNIVERSITIES IN VIRGINIA:
OPPORTUNITY INSIGHTS DATA, 1980-2014**

(1)	(2)	(3)	(4)	(5)
Institution	Kids' Income Percentile	Parents' Income Percentile	Kids' Percentile Divided by Parents' Percentile	Kids' Percentile if Parents Were in the Lowest-Income Quintile
Virginia Wesleyan University	59.8	64.9	.92	56.8
Washington and Lee University	76.9	88.8	.87	60.2
<i>Averages</i>	<i>62.7</i>	<i>68.9</i>	<i>.92</i>	<i>56.0</i>
FOR-PROFIT				
American National University	39.5	37.0	1.07	37.4
ECPI University	52.7	46.3	1.14	48.1
Sanford-Brown College	47.6	41.6	1.15	44.0
Strayer University	54.4	48.0	1.16	50.7
<i>Averages</i>	<i>48.6</i>	<i>43.2</i>	<i>1.13</i>	<i>45.0</i>

Sources: Opportunity Insights and author calculations

TABLE 6

**MEASURING THE INCOME MOBILITY PROVIDED BY VIRGINIA COMMUNITY COLLEGES:
OPPORTUNITY INSIGHTS DATA, 1980-2014**

(1)	(2)	(3)	(4)	(5)
Institution	Kids' Income Percentile	Parents' Income Percentile	Kids' Income Percentile Divided by Parents' Income Percentile	Kids' Income Percentile if Parents Were in Lowest-Income Quintile
Blue Ridge Community College	52.5	56.3	.932	51.1
Central Virginia Community College	51.3	54.5	.942	50.0
Dabney S. Lancaster Community College	52.8	50.2	1.053	54.0
Danville Community College	50.4	47.8	1.055	48.5

TABLE 6

**MEASURING THE INCOME MOBILITY PROVIDED BY VIRGINIA COMMUNITY COLLEGES:
OPPORTUNITY INSIGHTS DATA, 1980-2014**

(1)	(2)	(3)	(4)	(5)
Institution	Kids' Income Percentile	Parents' Income Percentile	Kids' Income Percentile Divided by Parents' Income Percentile	Kids' Income Percentile if Parents Were in Lowest-Income Quintile
Eastern Shore Community College	47.0	33.8	1.388	47.4
Germanna Community College	54.0	62.1	.869	52.4
J. Sargeant Reynolds Community College	51.1	55.5	.921	48.9
John Tyler Community College	52.1	59.4	.876	49.0
Lord Fairfax Community College	54.0	57.9	.932	51.6
Mountain Empire Community College	42.2	39.7	1.065	42.2
New River Community College	51.2	55.3	.925	46.9
Northern Virginia Community College	57.5	62.1	.926	56.3
Patrick & Henry Community College	46.7	42.9	1.093	44.0
Paul D. Camp Community College	48.5	46.3	1.047	48.9
Piedmont Virginia Community College	52.3	55.8	.936	50.7
Rappahannock Community College	51.0	49.0	1.041	50.8
Richard Bland College	53.7	62.9	.853	54.6
Southside Virginia Community College	46.2	37.9	1.219	44.0
Southwest Virginia Community College	45.1	40.1	1.124	43.9
Thomas Nelson Community College	50.1	52.1	.962	48.6
Tidewater Community College	51.0	52.2	.976	49.5
Virginia Highlands Community College	47.1	45.2	1.043	46.3
Virginia Western Community College	49.7	54.0	.921	48.7
Wytheville Community College	47.9	44.6	1.075	42.4
Averages	50.2	50.7	1.01	48.8

Sources: Opportunity Insights and author calculations

Policy Considerations

Disparities among the institutions outlined in this chapter have caused more than a few observers to conclude that American higher education in general and its elite institutions are now the source of “the problem” rather than part of the solution. The problem we highlight here is one that involves increased economic inequality and reduced economic mobility. Georgetown University’s oft-cited Center on Education and the Workforce labels the failure of some to understand what has been going on in higher education as the “Merit Myth” and presents data to argue that today “our colleges favor the rich and divide America.”³⁵ While we agree with this general critique, a less strident reading of the evidence is that most highly ranked campuses today gradually have become more economically and racially segregated due to a combination of federal and state policies, coupled with certain societal changes.

With respect to state policies, in states such as Virginia the existence of independent governing boards for each public institution of higher education has allowed these institutions to go their own way with respect to admission policies, financial aid, the self-describing narrative they present to the public and, sometimes, even their mission. This has resulted in some campuses becoming substantially segregated in terms of student income levels and race. This evolution elicited a harsh critique in a recent report by the Education Reform Now think tank.³⁶

By way of illustration, the Education Reform Now report noted that five of the 15 public universities in the United States with the lowest percentage enrollments of Pell Grant students are located in Virginia – JMU, VMI, CNU, UVA and W&M. On the other hand, in terms of the percentage of students who come from households in the highest-income quintile, W&L leads the nation at 81.34%. W&M has the highest percentage of any four-year public institution, at 69.82%. UVA is second among the publics at 68.39%, while UMW ranks third at 65.29% and JMU is fourth at 64.48%.³⁷ Virginia is distinctive among the states for the economic (and

often racial) stratification it has allowed to occur in its public system of higher education.

Whatever the causes of this stratification nationally and in Virginia, the traditional higher education task of providing opportunities for economic mobility has been largely forfeited by the elite and now falls substantially within the provinces of the community colleges and larger public urban institutions (GMU, ODU and VCU fill this bill in the Commonwealth). It is they who effectively now carry the economic mobility torch. If Virginia hopes to skirt destructive class and racial conflicts in the future, then it will be its community colleges and large urban institutions that will have to carry the proverbial ball forward. This does not preclude changes in behavior on the part of other institutions, but most have exhibited only marginal interest in doing so.

But what if the Commonwealth of Virginia dispensed state appropriations more visibly based on which institutions are at the forefront of fighting economic inequality? What if SCHEV annually published data showing both the relative and absolute contributions to reducing economic inequality made by each institution? What if the current batch of remarkably amorphous portions of the Code of Virginia that are supposed to guide Virginia’s colleges and universities were amended to make the restoration of economic mobility an identified higher education priority? What if boards of visitors then began to evaluate and compensate presidents at least partially on the basis of their success in mobilizing their campuses to be part of the emerging solution instead of a recurrent source of the problem? Rather than something new and daring, properly interpreted, these developments would constitute a clear-headed return to once cherished values.

It is time we view Virginia higher education through a different, more discerning lens.

³⁵ Anthony P. Carnevale, Peter Schmidt and Jeff Strohl, *The Merit Myth: How Our Colleges Favor the Rich and Divide America* (New York: The New Press), 2020.

³⁶ Michael Dannenberg, “De Facto Segregation in Virginia Higher Ed,” Education Reform Now (April 12, 2021), <https://edreformnow.org/blog/de-facto-segregation-in-virginias-higher-ed-system>.

³⁷ Opportunity Insights.

