



PARTHENON

# Parthenon-EY Education Forum Higher Education

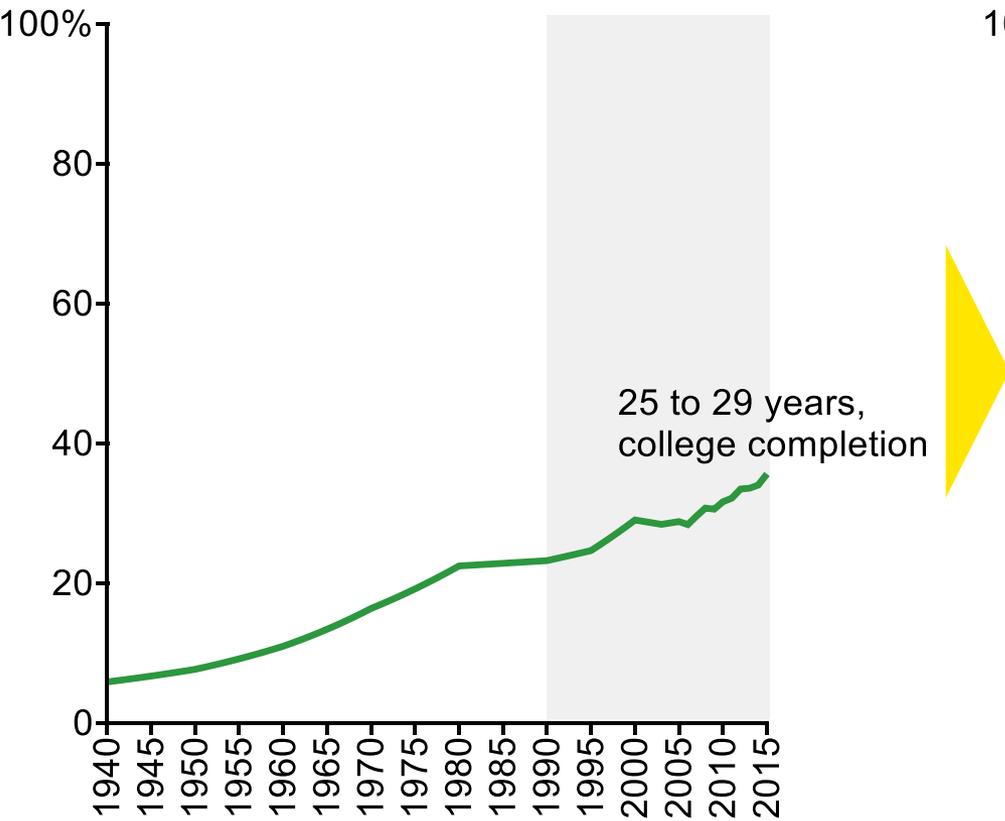
Fulfilling the promise of higher education for  
students across all income levels

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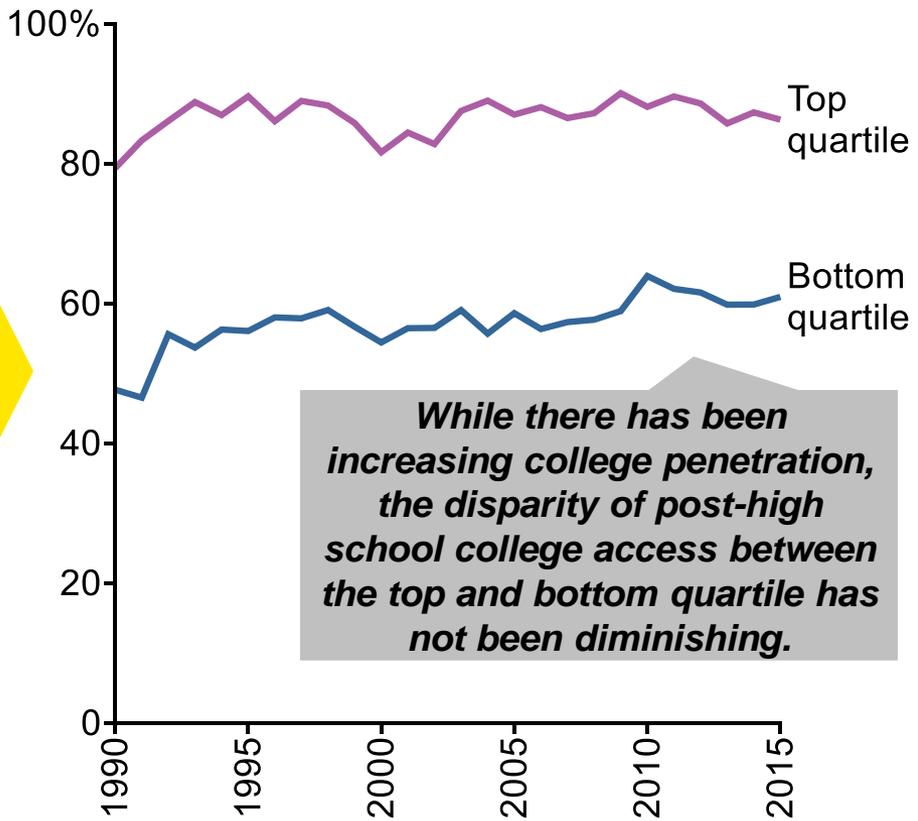


# Even though the percentage of the population who completed college has been rising steadily, the inequality of post-high school college access persists

**Percentage of the 25- to 29-year-old population with bachelor's degree or higher**  
*Selected years 1940–2016*



**Post-high school college access for top and bottom family income quartile students**  
*1970–2015*

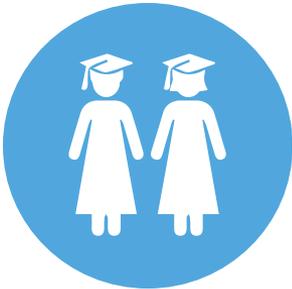


Note: College completion data is not available for years prior to 1964; The High School Graduates College Continuation Rate is the percent of 16- to 24-year-old high school graduates who entered a postsecondary educational institution of any type.

Source: US Census Bureau; Pell Institute "Indicators of Higher Education Equity in the United States – 2016 Historical Trend Report"; NCES

# Thought experiment: What would it cost to provide higher education to all high school graduates who are not enrolled in college in 2016?

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If all **948k** 2016 high school graduates\* who are not enrolled in college enrolled in a top 50 private institution



It would cost **~\$93 trillion** to support their average net tuition through college\*\*, roughly **5x** US GDP

Note: \*Data refers to persons who graduated from high school in January through October 2016; \*\*Assuming graduation in four years  
Source: Bureau of Labor Statistics; NACUBO tuition discount survey; NCES; Parthenon-EY analysis

# Discrepancies in the return on higher education exist between high-income students and low-income students at colleges across the US



In general, a college degree continues to be valuable and provides an additional ~\$1m in lifetime earnings over a high school degree

Bachelor degree provides a **~2x** earnings premium over a high school diploma.



But not everyone can access this benefit; children of families in the bottom two income quartiles are much less likely to attend or be able to afford college ...

For the bottom income quartile, average net price of tuition is **>80%** average family income.

**INCOMPLETE**

... and when they do, they are less likely to graduate or achieve career income able to lift them out of lower income status

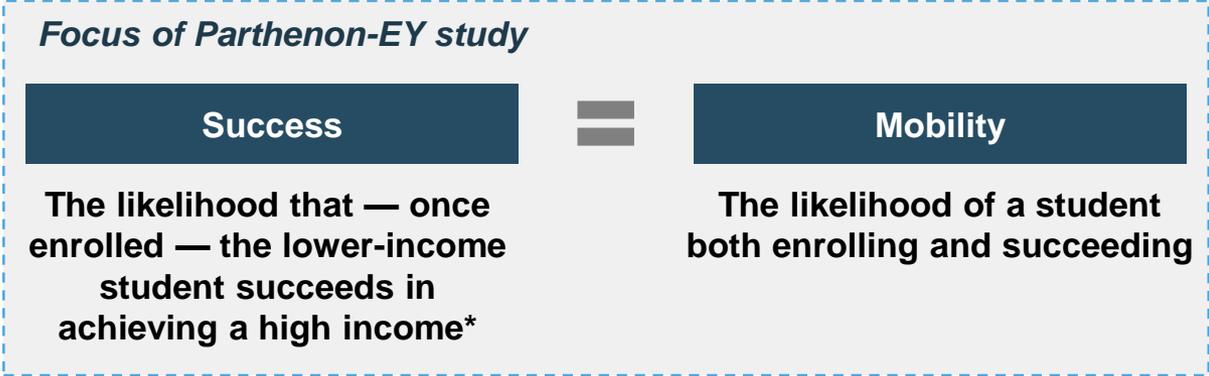
Only **21%** of low-income/1st generation students graduate in 6 years compared to **57%** of non-low income/non-1st generation students.

**As a result, some have begun to question whether pursuing higher education is actually worth it for low-income students.**

# Certain institutions outperform in channeling students from low-income families to long-term financial success

The Equality of Opportunity Project by Stanford economist Raj Chetty ranks the performance of US institutions in providing:

**Accessibility**  
The likelihood that a student with a lower income enrolls in the college



**Parthenon-EY study: Fulfilling the promise of higher education for students across all income levels**

*Analyzed public data and interviewed presidents and provosts within ~10% of the institutions top ranked in “success” and “mobility” to identify **primary drivers, common strategies and actionable leading practices.***

\*High income, in this case, means that the student is in the top quartile of the income distribution of all students in his or her age cohort.

# “Success” institutions focus success efforts on enrolled students, as indicated by their high-touch, supportive environments

## Top 100 success institutions

Top 100 success institutions are primarily large, private, not-for-profit institutions.

- ▶ **83%** private not-for-profit
- ▶ **83%** are in cities or large suburbs
- ▶ **~12k** average total enrollment

These institutions offer a nurturing environment and extensive academic support once students are in the door.

*When comparing to the average institution of similar sector and size:*

- ▶ **>90%** have higher 6-year graduation rate and/or full-time retention rate
- ▶ **78%** have lower student-to-faculty ratio

They could improve by increasing the number of low-income students that get through the door to begin with.

- ▶ On average, only **5%** students come from families in the bottom **20%** of income
- ▶ **94%** charge higher tuition and fees than the average institution of similar sector and size

*Are these high-touch environments sustainable and scalable for larger impact?*

# “Mobility” institutions, on the other hand, focus efforts on getting students to enroll, as evidenced by their aid policies

## Top 100 mobility institutions

Top 100 mobility institutions are primarily large, public institutions and are highly concentrated in large cities.

- ▶ **73%** public
- ▶ **87%** in cities or large suburbs
- ▶ **~17k** average total enrollment

These institutions dedicate funds to providing financial support to enable low-income students to enroll.

- When comparing to the average institution of similar sector and size:*
- ▶ **81%** have higher % of undergrads with Pell grants
  - ▶ **70%** have higher % of undergrads with grants/aid

To improve mobility, institutions could focus on improving student success outcomes, such as graduation rate.

- ▶ **68%** have lower 6-year graduation rate than the average institution of similar sector and size

*What does it take to improve the return on higher education for everyone to better **get low-income students in the door, through to graduation and beyond?***

# High performing institutions prioritize low-income student success by focusing on four critical areas to get students into, through and beyond college

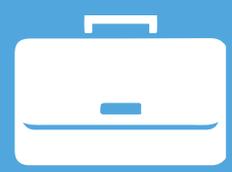
 All high-performing schools mention serving low-income students as a priority, with 56% having it as **core to their mission** and 44% having it as one of their **top 3 priorities**.



**College affordability**



**Networks of support and engagement**



**College and career readiness**



**Self-confidence and sense of belonging**

**Into college**



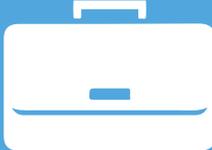
**Through college**



**Beyond college**



# They use these four critical areas to inform the design of targeted programming and initiatives, which yield the success and mobility outcomes that set these institutions apart

	Into college	Through college	Beyond college
 <p><b>College affordability</b></p>	<p>67% offer <b>customized financial aid</b></p>	<p>44% offer <b>emergency funding</b> to be able to keep students in school</p>	<p>41% mention <b>lack of debt</b> as a key determinant of long-term career success</p>
 <p><b>Networks of support and engagement</b></p>	<p>61% offer <b>low income student recruitment</b> programs</p>	<p>78% offer <b>advising/ counseling</b> tailored to low-income students</p>	<p>33% mention offering <b>alumni counseling relationships</b></p>
 <p><b>College and career readiness</b></p>	<p>61% offer <b>college readiness or adjustment programs</b> to impart study and organization skills and get students up-to-speed</p>		<p>88% have <b>career preparation integrated</b> into the college experience</p>
 <p><b>Self-confidence and sense of belonging</b></p>	<p>67% offer programs engaging with <b>local area high schools</b></p>	<p>33% <b>fund and promote social clubs and mentorship opportunities</b> that enable students to connect with successful students or alumni of similar backgrounds</p>	

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Parthenon-EY joined Ernst & Young LLP on August 29, 2014. Parthenon-EY is a strategy consultancy, committed to bringing unconventional yet pragmatic thinking together with our clients' smarts to deliver actionable strategies for real impact in today's complex business landscape. Innovation has become a necessary ingredient for sustained success. Critical to unlocking opportunities is Parthenon-EY's ideal balance of strengths — specialized experience with broad executional capabilities — to help you optimize your portfolio of businesses, uncover industry insights to make investment decisions, find effective paths for strategic growth opportunities and make acquisitions more rewarding. Our proven methodologies along with a progressive spirit can deliver intelligent services for our clients, amplify the impact of our strategies and make us the global advisor of choice for business leaders.

## About Parthenon-EY's Education practice

Parthenon-EY has served as an advisor to the education sector since its inception in 1991. The Parthenon-EY Education practice — the first of its kind across management consulting firms — has an explicit mission and vision to be the leading strategy advisor to the global education industry. To achieve this, we invest significantly in dedicated management and team resources so that our global experience extends across public sector and non-profit education providers, foundations, for-profit companies and service providers and investors. Parthenon-EY has deep experience and a track record of consistent success in working closely with universities, colleges, states, districts and leading educational reform and service organizations across the globe.

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