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For both lower- and higher-income students enrolling in two-year postsecondary institutions, students' chances of completing an associate's degree or transferring to an in-state four-year institution within three years increased with higher ACT Composite scores.

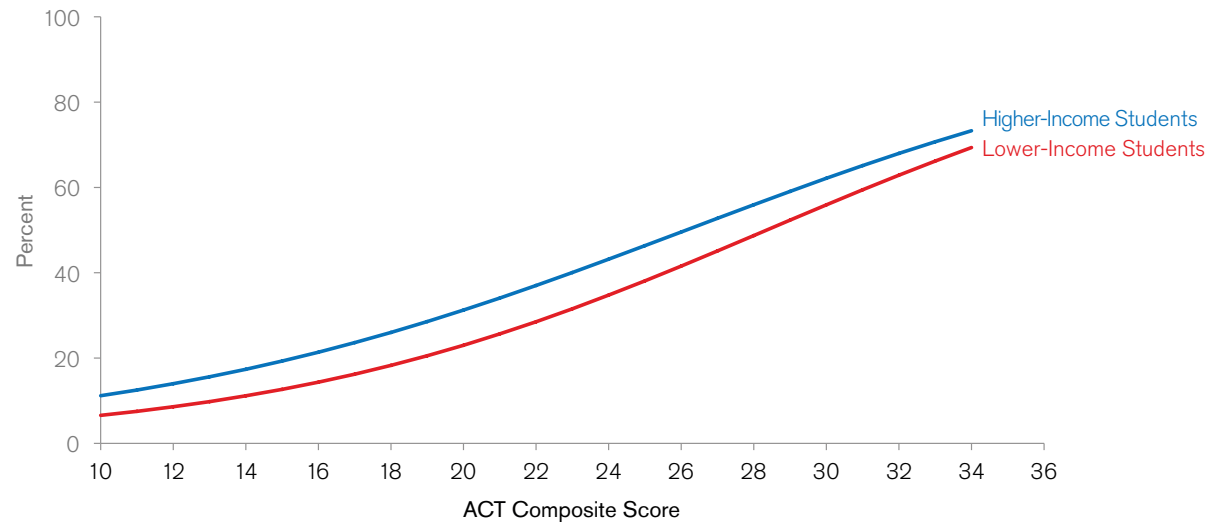
Differences in three-year rates of degree completion or transfer between higher- and lower-income students were reduced when students' academic achievement levels were taken into account.

Degree Completion or Transfer by ACT Composite Score and Economic Status

Among Students Enrolled in a Two-Year Postsecondary Institution

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Students' Chances of Completing an Associate's Degree or Transferring to an In-State Four-Year Postsecondary Institution within Three Years of Enrolling in a Two-Year Institution by ACT Composite Score and Family Income Range



Note: Students with a family income of less than \$30,000 a year are defined as lower-income students. Students with a family income of more than \$60,000 a year are defined as higher-income students. Results based on data from nearly 66,000 ACT-tested students who enrolled in a two-year postsecondary institution as new students in fall 2000 through 2006. Forty institutions from two state systems were represented. Degree completion from initial institution was tracked. For a more detailed description of the study, see [ACT Research Report 2013-5](#).

A recent ACT study¹ that included data from 40 two-year postsecondary institutions from two state systems found that the typical chances of completing an associate's degree or transferring to an in-state four-year postsecondary institution within three years was 13 percentage points higher for higher-income students than for lower-income students (30% versus 17%, respectively).

Although this gap decreased slightly, differences in degree completion or transfer rates between higher- and lower-income students persisted when students' academic achievement levels (as measured by Composite score on the ACT® college readiness assessment) were taken into account. For example, for students with

an ACT Composite score of 22, higher-income students had a 37% chance of degree completion or transfer, compared to a 29% chance for lower-income students.

These findings suggest that there are factors besides academic achievement contributing to differences in degree completion or transfer rates between higher- and lower-income students at two-year institutions. ■

¹ Justine Radunzel and Julie Noble, *Differential Effects on Student Demographic Groups of Using ACT College Readiness Assessment Composite Score, ACT Benchmarks, and High School Grade Point Average for Predicting Long-Term College Success through Degree Completion*, ACT Research Report 2013-5 (Iowa City, IA: ACT, Inc., 2013). http://www.act.org/research/researchers/reports/pdf/ACT_RR2013-5.pdf.