

Higher Education Productivity in the “New Era of Responsibility”

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Thank you. And thanks to the Consortium for inviting me here today. It's good to be back on my home turf. As some of you may know, I grew up right here in north-central Connecticut, in Manchester, and still return to the community regularly to visit family.

Don't worry. I won't subject you to the formative tales of my youth. No endearing anecdotes ... no recollections of those character-building winter afternoons delivering my hometown newspaper ... though I must confess it would feel even better if this were late June rather than late January!

It also feels good to be here at Capital Community College. I have a previously untold connection to Capital, and that is that as an overly ambitious high school student, I actually took a non-credit class—on a topic I confess I can't even recall—at what was then called Greater Hartford Community College. While I may not remember the subject matter, I remember well the commitment of the faculty and students with whom I interacted, and the obvious importance that the institution

had, and clearly continues to have, on Hartford and the surrounding communities.

More important than my own modest connection, however, is the fact that Capital is an institution with which Lumina Foundation has vital linkages. Thanks to funding from our partners at the Nellie Mae Education Foundation, Capital is one of three Connecticut community colleges that participate in Achieving the Dream, a national student success initiative that Lumina launched in 2004. I'll talk more later about Achieving the Dream because it fits squarely into the topic I've been asked to address this afternoon: ways to foster student retention and success, particularly among underrepresented students.

But before I delve too deeply into that topic, perhaps I should provide some background for those who may be unfamiliar with my organization. Lumina Foundation, a private foundation established in Indianapolis in 2000, is the nation's largest foundation focused exclusively on college access and success. We have more than a billion dollars in assets, and last year we paid out about \$53 million in grants. That's a significant amount, but as you all are aware, it's a drop in the bucket compared to needs and challenges that bedevil higher education.

That's why, in addition to our grants budget, we at Lumina try to use a variety of tools as we work to increase college success rates, particularly among underserved student populations. We support important research that can assist college leaders and faculty and can inform and influence policymakers. We use our printed and Web-based communications _ as well as our relationships with the media and the policy community _ to advocate for positive change. Also, Lumina Foundation aims to serve an important convening role, bringing together interested stakeholders to address the many issues that affect college access and success.

We do all of these things in pursuit of one specific aim _ what we call our "Big Goal." At Lumina, our Big Goal is this: **By the year 2025, we want 60 percent of the American population to hold high-quality, two- or four-year college degrees.** Note that I said "high-quality" degrees _ a very important point, and one that I'll come back to a bit later. For now, though, let's focus on that 60 percent figure. That number represents a sizable increase over the current degree-attainment rate of 39 percent. That national rate has remained stagnant for nearly 30 years _ and that's a real problem.

A generation ago, 39 percent was fine. In fact, it was good enough to give the United States the best-educated population in the world. Well, those days are long gone. According to the latest figures from the Organisation for Economic Co-operation and Development, our nation now ranks well below other industrialized countries in the percentage of young adults who hold college degrees. We've been stuck in the same place for nearly three decades. Meantime, developed nations in Europe, Asia, and the Americas are sprinting ahead — working in different and innovative ways to significantly increase their attainment levels. We must do the same _ and we can't afford to wait.

Now, Lumina doesn't call its target a "Big Goal" for nothing. We know that 60 percent degree attainment is very ambitious. In fact, to get there, this nation will have to produce 16 million *more* degree holders than are expected at the current 39 percent rate. The good news is that it doesn't have to cost us a lot more to educate a greater share of the U.S. population. Our nation already spends significantly more than the average industrialized nation on a per-student basis. Better, wiser investments can indeed lead to better results.

But we certainly need to work harder — and faster — than we've been working so far. In short, we need to increase the productivity of our higher-ed system, because we feel very strongly that this is a goal we must achieve. In fact, as ambitious as the 60 percent attainment rate might seem, we believe it is the minimum required to meet three compelling national needs:

- The first need is to reach international benchmarks for college attainment, and thereby return the United States to a world-class level of global competitiveness.
- The second compelling need — and one that has taken on even more urgency in light of our nation's economic crisis — is to meet the growing demand for a well-prepared and adaptable workforce.
- The third need is to close achievement gaps for underrepresented students.

This last compelling need — closing those pernicious and persistent gaps in student achievement — is what we're focused on here today. We need to focus on it. In fact, we at Lumina feel that all of higher education must focus on it.

The math is clear: If we hope to the 60 percent goal, achievement rates among the nation's underserved students will have to rise dramatically. Demographic trends make that fact inescapably obvious. That means we must find ways to ensure that every American has the opportunity to succeed in higher education, especially those from groups that today are grossly underrepresented or face particular challenges _ low-income students, students of color, first-generation students, working adults.

Disparities in educational attainment are, at their core, affronts to our nation's commitment to social justice. When we say higher education has become the only reliable path into the middle class, this has implications far beyond mere earnings potential. We all know that higher education can transform lives for the better. To take that a step further: We believe higher education also can transform society for the better. College matters; it's that simple. Statistics show that college degree holders earn more, save more and produce more in their lifetimes. They're happier, healthier, and they even live longer. They pay taxes; they're more likely to vote, volunteer, give blood, support charity, and take on leadership roles in their communities.

Clearly, the consequences of not earning a degree are increasingly dire, and these consequences are sure to fall disproportionately on

underrepresented students, those who face the highest barriers to success.

But it's not just about earning A degree. Remember what I said about "high-quality" degrees? It's not sufficient for us to increase the number of degree holders by the quickest and simplest means possible. That might make the numbers look better, but it won't get us anywhere. It won't help individual students, and it certainly won't help us as a nation. As the subprime mortgage mess has shown us with brutal clarity, there's a very important difference between perceived worth and genuine value. Our students need degrees that have – and can demonstrate – real value. That's why a focus on learning outcomes must go hand in hand with our efforts to improve retention and graduation rates. At Lumina, we believe it's vital that institutions define high-quality learning outcomes in clear, measurable ways, and then help their students achieve those outcomes. Institutions must offer high-quality courses and programs that meet the needs of students, the workforce, and society in general; and institutions must also support the success of students as they work toward their goals.

Unfortunately, it's difficult to determine whether institutions are providing high-quality courses _ or ably assisting their students _ largely because schools collect limited data on the students' learning outcomes.

Without a clear definition of quality learning, and lacking student-performance data that can be shared and compared, how can we identify the approaches that improve learning outcomes and ensure the results we need?

That's why Lumina supports national efforts that encourage institutions, systems and states to establish clear learning outcomes, to help their students reach those outcomes, and to be transparent and accountable about their performance of those tasks. We're interested in initiatives that focus on institutional accountability for student learning: the Collegiate Learning Assessment, the National and the Community College Surveys of Student Engagement and others. They all attempt to ensure a standard of educational quality that we must maintain _ and even increase _ if we hope to position our nation and its citizens for success in the global economy.

We at Lumina have no doubt that the American people can meet that challenge. And we believe strongly that the nation's higher education system can and should be Americans' most important ally in that effort. In fact, we communicated those ideas recently in a memo to President Obama's transition team. In that December memo, Lumina offered to partner with the federal government, states, employers, labor, our peer organizations in philanthropy, the higher-education community _ and

with all who are committed to increasing college access and success. We also laid out four basic policy efforts that we feel should be pursued at a national level:

- The first step: **Make the development of human capital a cornerstone of U.S. economic policy.** To do this, we as a nation must significantly increase the production of high-quality college degrees, we must make postsecondary education more responsive to workforce needs, and we must expand college opportunities for adult learners. One way to accomplish all of these things is to strengthen the nation's community colleges _ to assist them in their efforts to improve the success rates of their students. And that's the purpose of Achieving the Dream, a data-driven effort to improve student success at more than 80 colleges in 15 states _ including three here in Connecticut: Capital, Housatonic and Norwalk Community College.
- The second policy effort mentioned in the memo: **Make sure that every child is prepared for success in postsecondary education.** This means that K-12 standards must align with those at the college level. Also, students and families must get all of the information they need to plan for college success, and they must get that information early _ before eighth grade.

- The third policy effort: **Define student outcomes for postsecondary education, including expectations for completion and for learning.** It is critical that colleges and universities clearly define high-quality learning outcomes, help their students achieve those outcomes, and accurately track their own and students' performance in that effort. Increased productivity of truly valuable degrees and certificates is vital in the world we now confront.
- Fourth and finally: **Approach college affordability in new ways.** To do this, we must dramatically simplify the financial aid process, we must use tax policy _ including progressive 529 plans _ to benefit low-income students, and we must boost institutional productivity _ particularly by improving data systems so the link between costs and results can be seen more clearly.

There's that word again: productivity. It sounds so ... businesslike, so "bottom line"-oriented. It's probably not a word you automatically associate with the ideals and values that drew you to a career in higher education. And yet, productivity is not inconsistent with the loftier goals of academia. In fact, I would argue that it is a vital means to realizing those goals.

Our research has found a surprising level of agreement in the academy about what productivity means, how it applies to higher education and the problems related to measuring it. In simplest terms, productivity is what you get out of an activity per unit of input. On campuses, the most common inputs are time and effort employed by faculty and staff as well as buildings, equipment, and assets (such as endowments). Usually, these inputs are measured in dollars — that is, the money it takes to cover salaries, incidentals and overhead. Clearly, student time and effort help determine output, but they are rarely included as inputs, because they are tougher to measure.

The most common outputs are teaching, measured as credit hours taught or degrees conferred; research, measured in terms of articles, books, awards and citations; and service, measured in various ways that affect the community, the academic professions or society at large.

While the inputs are similar to those of most organizations — essentially labor and capital — it is the nature of the outputs that distinguishes higher education from other enterprises. The problems inherent in measuring productivity in higher education generally focus on the inability to measure output. The most-recognized measurement problem

occurs when higher-ed cannot account for the quality of outcomes. Two schools could be teaching or graduating the same numbers of students, but one school's students could be learning more, getting better jobs, contributing more to society or even ending up happier.

Furthermore, some of the tangible and intangible benefits of a college course or degree accrue to society at large, not necessarily to the student or to the graduating class. The benefits of a more informed electorate, law-abiding neighborhood or culturally tolerant community can sometimes be directly attributable to things learned in college. These benefits, therefore, should be considered output, but they often cannot directly be accounted for.

However, there are many things that we can measure and manage. That's why, at Lumina, we believe compiling and analyzing the right data are essential to improving higher education. Every institution needs to do some basic things like track the enrollment, progression and completion of students by race/ethnicity, income and age. Every institution should define and report learning outcomes in a manner that allows the value added by institution to be easily discerned. I would even argue that every state should have a student-unit record system that

combines K-12, higher-education and employment data. These systems should permit cross-state tracking and analyses. Data that show how institutions are performing should be public and broadly disseminated. Taking these steps will allow us to more precisely measure productivity gains.

Of course, some in the academy fear that the calls for increased productivity will dilute the quality of higher education or result in a one-size-fits-all approach to college. You may very well harbor these fears yourself. But such fears are not always well-founded. In fact, model programs have shown that containing costs can be an effective strategy for serving greater numbers of students.

For example, you may be familiar with the series of pilot studies by the National Center for Academic Transformation. The studies concluded that, among 30 institutions that redesigned popular introductory courses by making smart use of technology and by engaging professors more efficiently, 25 of them significantly improved their learning outcomes and reduced educational costs. These experiments, underwritten by the Pew Charitable Trusts, showed success at institutions as diverse as Ohio State University and Riverside Community College in California.

Researchers found that Web-based systems for managing coursework, online tutorials and automated quizzes and tests could save money by decreasing the number of times students have to repeat courses.

In addition, the University of Tennessee found it could increase student enrollment in a basic Spanish course by pairing experienced instructors with graduate teaching assistants and making better use of online technology. The university was able to cut the cost per student by 74 percent, from \$109 to \$28, using methods that would be considered quite conventional in higher education today.

Other creative approaches also are emerging. The California State University system instituted a college-readiness exam that gives high school juniors a clear picture of where they stand. The Florida Community College system's Proficiency Examination Program enables students to test out of certain courses and graduate faster. And, under the leadership of Chancellor Brit Kirwan, the University System of Maryland has taken a series of innovative steps to boost institutional efficiency. These efforts _ sparked by budget cuts, but involving faculty, staff and student councils every step of the way _ have helped the Maryland system hold in-state tuition steady for several years.

So there are new and better ways for colleges and universities to do what they do _ innovative and cost-efficient methods that serve students well, meet immediate workforce needs, AND address the nation's broader societal and economic concerns. And even more new ideas are likely to emerge from the grant partnerships that Lumina recently formed with 11 states participating in Lumina's Making Opportunity Affordable initiative. These one-year grants, totaling more than \$1.6 million, will enable states to develop and implement policy changes that can help institutions deliver high-quality education to greater numbers of students. In coming years, even larger Making Opportunity Affordable grants will be available to help these states and institutions put their innovative ideas into practice.

We at Lumina believe the time is absolutely right to pursue these new ideas. Certainly, the need is urgent. There are millions of students who want and deserve every chance to succeed _ and we as a nation very much need them to succeed.

No one here would deny that our system of higher education faces significant, persistent problems in its efforts to foster and ensure equity.

The gap between Americans with college degrees and Americans without college degrees has always been far too wide. And it's getting wider. This is a complex, national problem that requires a comprehensive, national response. We all must mind the gap. Getting people into college and helping them stay through graduation is essential to our collective well-being. And this is especially true for traditionally underserved students — those in groups that represent a rapidly growing percentage of the nation's population. Closing the achievement gap isn't just the right thing to do, it's also the smart thing to do _ for all Americans.

For these reasons, we must be productive. We have to join forces and identify ways in which we can do our work in higher education more efficiently and effectively. The savings achieved from those improvements in effectiveness and efficiency must, in turn, be deployed to serve more students. If we fail to take bold, immediate steps to expand educational opportunity for all Americans, we increasingly risk a reduced standard of living and a weakened society.

Clearly, it won't be easy to take bold steps, given the current fiscal and economic realities here in Connecticut and in other states. But if the challenges of prior economic slowdowns have taught us anything, it's

that the absence of new money can prompt or enable new action that wouldn't otherwise be possible. So, I hope you'll view the current fiscal climate as an opportunity to develop and implement visionary approaches on your campuses. In fact, I bet you're already doing that _ and I look forward to hearing about some of those approaches in the question-and-answer session that will follow my remarks. After all, part of our role at Lumina Foundation is to help communicate good ideas, to help them spread so that the student-success mission is more broadly shared.

At Lumina, we are driven by that mission because we believe higher education carries a fundamental power to change lives, drive the economy, and benefit society. Those are transcendent ideals, and they have compelled us to commit ourselves to that ambitious goal of 60 percent attainment of high-quality two- and four-year degrees among the U.S. population. Obviously, this is not a goal we can reach alone. We need your help and your commitment, and we need to work together.

Just a few days ago, our new president asked us all to embrace what he calls "a new era of responsibility," reminding us that "we have duties to ourselves, our nation, and the world." In closing, I ask you: What better way to usher in this new era ... what better way to fulfill our duties ...

than to seize the challenge before us and make student success a widespread, nationwide reality?

Thank you very much for listening today. I look forward to your questions.

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