Knowledge Gap: 7 in 10 Without College Degrees Don't Know Basics About Applying for Financial Aid

New Public Agenda survey finds high school grads are more doubtful about their financial futures than college grads, fearful of taking on debt for further education

NEW YORK -- Young people who only have a high school degree don't know much about how to start their college education, with seven in 10 unable to identify the standard federal financial aid form, according to a new survey by Public Agenda, a nonpartisan, nonprofit research and engagement organization. These knowledge gaps can be fatal hurdles for young people who already admit to doubts about their economic future and whether borrowing money for college is worth it.

In fact, young people with only high school diplomas are much less confident that they'll be financially secure than those with college degrees. Only 36 percent of high school graduates say it's "very likely" they'll be financially secure in their lifetime, compared to 55 percent of college graduates.

"If you don’t have as much education, if you don’t have as much training in your area, you find yourself on the outside looking in," said one high school graduate in a Washington, D.C. focus group.

"One Degree of Separation: How Young Americans Who Don't Finish College See Their Chances for Success," is the third in a series of Public Agenda surveys probing young people's attitudes on higher education and college completion. Sponsored by the Bill & Melinda Gates Foundation, the survey examined the views of more than 600 young adults, both those who completed either a college degree or postsecondary certificate and those whose highest educational credential is a high school diploma. Previous editions of the research revealed other critical hurdles that keep young people from completing their education, such as the difficulty of juggling school, work and family life; and the limited counseling many students receive.

"There's a jarring gap in optimism between young people who have a college degree in today's economy and those who don't," said Jean Johnson, director of Education Insights at Public Agenda and lead author of the report. "Even more disturbing, young people who don't get a credential beyond high school face a trifecta of barriers. They're more likely to come from poorer, less-educated families; they lack basic knowledge about the higher education system and employers; and many aren't convinced a college degree will pay off for them, especially if they need to borrow to get it."

Nationally, fewer than half of those entering four-year colleges complete a degree in six years, according to federal statistics. At community colleges, the numbers are even worse, with only 20 percent completing a two-year degree in three years.
It's not that young people with only a high school diploma haven't thought about getting further education: Nearly 4 in 10 of them say they've given "a lot of thought" to going back to school. But only 26 percent knew that "FAFSA" (Free Application for Federal Student Aid) was a financial aid form. Some 67 percent of college graduates could identify the form, the first step in getting not only federal student aid, but also scholarships.

"The first step in improving our country's college completion rate is understanding the full scope of barriers that exist. Some of Public Agenda's survey findings are counterintuitive, and they give us great insight into how we can tackle this problem," said Hilary Pennington, director of post-secondary success, Bill & Melinda Gates Foundation. "Although college completion is a complex issue, increasing awareness of the financial aid system is a straightforward solution that we can and should address."

“This important study confirms something we’ve long suspected,” said Lorelle L. Espinosa, director of policy and strategic initiatives at the Institute for Higher Education Policy (IHEP), and leader of the newly-launched National Coalition for College Completion. “The same lack of support and information that impedes college access also negatively impacts those in pursuit of college degrees. This study only reaffirms our Coalition’s goal to support promising practices within institutions, states and communities that are transforming the postsecondary experience.”

**Life on the Economic Edge**

Overall, those with only a high school education have a much darker view of their financial future:

- Only 4 in 10 high school graduates see their job as a "career," compared to 63 percent of college graduates
- Only 15 percent of high school graduates surveyed earned more than $75,000 per year, compared to 40 percent of college graduates
- Some 29 percent of high school graduates who are out of work strongly agree that "I may not be able to find a job in the next year or so" compared to 11 percent of unemployed college graduates

**Dubious About Debt for Higher Education**

Those who need further education the most are also the most doubtful about its value, and are particularly wary of going into debt to do it. Despite their anxieties, most young people without college degrees hold onto a belief that there will be other avenues open to them. Some 57 percent of those with only high school diplomas said there are many ways to succeed in the job market without a college education. By contrast, 55 percent of college graduates consider a degree “necessary for a person to be successful”.

"Perhaps because they think a degree is out of reach, these young people look for another route," Johnson said. "Rather than feeling bitter or hopeless, they believe that if they work hard, they'll be able to make it even without a degree."

In fact, neither high school grads nor college grads see getting a bachelor's degree from a state university as an unquestioned guarantee of financial security. A majority of high school graduates (68 percent) and college graduates (75 percent) agree that someone who graduates college and goes on to an advanced degree, like a law degree or Ph.D., is "very likely" to be financially secure. And on the other end of the scale, only 1 percent of all those surveyed say a high school dropout is very likely to be secure. But only about a third of both groups said
someone with an undergraduate degree from a state university is very likely to be secure, comparable to people who apprentice to a trade like carpentry or plumbing.

Almost nine in 10 of both high school and college graduates agree that students have to borrow too much money to pay for college. Among those with only a high school diploma, there's also a greater skepticism about whether that debt is worth it. Only 37 percent of high school graduates "strongly agree" that going college is worth it in the long run, even if you have to take out a loan. Some 54 percent of college graduates strongly agree.

The young people surveyed are also skeptical of the motives of higher education institutions. Some 71 percent of high school graduates and 65 percent of college graduates say colleges are "like most businesses and care mainly about the bottom line." Only 25 percent of high school graduates and 33 percent of college graduates say that colleges “mainly care about education”.

The complete report, including full survey details and methodology, is available at [URL].

**About the survey**

"One Degree of Separation" is based on telephone interviews with a nationally representative sample of 611 26- to 34-year-olds who have graduated high school, preceded by two focus groups. Interviews were done in English and Spanish from December 20, 2010 to January 25, 2011. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is ±4.5 percentage points.

**About Public Agenda**

Founded in 1975 by social scientist and author Daniel Yankelovich and former U.S. Secretary of State Cyrus Vance, Public Agenda's mission is to improve public problem solving through nonpartisan research, engagement and communications. Our main web site is PublicAgenda.org, and we're also at Facebook.com/publicagenda and @PublicAgenda on Twitter.

**About the Bill & Melinda Gates Foundation**

Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving people’s health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, it seeks to ensure that all people—especially those with the fewest resources—have access to the opportunities they need to succeed in school and life. Based in Seattle, Washington, the foundation is led by CEO Jeff Raikes and Co-chair William H. Gates Sr., under the direction of Bill and Melinda Gates and Warren Buffett.

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