



Graduation Rates:

The Stakes for Boards

BY THEODORE J. MARCHESE

AT BOARD MEETINGS, TRUSTEES scrutinize their institution's statistical indicators or "dashboard," which often constitutes the administration's brag sheet: "We brought in lots of new students and met our enrollment goals, so the budget looks good."



TAKEAWAYS

- 1 Boards typically consider various financial indicators to gauge the health of their institutions, but many should increase attention to another indicator—the campus's graduation rate.
- 2 Growing public attention to the need for more college graduates will increase pressure on campuses to improve the proportion of students actually graduating, but consistent attention over time will be needed to make a significant difference.
- 3 Even a modest increase in the graduation rate generates more alumni, with potential fund-raising payoffs—depending on the size of the institution—in the millions or tens of millions of dollars.

But there's one indicator—seldom bragged about—that trustees should pay closer attention to: graduation rates.

Up to now, public attention to these rates has been spotty at best. Colleges and universities have been required to report their graduation rates to the Department of Education for many years, but that information was tucked away in government databases that few trustees ever saw. That changed a bit in the 1980s when the NCAA began publishing graduation rates for football and basketball players compared with overall institutional norms. But most eyes, especially in the press, were on the athletes' numbers, not those of the general student body.

Earlier this decade, school-reform groups, embracing a "P-16" perspective and deeply concerned that high-school completion rates were edging down, noticed that the same thing appeared to be happening at the postsecondary

68.7 percent to 65.7 percent—between 2005–06 and 2007–08.

There was lots of press coverage last year when the Paris-based Organisation for Economic Co-operation and Development (OECD) released comparative postsecondary degree-attainment rates for its 30 member nations. Twenty years ago, the U.S. ranked first in the world; last year, it was 10th.

The New Public Agenda

Why, one might ask, have secondary-school graduation rates been an issue for decades while postsecondary rates were ignored? For years, it seems, high-school completion was widely seen as a necessary precondition to jobs and further education, whereas higher education was something we'd give students a chance at, but any success was up to them and the overall outcomes at the postsecondary level seemed good enough. Kevin Carey

paper last fall calling American colleges and universities "failure factories" and decrying the "free pass" they had gotten for their poor completion rates. Carey bemoaned "the strange and dangerous idea that [postsecondary] institutions bear little responsibility for how much their students learn or whether those students earn degrees. Until that changes ... the best work of K-12 reformers will come to naught."

This past winter, the Indianapolis-based Lumina Foundation released a study showing that the U.S. should be producing 800,000 more college graduates every year. It set a goal of helping to increase the proportion of the population with a two- or four-year degree from today's 39 percent to 60 percent by 2025. In Seattle, the Gates Foundation announced a five-year commitment of several hundred million dollars to double the number of low-income students who earn

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level. One group, the Education Trust, began calling attention to that fact and in 2005 came up with the powerful idea of dredging those Department of Education databases to compile a Web-based display of completion rates by college, over time, compared with their peers. Suddenly, any trustee—or parent or reporter or legislator—could click on almost any college or university by name and see the facts. The picture often wasn't pretty.

People also began noticing that the American College Testing program—best known for its freshman admissions test—had been tracking national graduation rates since 1983. In that year, 58 percent of all full-time, first-time freshmen graduated from their institution of entry within five years. By 2008, the rate had fallen to 52.5 percent. As an indicator of what may lie ahead, freshman-to-sophomore persistence fell three percentage points—from

of Education Sector, an education-policy think tank, sums up that public mindset: If a student dropped out of high school, it was the school's fault; if he dropped out of college, it was his fault. Thus, the country that said it had woeful high schools could also maintain it had "the best system of higher education in the world."

Over the past year, think tanks and foundations have beaten the drums about workforce preparation and the underperformance of students, their schools, and their colleges. The left-leaning Center for American Progress last summer called for a 28-percent increase in the share of young people who earn a postsecondary credential. "Students are not ready for college and colleges are not ready for students," it declared, adding that public policy should focus not just on access "but on ensuring people complete college degrees." A former Bush administration official, Mark S. Schneider, published a

a higher-education credential—a goal of 250,000 new degrees.

All this was the backdrop for President Obama's January 22 address to Congress in which he cited the OECD comparisons and set a goal for American higher education of producing the world's highest proportion of college graduates by 2020. Days later, Secretary of Education Arne Duncan stated that degree attainment—college completion—will be one of the department's three main postsecondary goals (along with increasing college affordability and accountability). In a March 10 address to the U.S. Chamber of Commerce, Obama cited studies showing that half of the fastest-growing occupations in America require at least a bachelor's degree, while 45 percent of all new jobs today require postsecondary education or training. His proposed budget includes \$2.5 billion to boost college completion.

Boards' Interests in Graduation Rates

As representatives of the public, boards should heed these developments and ask: What are the implications for my university or college? In thinking about that question, here are points to weigh.

First, from a board's standpoint, the present year's enrollment and budget certainly matter, but so must longer-term outcomes. A churning, in-and-out-the-door pattern of enrollment may satisfy this year's budget but hobble the institution's future. For example, a small college that produced just 50 more graduates a year would generate 500 new alumni over the decade, with fund-raising payoffs over their lifetimes potentially in the millions. For a larger university, a step-up in completion rates could produce thousands more alumni and tens of millions more in giving over time. For any institution, a robust, growing roster of alumni/ae is a college's greatest asset



Is the United States Really 10th in “Degree Attainment”?

Probably not. The comparative statistics on educational attainment published in 2008 by the Organisation for Economic Co-operation and Development—showing the United States in 10th place in the proportion of its population earning postsecondary degrees—are a mish-mash of self-reported, self-defined outcomes, according to Clifford Adelman, a noted higher-education research analyst formerly at the Department of Education and now at the Institute of Higher Education Policy.

Among dozens of examples of differences in reporting, the number-one country in attainment is said to be Canada, but our neighbors to the north count shorter-term certificates as a “degree,” thus inflating the totals. If the U.S. had counted certificates granted, we'd be number one.

A truer measure of workforce readiness is

not how the U.S. compares with Latvia or Korea but with its own needs. Economists estimate that by 2020 the U.S. will see a shortage of 16 million to 20 million “degree-prepared” workers—about the number of young adults who today report “some college.” That “some” cohort does not give us any of the teachers, engineers, agronomists, or high-tech entrepreneurs a competitive economy needs for growth.

Another indicator of educational shortfall lies in data from the National Assessment of Educational Progress (NAEP). Looking at all 24- to 35-year-olds in the U.S. population, NAEP concludes that one-third cannot read well enough to comprehend arguments in a *New York Times* editorial, while half can't do the math to balance a checkbook. That's under-preparation to worry about.

Overall degree-attainment rates in the U.S.—be we first or 10th—also overlook unacceptable disparities by income and

race. Just 8 percent of students from the lowest income quartile achieve a college degree versus 75 percent from the top quarter. Degree attainment among white and Asian students runs 10 to 15 percentage points higher than among African-American and Hispanic students, although progress has been made, with more than a few examples of campuses where this attainment gap among racial groups has narrowed or closed. The Bush and Obama administrations' attention to school performance and college affordability offers hope on the income front.

President Obama's new budget proposed an Access and Completion Incentive Fund that would support programs in eight states designed to help low-income students complete their college education. Some \$2.5 billion would be available for a five-year effort.

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over the years. That's a perspective trustees should bring to the table.

Related to this, trustees instinctively know that to whatever extent their institution is distinctive, values-driven, and making an impact on students, its full effects come to fruition only over four full years of a student's enrollment. Whatever magic the institution has, it is largely lost on an in-and-out set of students.

Trustees of colleges that have to work hard for their enrollment will recall another fact: It typically costs \$2,000 to \$3,000 to recruit a new full-time student but much less to keep the one you have. Every student who stays four full years means three fewer in-and-out freshmen to recruit.

expectations for that goal part of the president's annual review.

I say "reasonable expectations" because, as the Education Trust data show, any big change in graduation rates occurs only over time. Every college, right now, is perfectly set up for the results it achieves. What the retention research shows is that there are many steps a college can take that have positive, yet often modest, effects on persistence—everything from better advisement to improved affordability, from creative classroom approaches to a variety of intervention strategies with students. To make a significant difference over time, then, not just one thing but rather 10 things need to change or be

tion rates is that "all we need to do is lower our standards." Research shows the opposite to be true. First-generation students respond especially positively to high-expectation, high-support environments. Carey, citing national testing data, concludes that colleges can't have more student success without asking students to do more and criticizes colleges that "don't provide the high-quality teaching and support services that students need to meet the challenge."

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Boards should keep in mind, too, the dark underside of enrollment at their institution: A student who is recruited and enrolled, most often with a loan, but who later drops out can wind up in worse shape than if he or she had never enrolled—no degree, no job qualification or enhancement of earning power, but with thousands of dollars of new debt to handle. It happens a lot.

Not all dropouts are lost to higher education forever, of course; they may transfer or pick up their studies years later. Careful studies by higher-education analyst Clifford Adelman have shown that whereas, overall, 53 percent of students graduate from their home institution in six years, 68 percent eventually wind up with a degree. But those who complete elsewhere will, of course, be somebody else's alumni donors, not yours.

An Agenda for Boards

What can boards do that would help make a difference? An obvious step would be to see that hiking graduation rates becomes a priority on the institutional agenda. Set a goal; insist on a plan; fund it as needed; track it by term and year. Make reasonable

done better, which can happen only with priority setting and sustained leadership.

One of higher education's most listened-to retention researchers, Syracuse University's Vincent Tinto, recently summarized decades of findings by urging institutional leaders to "stop tinkering at the margins of institutional academic life and make enhancing student success the linchpin about which they organize their activities."

The biggest determinants of students' success in college turn out to be characteristics the student brings (or not) to campus: A student with good academic preparation, realistic goals, and adequate financial support is much more likely to persist. But colleges are hardly without leverage when it comes to academics, goal-setting, and student support. As the Education Trust's comparisons show, there are plenty of examples of campuses that have put a priority on student success and realized gains of five, 10, or even 20 percentage points in their graduation rates. Again, it takes determined effort over time by a whole college to achieve such gains, but they are possible.

One canard about hiking gradua-

literature has built up around what works in student retention, allowing boards to ask: What are our academic and student-affairs professionals doing with that knowledge? What clues about student attainment might arise from the institution's own assessment efforts? From commonly administered questionnaires of student satisfaction and engagement? From exit interviews in the financial-aid office? From tracking transcript requests in the registrar's office?

Another source of information for boards—this has proved valuable in scores of institutions—is the institutional-research office. Studies that look at students who persist in their education versus those who leave, broken down by demographic group, often prove telling. Sometimes a whole campus has less of a problem with persistence in general than with identifiable subgroups of students: more problems retaining males than females, for example, or problems retaining certain athletes, out-of-state students, the very ablest or least-prepared students, or those with the shakiest finances. Such analyses can prompt focused questions and follow-up efforts with potentially high payoff.

Another useful lens is to examine institutional policies for their impacts on persistence. Boards may find policies that tilt toward initial enrollment, for example, but not persistence: a housing policy that puts freshmen in the nicest residence halls but shunts sophomores off to the local housing market, or financial-aid awards that are high at entry but flat-lined for the next three years, creating a gap in financial support that grows and grows.

All board committees can be mindful of the ways in which seemingly discrete problems ultimately impact persistence at the institution. A buildings-and-grounds committee should heed the connection between dormitory conditions and students' decisions to return. Within a student-life committee, trustees might monitor data on the



presence of student alcohol abuse, race- or gender-based misbehavior, or poor overall morale to effects on retention. Similarly, if a campus's results on the National Survey of Student Engagement (NSSE) show only modest levels of student engagement with academics and campus life, they are a tip-off of troubles ahead.

Finally, since many of the obstacles to students' continuing their education are financial, boards should look at the best uses of scarce aid dollars and seek ways to supplement them when possible. At Atlanta's Spelman College, trustees have raised funds—in \$10,000 chunks—to come to the aid of juniors and seniors whose changed family circumstances or high loan burdens would otherwise make their graduation from Spelman impossible.

Looking Ahead

We've seen that a sea shift has occurred in the way the policy community and government look at college-completion rates; that those rates, like those for high schools, have been headed in the wrong direction; that perhaps a third of today's young people are not attempting or succeeding at the education they need; and that, in President Obama's words, today's high-school and

Resources

● American College Testing organization (ACT, Inc.) has long been a leader in retention resources. See www.act.org for 2008 Retention/Completion Summary Tables and data running back to 1988, with break-outs by institutional type and control. Valuable, too: "What Works in Student Retention," a 25-page compilation of student-services practices drawn from research literature and its own surveys by ACT staffers Wesley Habley and Randy McClanahan.

● Association of American Colleges and Universities (www.accu.org). For a 36-page document focused on academic practices, see "High-Impact Educational Practices: What They Are, Who Has Access to Them, and Why They Matter," written by George Kuh of Indiana University, founder of the National Survey of Student Engagement.

● Education Trust, www2.edtrust.org, provides a powerful resource for locating and comparing graduation rates. Click on "data tools," then on "college results online," enter the name of the institution of interest, and see how that campus compares with the four other campuses (statistically) most like it. Scroll down for a 15-institution comparison, then for changes among them over a 10-year time frame.

● Lumina Foundation, www.lumina.org, provides a February 2008 report, "A Stronger Nation Through Higher Education: How and Why Americans Must Meet a 'Big Goal' for College Attainment." This includes a succinct, seven-page statement of the problem, followed by state-by-state, county-by-county breakdowns of educational attainment by age groups.

● U.S. Department of Education, www.ed.gov, provides a variety of resources, including the proposed Access and Completion Incentive Fund.

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college dropout rates are a "prescription for economic decline."

Clearly these shifts pose huge tasks for all P-16 educators—expectations for institutional and system performance have never been higher. Follow that logic and ask: What new policy initiatives may come down the pike? Performance-based funding at the postsecondary level? State funding for graduates instead of for the sheer number of students enrolled? New accountability measures for colleges and universities? ("Accountability" and "transparency," not just degree completion, are today's watchwords.) National learning standards like those the Bologna Process is developing for European universities?

In whatever direction this set of con-

cerns moves, boards can ask right now: How can my campus get smarter and better at educating all of the students it enrolls? Do that and the world will beat a path to your door. ■

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T'SHIP LINKS: George D. Kuh, "Seven Steps for Taking Student Learning Seriously," May/June 2005. Kati Haycock and Paul E. Lingenfelter, "Are Graduation Rates a Fair Way to Hold Institutions Accountable for Their Performance?" September/October 2004. Betsy Barefoot, "Taking Longer to Graduate." May/June 2003.