

GRADING HIGHER EDUCATION

Giving Consumers the Information They Need

Prof. Bridget Terry Long, Ph.D.
Professor of Education & Economics
Harvard Graduate School of Education

December 3, 2010

The Problem

- While beneficial and important, higher education is an expensive investment
 - It can be risky:
 - Less than 60% at 4yr colleges graduate within 6 years (grad rates are less than 10% at some schools)
 - Students suffer with high debt levels and default
 - Current tools have incomplete information with little about student outcomes after college
- Consumers need **better information** to address low awareness, misperceptions, and to help them sort through their options and avoid “bad” schools

The Proposal

1. The Federal government should expand the information collected with an emphasis on student outcome
2. Package the information in more usable ways
3. Actively disseminate the information to potential students where they live, study, and work
4. Take the lead in implementing, coordinating, and assembling the needed information;
5. Implement procedures to audit the information and continuously improve delivery

Key information for consumers: *The college scorecard*

COSTS AND AFFORDABILITY MEASURES

Total cost of attendance
Avg net price for low-income students
Avg net price for all students
Avg debt for graduates
Loan default rate

THE COLLEGE EXPERIENCE

Expenditures on instruction, academic supports, & student services / student

The Institution's Rates

- 1st-to-2nd year retention
- Six-year graduation rate

Rates of Similar Peer Institutions

- 1st-to-2nd year retention
 - Six-year graduation rate
-

POTENTIAL BENEFITS AND RETURNS

Employment rate within six months of graduation
Salary information for graduates 1 year and 5 years after completion
Alumni satisfaction rate

The Goals & Potential Benefits

- Catch the attention of potential students with clear information
- Give better indicators of affordability and success for different kinds of students
- Help potential students find better matches and maximize the chances for success
- Would result in better outcomes for students and better use of taxpayer dollars for society
- Increase pressure on colleges and universities to make improvements to their services