

# SOURCES OF UW-MADISON UNDERGRADUATE FAMILY INCOME DATA AND RECENT FINDINGS

## DATA SOURCES

1. **The ACT Test.** The ACT test, taken mainly by high school juniors and seniors, includes a question about “total family income”. **Advantages** include: 1) Income is available for a large proportion of freshmen; 2) Comparable income information exists for WI as a whole and for other UW institutions; 3) Income is available for applicants as well as for enrolled students. **Limitations** include: 1) Income is self reported by high school students; 2) Interpretation of “total family income” varies; 3) Because our applicants take the ACT at different times during high school, the reported income, even if accurate, might be from several different years; 4) Income is collected in ranges and the upper income range (\$100,000 and over) has no upper limit; 5) Incomes are most relevant for freshmen and not undergraduates as a whole; 6) Incomes are most relevant for WI residents, the group most likely to take the ACT rather than the SAT; 7) Approximately 1/3 of ACT testers do not answer the income question.

2. **The Free Application for Federal Financial Aid (FAFSA).** This is the application for financial aid used by universities in the United States. **Advantages** include: 1) Income is verified by tax returns; 2) Incomes are for the same year for all students; 3) Income is a specific dollar amount, rather than in ranges; 4) Income is available for undergraduates as a whole, rather than just freshmen; 5) Income is also available for non-residents. **Limitations** include: 1) Income is only available for students who apply for financial aid (approximately 50% of undergraduates) and 2) Income is not generally available for applicants because the financial aid process starts later than the admissions process.

3. **Census Block Matching.** This source of family income was recently tested by Professors John Witte and Barbara Wolfe in a study commissioned by John Wiley with funding from the Mellon Foundation (data set prepared by APA). This study attempted to remedy the deficiencies in ACT and FAFSA income information by using census block income information. Addresses of UW-Madison applicants were matched to a census block. Income from that census block was used as a proxy for applicant income. A second stage of this study will examine the enrollment patterns by family income.

## FINDINGS/ANALYSES OF FAMILY INCOME

### Wisconsin residents applying for freshman admission to UW-Madison come from families with above-average incomes

- This pattern not changed since 1972.
- Incomes of Wisconsin applicants are approximately 1.2 times the Wisconsin median.
- The income profile of admitted Wisconsin applicants is the same as that of all applicants, suggesting that UW-Madison is not losing low income students in the admission process.

Source: Census block matching from *Is the University of Wisconsin-Madison Becoming More Elite? A Partial Answer*, John Witte and Barbara Wolfe, 2009.

### Low income Wisconsin high school graduates are underrepresented in UW-Madison freshman enrollments

- In 2006, 20% of Wisconsin residents had incomes in the lowest income quintile compared to 8.9% of UW-Madison freshmen.
- In 2006, 20% of Wisconsin residents had incomes in the second lowest income quintile compared to 14.7% of UW-Madison freshmen.
- Compared to other UW institutions, UW-Madison has a lower proportion of students in the two lowest income quintiles.

Source: ACT data from *Enrollments by Family Income at UW System Institutions*, UW System Administration, 4/2008

### Low income Wisconsin high school graduates are less likely to apply to UW institutions (not UW-Madison specific)

- In 2004, Wisconsin ACT test takers in the lowest income quintile (incomes between \$0 and \$29,000) represented 15.5% of ACT test takers but only 13.1% of applicants to UW institutions.
- In 2004, Wisconsin ACT test takers in the second lowest income quintile (incomes between \$29,000 and \$47,000) represented 21.3% of ACT test takers by only 19.4% of applicants to UW institutions.
- Once these students applied, they were admitted and enrolled in proportion to their representation in the applicant pool.

Source: ACT data from *Stages to Enrollment at UW System by Family Income*, UW System Administration, 2/2006