

# Ranking and Rewarding Access: An Alternative College Scorecard

HEATHER COLLINS, SHAWN M. JENKINS, NIKA STRZELECKA

RESEARCH TEAM

MARYBETH GASMAN, NICOLE WANG, THAI-HUY NGUYEN

**In August 2013, President Barack Obama outlined his Plan to Make College More Affordable.** He noted that average tuition costs at public 4-year institutions increased by more than 250% over the past 30 years, while median family income grew by only 16% within the same time period (The White House, Office of the Press Secretary, 2013b). With the average undergraduate loan debt exceeding \$26,000, Obama pointedly described the situation as a “crisis in terms of college affordability and student debt” (The White House, Office of the Press Secretary, 2013b, para. 41).

According to Martha Kanter, then U.S. Under Secretary of Education, President Obama intends “to combat rising college costs, encourage colleges to improve their value, and empower students and their families with information to make informed decisions about which college to attend” (Kanter, 2013, para. 3). Establishing the College Scorecard as a basis for institutional comparisons is a cornerstone of the Administration’s educational reform efforts, and the Administration plans to use the information contained within the Scorecard to create a ratings system that will eventually be tied to federal funding.

The U.S. Department of Education created the College Scorecard to provide students and their families with increased transparency about institutional costs and outcomes. However, measuring and comparing institutions based upon simplified data points is problematic. Certain institutions, most notably those that serve underrepresented student groups, are presented less favorably than others.

Recognizing the challenges posed by general performance categories, the Department of Education is attempting to make the Scorecard more complex and consider more factors when listing outcomes for institutions. In this report, we consider how Historically Black Colleges and Universities (HBCUs) fare on the Scorecard in its current form. After describing the College Scorecard and the Administration’s proposed college and university ratings system, we take a closer look at the metrics, making careful note of the fine print and explaining how the data may be misleading in some cases. We then examine HBCUs’ performance on the Scorecard and their anticipated performance on the ratings system, and recommend changes that will convey the strengths of HBCUs and other institutions that serve underrepresented, first-generation, and/or low-income students. We conclude by proposing an alternative Scorecard and rating system that would provide students with more comprehensive information about college costs and outcomes, and we address how this personalized system would benefit not only students but institutions and the federal government as well.

## THE COLLEGE SCORECARD AND PROPOSED RATING SYSTEM

The College Scorecard is an interactive online data tool that provides consumers—students and their families—with access to institutional profiles. After inputting the name of an institution or searching for an institution using the Scorecard’s search criteria, four metrics are presented. The data used to populate these metrics are taken from two U.S. Department of Education data repository systems: the Integrated Postsecondary Education Data System (IPEDS) and the National Student Loan Data System (NSLDS).

### THE COLLEGE SCORECARD: THE METRICS



**COSTS:** the average net price that undergraduate students pay per year, after accounting for grants and scholarships that need not be repaid. The metric is based on the cost of attending college during the 2010-2011 academic year. This portion of the Scorecard also provides two links:

- **College Affordability and Transparency Center** on the Department of Education’s website. Here, students and their families can compare the current net costs of attending a range of institutions, as well as the rate of cost increases at those institutions over the preceding academic years.
- **Net Price Calculator**—an online tool colleges and universities are federally required to make available that allows individuals to estimate their cost of attendance at that particular institution.



**GRADUATION RATE:** the percentage of students at the institution that complete their bachelor’s degree within 6 years. This information is based on first-time undergraduate students who enrolled full-time, meaning that it does not include all students, such as transfer students and those who take longer than 6 years to graduate.



**LOAN DEFAULT RATE:** the percentage of students that defaulted on their federal student loans within 3 years of graduation.



**MEDIAN BORROWING:** the median amount of federal aid borrowed by students while attending a given institution. The figure provided indicates the average monthly federal loan payments that must be made over a 10-year term, and includes all undergraduate federal and parent PLUS loans.



**EMPLOYMENT:** the Department of Education is in the process of compiling data for this metric to provide information about the average earnings of students who attended the institution *and* borrowed federal student loans. The planned inclusion of this metric speaks to the Administration’s commitment to increasing consumer awareness of and institutional accountability for the long-term net value of a specific educational path.

---

By making this information readily accessible to the public in the form of transparent and easily comparable metrics, the Obama Administration strives to help students and their families make more informed decisions about which college or university to attend. A key hope is that, through increased access to data regarding costs and outcomes, students and their families will be empowered to choose the institutions that will provide students with the best educational value for their financial investments. By making better decisions, students and their families will be less likely to overextend themselves financially and, consequently, will be less likely to dropout or default on their loans (The White House, Office of the Press Secretary, 2013b).

## PROPOSED COLLEGE RATING SYSTEM

The College Scorecard is just one prong of President Obama’s “Plan to Make College More Affordable.” The Scorecard in and of itself may provide consumers with valuable information and increase transparency, but the Administration’s ultimate goal is to unveil a college rating system that provides uniform measures for students to make informed decisions about selecting a college or university to attend. The strategy behind introducing a standardized, government-sponsored rating system is to incentivize better institutional performance by guiding students to schools that are more successful at graduating students, and rewarding those institutions for achieving results (The White House, Office of the Press Secretary, 2013a).

Currently, leaders from the Department of Education are “traveling across the country to host open forums, town halls, and roundtable meetings to gather suggestions” (Kanter, 2013, para. 8) for structuring the proposed rating system. The Administration hopes to enact the ratings system by the 2015 academic year. President Obama has also proposed tying the ratings to federal financial aid by 2018 (Hechinger & Runningen, 2013).

One key tenet of this proposed ratings system is its consideration of college value, as President Obama discussed in his remarks at the University of Buffalo (The White House, Office of the Press Secretary, 2013b). Assessments of value will be made between colleges with similar missions and will be based on parameters such as access, affordability, and graduation outcomes (The White House, Office of the Press Secretary, 2013a). The Obama Administration’s plan also includes measures to encourage innovation and healthy competition among institutions, as well as to promote state-level higher education reforms that emphasize greater value and decreased cost (The White House, Office of the Press Secretary, 2013a).

## CRITICISMS OF THE SCORECARD AND PROPOSED COLLEGE RATING SYSTEM

Despite the seemingly transparent and well-intended evaluation strategies employed by the Obama Administration, the White House College Scorecard has received sharp criticism from many influential stakeholders.

### Misleading Metrics

While the Scorecard, according to President Obama, is meant to help students and their families “compare schools based on a simple criteria—where you can get the most bang for your educational buck,” the metrics have been called “too simplistic” and consequently “misleading” for consumers who know little about the complexities of each metric (The White House, Office of the Secretary, 2013c, para. 40). Access to accurate knowledge is particularly salient for low-income and first-generation college-bound students. For this population, typical college student mistakes could mean the difference between graduating on time and not graduating while accruing massive debt. This is especially the case for students considering HBCUs because these institutions serve large numbers of low-income and first-generation students. According to Walter Kimbrough, president of Dillard University, a historically Black private university in New Orleans, Louisiana, the Scorecard indicates a 24% graduation rate for his university. While accurate, this data point does not account for the impact of Hurricane Katrina, which took place weeks after the start of the semester. Hurricane Katrina struck the Gulf Coast on August 29, 2005, and as students from institutions in the New Orleans area fled the storm and transferred to other colleges around the country, the retention and graduation rates for these New Orleans colleges were negatively affected. The graduation rates currently reflected in the Scorecard are of these displaced classes of students. Also not considered are the years of rebuilding that continues to take place on campuses that also may continue to influence enrollment. The Scorecard does not account for major disasters beyond the control of institutions. As Kimbrough explains, “numbers without context... have damaged our efforts to recruit strong students” (email correspondence, April 29, 2014). While these oversimplified data points will have an impact on families in different ways, students and families with significant knowledge gaps about the college process might make college decisions based on misleading information.

*“The problem with the rating system in general is that they are just numbers without context which oversimplifies our performance... it presumes Harvard and Dillard start at the same place when we don’t.”*

WALTER KIMBROUGH,  
PRESIDENT, DILLARD UNIVERSITY

The cost metric, for example, is misleading. The average cost is calculated by “the average yearly price actually charged to first-time, full-time undergraduate students receiving student aid at an institution of higher education after deducting such aid” (Archibald & Feldman, 2013, para. 2). Simplifying the cost to a single, averaged numerical value means that a low-income family who may qualify for a full or near-full financial aid package (either through institutional and state or federal support) could be led to believe that their cost would be higher than reality. This “sticker shock” could cause low-income families to avoid “expensive” institutions, even though such institutions might actually end up costing less than lower-priced institutions after all financial aid is factored in. Similarly, high-income families may be led to believe that their cost would be lower than reality; this misleadingly low figure may cause them to miss out on identifying more affordable schools.

There is also a concern that institutions would try to manipulate the data, or change student aid drastically, to favor the institution and disadvantage students. They could do this by taking advantage of the fact that the metric is calculated using *only* students who receive financial aid, leaving out students who pay the full sticker price. Consider this example offered by Archibald and Feldman: College A, an institution with a \$40,000 sticker price, has five students, four of whom pay full tuition and one who receives a full scholarship. College B, which also has five students and a \$40,000 sticker price, distributes its financial aid evenly among its students (\$8,000 per student). “Even though both institutions have the same \$40,000 budget for financial aid, the Scorecard would show us that the average net price for College B was \$32,000,” while College A would list an average net price of \$0 after only including the one student who received aid. Although the average net price is \$32,000 for both colleges, through data manipulation or admission practices that favor full-pay students, College A would appear to be a better bargain, while College B would appear more expensive (2013, para. 6). Since most students attending HBCUs receive some form of financial aid, HBCUs are more likely to look like College B than College A. If institutions manipulate data for a favorable representation, it could lead to decreased affordability for low-income families and students. “There are already lots of incentives for colleges to enroll more full-pay students. The federal government shouldn’t be piling them on” (Archibald & Feldman, 2013, para.9).

The rate metric may also mislead users. The graduation rate is represented by a stand-alone percentage and does not display the graduation rate of specific groups, although this information is available through IPEDS. Attrition rates are markedly higher within certain groups, specifically low-income, minority, and first-generation populations, many of whom attend HBCUs; the availability of this information is necessary for constructing a realistic and meaningful data set to inform consumers. Different groups of students graduate at different rates—as an example, the National Center for Education Statistics reports that in the 2009-2010 school year, the bachelor’s degree conferment rate for Black females was 68% while for Asian/Pacific Islander females it was 59% (National Center for Education Statistics, 2012d).

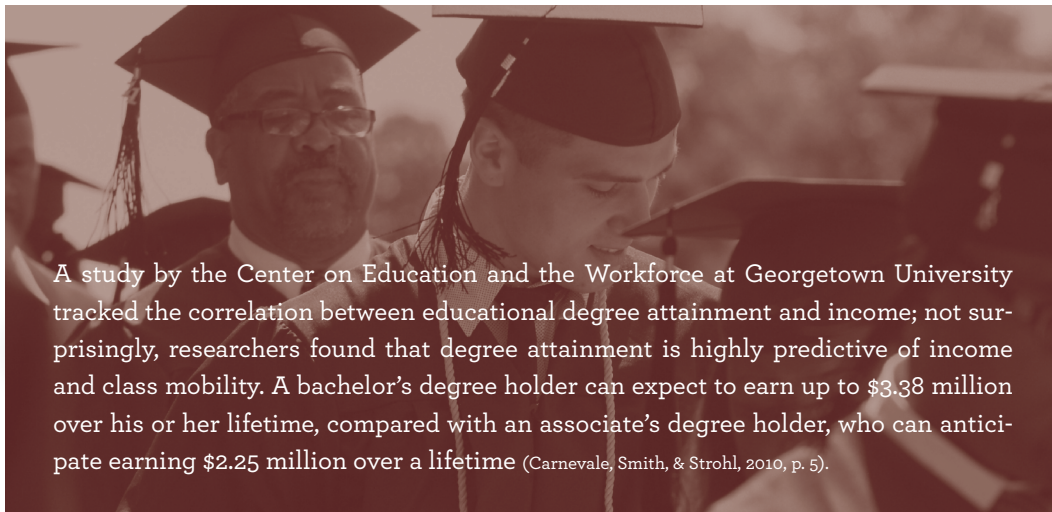
When comparing graduation performance at predominantly White institutions, variation also exists, demonstrating the discrepancy in providing only one rate for the entire college or university. At Auburn University, the graduation rate for all students is 68%; however, when evaluating only African American students, the graduation rate falls significantly to 44% (U.S. Department of Education, National Center for Education Statistics, 2013c). The graduation rate for African Americans at Tuskegee University, an HBCU in Alabama, is four points higher than at Auburn. Because the African American population is proportionally much larger at Tuskegee, the overall graduation rate is lower than at Auburn, but the current metrics on the Scorecard are unable to communicate this discrepancy in performance. Providing students with graduation data tailored to their background can better help students and families to evaluate the institution’s resources and ability to support and carry them through to graduation.

Additionally, the current metric is presented as a 6-year measurement rather than a 4-year measurement. Although “fewer than 60 percent of college freshmen graduate within six years,” they intend to complete their degree on time (Dechter & Morgan, 2012, p. 2). The lack of 2- and 4-year graduation data may mislead students who do not read the methodology section, or it may make the metric irrelevant to students who understand the metric but intend to graduate before the 6-year timeframe (Dechter & Morgan, 2012, p. 12).

### A Short-Term Perspective

The employment metric, in its attempt to measure employment rates, job types, and earnings, has bias against certain types of institutions. Technical and trade institutions are presented favorably, while institutions that mainly offer bachelor's degrees in the liberal arts do not fare so well. This is because graduates of technical and trade institutions generally receive high-paying jobs immediately after graduation, while students with bachelor's degrees receive lower paying jobs initially but will acquire more income over the course of their lifetimes—partly because students who graduate from liberal arts colleges are more likely to enroll in graduate and professional schools (Kiley, 2013). A study by the Center on Education and the Workforce at Georgetown University tracked the correlation between educational degree attainment and income; not surprisingly, researchers found that degree attainment is highly predictive of income and class mobility. A bachelor's degree holder can expect to earn up to \$3.38 million over his or her lifetime, compared with an associate's degree holder, who can anticipate earning \$2.25 million over a lifetime (Carnevale, Smith, & Strohl, 2010, p. 5).

As noted by Kevin Kiley of *Inside Higher Ed*, the White House College Scorecard focuses on short-term values and finance but “does not include information about learning outcomes, long-term student success or student satisfaction, factors that many in higher education say are equally valuable and are areas where institutions that value general education would likely perform well” (2013, para. 5).



### A Narrow Definition of Institutional Performance

Several stakeholders have criticized the ratings systems' definition of institutional performance. As mentioned previously, under the Obama administration's plan, in 2018 the federal government will begin linking its \$150 billion in student aid to a contested interpretation of institutional performance, represented by the White House College Scorecard. Examples of the proposals outlined by the White House include providing financial bonuses to institutions that graduate low-income students at high rates and requiring institutions with high attrition rates for low-income students to disperse refunds over the semester rather than as a lump sum at the beginning of the year.

The federal government's interpretation of institutional performance is grounded in the idea that all institutions with higher graduation rates are doing something better to help their students graduate than schools with lower graduation rates. The College Scorecard, however, does not account for student preparation. The most selective institutions, like the University of Pennsylvania, which in 2012 reported a 12.6% acceptance rate and a 87% 4-year graduation rate, are able to enroll the most prepared low-income students and graduate them at much higher rates than less selective institutions (*U.S. News and World Report*, 2013).

These conditions differ greatly from HBCUs, many of which have students with a wider range of academic abilities. At some HBCUs the only criterion for admission is a high school diploma or its equivalent. Some HBCUs offer both 2-year and 4-year programs. Institutions with lower graduation rates generally have fewer resources and a wider diversity of student ability but are expected to perform to an identical standard to more selective institutions: the inputs are different but the outputs are expected to be the same. Failing to consider student preparation and penalizing resource-strapped institutions is not an appropriate response to making college more affordable and successful in graduating students.

*“What is not being captured in this conversation is educational quality and how we preserve that... I think too much attention is focused on graduation rates as defined in a way that is passé.”*

DAVID WILSON,  
PRESIDENT, MORGAN STATE UNIVERSITY

In January 2014, the American Council on Education (ACE) issued a joint response to the proposed rating system that included more than 20 cosigning associations, among them the Thurgood Marshall College Fund and the United Negro College Fund (UNCF). The statement clearly communicates that these organizations do not support this rating system and questions whether determining quality based on a few quantitative measures is an appropriate role for the federal government. The comments go on to express concern over the rating system reinforcing the belief that higher education is a private good for the well-to-do. Arguing that diversity of mission and purpose among institutions is the strength of American higher education, ACE and the partnering associations recommended the Department of Education provide clear definitions for “value” and “affordability.” In addition, the organizations suggest providing a more thorough explanation of the methodology behind the metrics being used as well as addressing limitations of the data being used (Corbett et al., 2014).

The National Association for Equal Opportunity in Higher Education (NAFEO), which represents HBCUs and Predominantly Black Institutions, was included in the ACE response, but it also issued a separate statement. This second statement detailed areas in the federal rating system that could be improved. NAFEO highlighted the need for risk-adjusted metrics, called for greater consideration for institutions that increase access to underrepresented populations, and recommended giving increased consideration to the impact of the socio-economic background of students (Baskerville, 2014).

These institutions’ responses, as well as the other criticisms detailed in this section, highlight where the Scorecard and proposed rating system fall short. Although these measures have the capacity to cut wasted spending, improve family knowledge about college, and move institutions of higher education to graduate more low-income students, the current metrics fall short of communicating the full experience of students by not accounting for their complex and varied needs, experiences, and goals.



## HBCU PERFORMANCE ON THE COLLEGE SCORECARD

The challenges of using the Scorecard to measure success and compare institutions can be seen when analyzing the ratings earned by HBCUs. As a group, HBCUs generally underperform on all of the selected metrics except net cost per year. The performance of HBCUs on the Scorecard varies slightly between public and private institutions.

### PUBLIC HBCUs

The average net price per year for students enrolled at public HBCUs is \$9,614 (United States Department of Education, 2013c). Comparatively, the national average net cost of public institutions during the same year is \$12,280 (U.S. Department of Education, National Center for Education Statistics, 2013a). In addition, of the 41 public 4-year accredited HBCUs, 24 institutions have a net price that is less than \$10,000. No public HBCU has a net price of more than \$20,000, indicating that prospective students with fewer finances to invest in higher education may continue to be concentrated in public HBCUs or other institutions with fewer resources to dedicate to institutional aid (Supiano & Fuller, 2011).

While public HBCUs outperform the national average for net price, these institutions are not as successful in other categories, according to the Scorecard metrics. The average 6-year graduation rate for public HBCUs is 31% and the loan default rate is 18%, while the national graduation rate for public institutions is 57% and the average loan default rate for public institutions is 13% (U.S. Department of Education, 2013c; U.S. Department of Education, National Center for Education Statistics, 2013a; U.S. Department of Education, Office of Federal Student Aid, 2013). The median monthly repayment amount for federal loans for students at public HBCUs is roughly \$211, comfortably within the average that is indicated on the Scorecard (U.S. Department of Education, 2013c).

When placed within the context of the general state performance of other public institutions, the comparison of public HBCUs gains more credibility. In North Carolina, the state with the most public HBCUs, five of the 16 public campuses are HBCUs (University of North Carolina, 2014). These institutions enroll nearly 17% of all students in North Carolina public institutions. Following the national comparison trend, the average net price for public HBCUs is almost \$3,000 less than the average for the North Carolina system. The difference in graduation rates is smaller, though HBCUs are still lagging, with the average for the North Carolina system at 53% and the public North Carolina HBCUs at 39% (U.S. Department of Education, 2013c).

In Maryland, four of the 14 public campuses are HBCUs and account for almost 15% of all students enrolled in Maryland public institutions (Maryland Higher Education Commission, 2014; U.S. Department of Education, 2013c). Like in North Carolina, public HBCUs in Maryland have a lower net price than other Maryland public institutions. The four HBCUs average a net price of just over \$11,000, whereas the entire Maryland higher education system averages a net price of \$13,519. However, there is a considerable discrepancy in graduation rates among Maryland institutions, with the average 6-year graduation rate for public HBCUs being 29%, while the average for the system is much higher at 47%. Maryland and North Carolina demonstrate the importance of context when viewing the metrics listed in the College Scorecard. Evaluating public HBCUs in relation to other public institutions in the state provides a better understanding for prospective students. While these institutions still vary widely within states, reviewing their performance in this way controls for state funding variations across state lines.



## PRIVATE HBCUs

The performance of private HBCUs differs on some levels from the public sector. While the graduation rate (31.5%) and median borrowing level (\$214) for private HBCUs are nearly identical to those of public HBCUs, the net price per year and the loan default rate are higher. For private HBCUs, the average net price is \$15,176, over \$5,500 more than public HBCUs. Unlike public HBCUs, where a high concentration of institutions cost less than \$10,000, there is a wider range of price points among private HBCUs, with a significant number of institutions charging well above the group average. Only four private HBCUs have a net price of \$10,000 or less, while seven have a net price of more than \$20,000 (U.S. Department of Education, 2013c).

Though the variability among private HBCUs is somewhat expected, due to their independent status and the influence of market demand, this also may indicate the presence of fundamentally different financial models among these institutions. Tuskegee University generates considerably more capital through the enrollment of 2,684 students at an average net price of \$22,564 than Selma University, which has an enrollment of only 507 students and a net price of only \$5,260. These private HBCUs in Alabama demonstrate the different categories of private HBCUs and the resources available to them, further complicating the comparison of performance. Enrollment size and net price directly affect revenue collected by institutions, which in turn affects an institution's ability to dedicate resources to supporting students to graduation.

Even though private HBCUs cost more than their public counterparts, that cost is still significantly lower than the national average of \$22,620 for private, non-profit institutions. Even when considering costs for students from the lowest income level, the average net price of private HBCUs is still almost \$2,000 lower than other private, non-profit institutions (U.S. Department of Education, National Center for Education Statistics, 2013a).

## THE UNMEASURED VALUE OF HBCUs

While the metrics listed in the College Scorecard provide valuable information to prospective students and their families during the admissions process, there are additional measures, such as the impact of transfer students and the types of students served, not covered in the Scorecard that could be used to provide a more comprehensive picture.

**ACCOUNTING FOR NON-TRADITIONAL STUDENT PATHWAYS AND SUCCESS.** A fundamental principle behind HBCUs is the mission to provide access to higher education and serve capable students who have traditionally been excluded. Throughout their history, HBCUs have given students an opportunity to earn an education that often deviates from the traditional format. HBCUs often have a high number of part-time students and students who may not be consistently enrolled throughout their college career. In addition, there are large numbers of students who transfer into and out of HBCUs. Flexibility of enrollment at HBCUs is an attempt to accommodate the needs of non-traditional students; however, this strategy prevents these students from being properly accounted for in the graduation rate calculated by the federal government.

Because of this discrepancy, some organizations are partnering to develop a more comprehensive assessment of student completion. The Student Achievement Measure (SAM) is a new metric that uses data from the National Student Clearinghouse to calculate the enrollment status and progress of all students, regardless of enrollment status, by tracking them across all institutions. Through this model, a more complete picture of performance is captured by including non-traditional students. Part-time and transfer students are accounted for, in addition to the traditional full-time, first-time students. As noted by David Wilson, president of Morgan State University, with this new approach stakeholders are able to “look at the way people enter higher education today, not the way people entered higher education in 1975.” He also mentioned that the IPEDS system has not changed over time to reflect these new pathways into and through higher education, limiting its ability to effectively determine performance (D. Wilson, personal communication, May 8, 2014).

The difference between the SAM and the graduation rate calculated by the federal government can be dramatic, as seen in the metrics for Florida Agricultural and Mechanical University (FAMU). On the Scorecard, the published graduation rate is 40% for the cohort entering in 2006 (U.S. Department of Education, 2013). The institution has consistently had a graduation rate around this percentage for several years (U.S. Department of Education, National Center for Education Statistics, 2013c). Using data compiled on the SAM website, the number of students who enrolled at FAMU in 2007 and ultimately graduated translated into a graduation rate of roughly 53%. This number includes not only the first-time, full-time students who are used to calculate the Scorecard graduation rate, but also students who transferred into and out of the institution that also went on to earn a bachelor's degree (Student Achievement Measure, 2013). Not counting the progress of transfer students can have a real impact on government funding that is dependent on performance, and not having resources to put toward supporting students can have a damaging effect on the quality of education that institutions are able to provide. Graduation rates that fail to fully capture all student data can also negatively affect the perception of the institution by prospective students.

**DIFFERENTIATED PERFORMANCE BASED ON STUDENT CHARACTERISTICS.** Another shortcoming of the Scorecard is its inability to differentiate performance by the type of student enrolled. Black men are consistently underrepresented in most indicators throughout the educational pipeline, including only representing 12% of total male enrollment in higher education and having a graduation rate among the lowest of all racial and ethnic groups (U.S. Department of Education, National Center for Education Statistics, 2013c). Educational outcomes for Black men have even become the focus of recent federal initiatives, raising awareness of the challenges this group faces and highlighting the need for better strategies to support them (The White House, Office of the Secretary, 2014). St. Augustine's University in Raleigh, North Carolina, presents a counterpoint to these disappointing figures. African American men make up over half of St. Augustine's student body; however, the metrics on the Scorecard for St. Augustine's do not reflect the continuing success the institution has had in providing access to higher education for this underserved population.

St. Augustine's University and FAMU represent the unmeasured value that HBCUs provide to students, as well as to the higher education sector. The Scorecard mostly focuses on financial metrics that, while important, may not be enough for prospective students and families to make well-informed decisions about which college to attend.



## RECOMMENDATIONS FOR IMPROVING THE COLLEGE RATING SYSTEM

Accurate and comprehensive assessment of postsecondary performance is important for prospective students to make informed decisions about college attendance, and for state and federal governments to effectively reward achievement. Capturing the complex factors that influence student performance in only a few metrics is challenging; however, continuing the dialogue about refining and improving these metrics to effectively reflect the performance will lead to a more effective system of incentives. Future versions of the College Scorecard would most benefit students and institutions if measurable indicators speak to the priorities of underrepresented students, incorporate customization based on characteristics unique to students, and use this information to develop a performance funding model that supports institutions that enroll and graduate non-traditional students.

### ALIGN METRICS WITH PRIORITIES OF STUDENTS

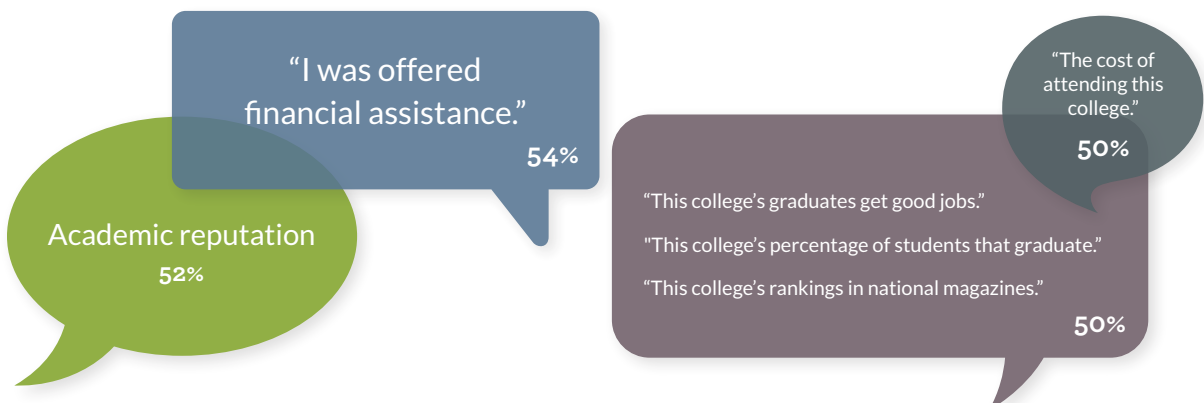
The most recent Freshman Survey conducted by the Cooperative Institutional Research Program offers insight into the factors students find most important when deciding to attend college. For current freshmen at HBCUs, the reasons considered to be “Very Important” when choosing to attend a particular college or university were total cost and access to financial aid, as well as the institution’s reputation and graduates’ ability to find employment. These results indicate that the decisions of this student group appear to be most heavily influenced by perceptions of overall educational value.

More than 54% of freshmen at HBCUs indicated that “I was offered financial assistance” was “Very Important” in their college decision-making process. Academic reputation was the next most common response, with over 52% of freshmen at HBCUs noting its importance. Nearly 50% of these students also chose “The cost of attending this college” and “This college’s graduates get good jobs” as “Very Important” reasons. Interestingly, only 35.7% of freshmen at HBCUs chose “The percentage of students that graduate from this college” as a “Very Important” reason in choosing to attend their particular college or university (Eagan, Lozana, Hurtado, & Case, 2013, p. 38).

Although students generally must graduate in order to get a job, the findings of the 2013 Freshman Survey suggest that prospective students are swayed more by information regarding graduates’ ability to find gainful employment than by graduation rates alone. Furthermore, “Rankings in national magazines” was chosen by fewer than 18% of HBCU freshmen, suggesting that yet another rankings system, even one introduced by the White House, may have little impact on these students’ college decision-making processes (Eagan, Lozana, Hurtado, &

---

#### WHAT FRESHMEN AT HBCUs INDICATED AS “VERY IMPORTANT” REASONS IN THE COLLEGE DECISION-MAKING PROCESS



Case, 2013, p. 38).

## CREATE FEATURES THAT CAN BE CUSTOMIZED

Graduation rates, net price per year, median borrowing amounts, and loan default rates are important measures both to prospective students when choosing to enroll at an institution and to the federal government when assessing institutional performance. In an effort to provide more relevant information to students and families, the College Scorecard could be revised to allow for more customization. Many factors affect a student's ability to graduate from college on time. Retention and attainment data of students entering college in the 2012 academic year available through IPEDS reveal that factors including gender, cumulative federal student loan amount, Pell grant amount, admissions test scores, and high school grade point average are statistically significant when predicting graduation. When controlling for gender and race-ethnicity, a host of factors are positively correlated independently with retention and attainment rates, including admissions test scores, grade-point average, distance from institution, parents' highest education level, and family income. In addition, Pell grant amount and parents' highest education level in combination with other factors are positively related to retention and attainment rates.

An interactive website could be created that produces a personalized graduation rate based on these and other statistically significant contributing factors. These factors can be used to calculate not just an overall graduation rate for each prospective student but also a rate unique to that student at each institution the student is considering. In this proposed scenario, a student would be able to tell how successful a college or university is at graduating students like him or her.

This program would employ algorithms similar to those used by automobile insurance companies to determine the level of risk associated with insuring drivers. Insurance companies develop quotes based on the likelihood of a driver getting into an accident, which they calculate using key indicators; the same method could be used to discern how likely a student is to graduate from a particular institution. This type of customization would allow for a more accurate comparison of institutions.

For institutions that are successful at graduating students with specific characteristics, providing personalized graduation rates will be more advantageous. These results could potentially be used as a valuable recruitment tool as colleges and universities could demonstrate a specialized ability that defines their unique niche among peer institutions. For HBCUs specifically, personalized graduation rates for low-income students and Black men may be far better than other institutions that lack established and well-integrated support systems for these students. Similarly, the estimated cost of attendance, median borrowing amount, and loan default rate could also be personalized, based on unique characteristics of prospective students.

Various non-profit and for-profit entities already offer college compatibility tools and services. Websites like Big Future, by The College Board, and the college search function on Collegeview.com enable prospective students to narrow the number of institutions they are eligible to attend by analyzing GPA and standardized test scores. These programs also allow prospective students to exclude institutions based on enrollment size, location, sports and activities, and other factors. The difference between these examples and the model proposed here is the integration of performance outcomes linked to personal indicators. Our proposed model is meant to highlight institutions that excel at educating and graduating *college* students like them, not help *high school* students identify institutions with characteristics that merely appeal to them.

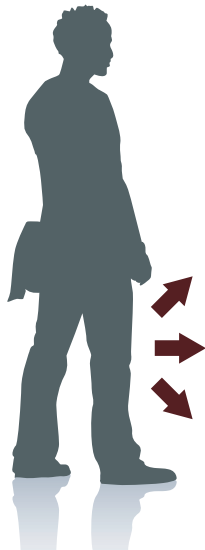


## GRADUATION PROBABILITY SCORE *for* STUDENTS

### Want to go to college but not sure which one is **right** for you?

Complete these steps to receive information that can help you in the decision making process.

<p><b>STEP ①</b> Complete the Profile.</p>	<p><b>STEP ②</b> Select colleges you are interested in attending.</p>	<p><b>STEP ③</b> The Scorecard will provide results that allow you to compare how each college does at educating students like you.</p>
--	---	---



Sharing your information will help determine how successful institutions are at educating students like you.

Information may include: income level, GPA, standardized test scores, zip code, race/ethnicity, gender, and highest level of parental education.

SELECTED COLLEGES	CUSTOMIZED GRADUATION RATE	COST BREAKDOWN	EMPLOYABILITY & GRAD SCHOOL PLACEMENT
<p>COLLEGE <b>A</b></p>	<p><b>75%</b> of students like me <b>graduate</b> in four years from College A</p>	<p><b>40%</b> of cost covered by loans</p>	<p><b>78%</b> of graduates like me were <b>employed/accepted to grad school</b> before graduation from College A</p>
<p>COLLEGE <b>B</b></p>	<p><b>57%</b> of students like me <b>graduate</b> in four years from College B</p>	<p><b>55%</b> of cost covered by loans</p>	<p><b>75%</b> of graduates like me were <b>employed/accepted to grad school</b> before graduation from College B</p>
<p>COLLEGE <b>C</b></p>	<p><b>25%</b> of students like me <b>graduate</b> in four years from College C</p>	<p><b>65%</b> of cost covered by loans</p>	<p><b>54%</b> of graduates like me were <b>employed/accepted to grad school</b> before graduation from College C</p>

- Federal Loans
- Institutional Scholarships
- External Scholarships
- Other

**DEVELOP A PROBABILITY SCORE TO REFLECT VARIED AND COMPLEX STUDENT NEEDS AND REWARD SUCCESSFUL STUDENT OUTCOMES**

As part of the ongoing effort to address the educational needs of the nation, President Obama published the 2015 fiscal year educational budget on March 4, 2014. The proposed budget included several new initiatives related to higher education performance. The College Opportunity and Graduation Bonus initiative is one of these newly proposed programs that could have a considerable impact on HBCUs. Through this initiative, \$7 billion will be awarded over 10 years to institutions that graduate significant numbers of low- and moderate-income students. The amount of the bonus will be partially determined by the percentage of Pell grant recipients in each graduating class. The overall graduation rate and loan default rate for outstanding federal loans of an institution will be considered when determining eligibility for the bonus. Many of these factors are also incorporated in the College Scorecard. This initiative could be amended to develop a more holistic system of evaluation for prospective students to determine the value of institutions, while rewarding those that enroll and graduate students from traditionally underserved populations.

By using the enhanced system proposed in this report, each student who enrolls in a college or university can be given a Graduation Probability Score that estimates a student’s chances of completing by aggregating all of the unique characteristics proven to influence a student’s ability to graduate. Based on this Probability Score, the federal government can use funding from the College Opportunity and Graduation Bonus initiative to award bonuses to institutions for graduating students that demonstrate higher risk of not completing. The higher the risk of not completing, the more bonus funding awarded.

Through this model, institutions will have incentives to enroll, retain, and graduate students who traditionally drop out of college. In this scenario, institutions that have not traditionally enrolled or had success graduating underrepresented students will need to plan strategically about devoting campus resources to support these students. Additionally, institutions that enroll student populations who are typically harder to serve, like HBCUs, will not be penalized. The Graduation Probability Score model would have the flexibility and sensitivity to provide the kind of information that prospective students and families need to make an informed decision about college attendance, while also providing a tool for accurate comparison and incentivizing for the federal government.

## GRADUATION PROBABILITY SCORE *for* PERFORMANCE-BASED FUNDING

**Want to incentivize colleges to enroll and graduate underrepresented students?**

Award bonuses based on the number of graduates identified as being “at-risk of not completing” using the Graduation Probability Score.

COLLEGE

A

→

75% of graduates  
are high risk

COLLEGE

B

→

25% of graduates  
are high risk

## CONCLUSIONS: A NEW SCORECARD AND POSSIBILITIES FOR HBCUs

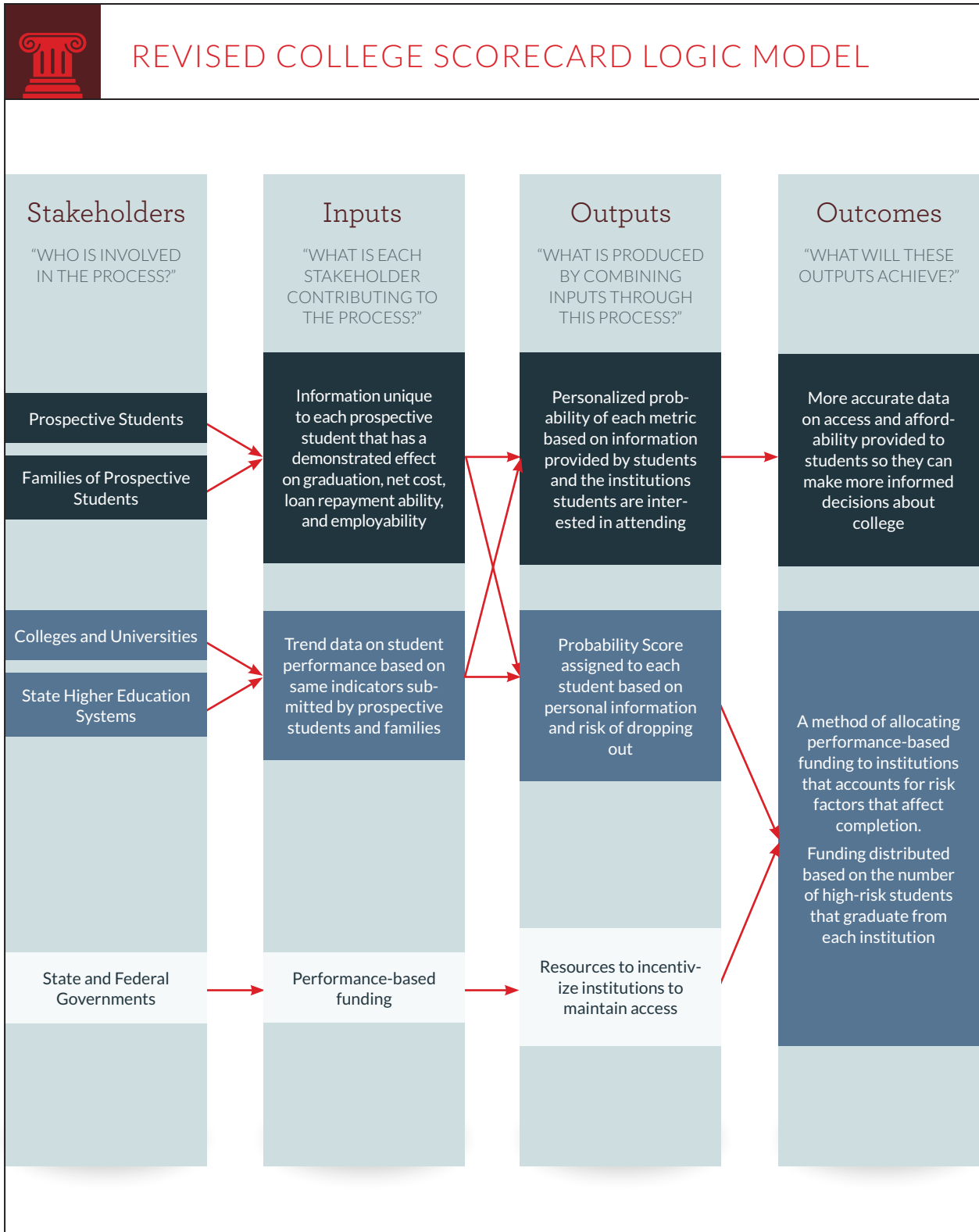
The suggested changes to the White House College Scorecard have the potential to provide more customized data that may prove to be more useful for prospective students, institutions, and state and federal governments when considering performance. For prospective students, this strategy enables them to develop realistic expectations during the admissions process. It can be used to initiate conversations between students, parents, and school counselors about the unique challenges that individual students face, anticipate possible issues, and develop sound plans for addressing and overcoming them during the student's college career. Fostering more proactive solutions in this way could also be valuable information for on-campus student support services and could be used to strengthen the transition from high school to college and from 2-year institutions to 4-year institutions. This method also allows for more accurate comparison of the quantitative measures used by the current Scorecard.

Institutions can gain from these proposed changes to the Scorecard as well. By using a system that accounts for the additional effort required to graduate students with various risk factors, institutions are incentivized to provide access for underrepresented groups. Institutions with large populations of students affected by these external factors are less likely to be penalized because of students' circumstances that are beyond the schools' control. For HBCUs specifically, the Scorecard presents an opportunity to highlight the strengths of these institutions by creating a level playing field for evaluation by both prospective students and governments. The Scorecard could also be used to advocate for additional funding from various private and public sources.

There are benefits for the federal government as well. Rewarding institutions for maintaining access to higher education for underrepresented groups has been a priority for the Obama Administration, and allocating the College Opportunity and Graduation Bonus based on this modified College Scorecard will help to fulfill this goal.

To implement this type of system, the government must overcome considerable data collection and technological challenges. Most notably, information collected by multiple sources would have to be integrated and aligned to develop a comprehensive and customizable database of individual student performance over time. Data collected by the Free Application for Federal Student Aid, the Integrated Postsecondary Education Data System, and the National Student Clearinghouse could be used to create a repository of student outcomes divided by each institution. In addition, other centralized databases would need to be created, including a method for tracking student employment offers and graduate school placement prior to and immediately following graduation. Currently, estimates are collected at an institutional level and measured in different ways, but there is no single repository for this data.

Despite the challenges to implementation, developing a tool that can positively affect students and institutions is worthwhile. By introducing customization to the existing College Scorecard, students can make better-informed choices and institutions can be rewarded for increasing access and graduating the most vulnerable students. These changes can be used to improve performance in American higher education and to gain better outcomes for all stakeholders.





---

## REFERENCES

- Archibald, R., & Feldman, D. (2013). A simple fix for the broken college scorecard. *Chronicle of Higher Education*. Retrieved from: <http://chronicle.com/article/A-Simple-Fix-for-the-Broken/138185/>
- Baskerville, L. (2014, January 29). Postsecondary institution ratings response. National association for equal opportunity in higher education. Retrieved from: [http://www.nafeo.org/community/pdfs/HBCU\\_PBI%20Community%20Comments%20to%20Request%20for%20Information%20Regarding%20Technical%20Ratings%20Factors%20DOEd.pdf](http://www.nafeo.org/community/pdfs/HBCU_PBI%20Community%20Comments%20to%20Request%20for%20Information%20Regarding%20Technical%20Ratings%20Factors%20DOEd.pdf)
- Carnevale, A., Smith, N., & Strohl, J. (2010). *Help wanted: Projections of jobs and education requirements through 2018*. Washington, DC: Center on Education and the Workforce, Georgetown University.
- Corbett Broad, M., et al. (2014, January 31). Postsecondary Institution Ratings System RFI. American Council on Education. Retrieved from: <http://www.acenet.edu/news-room/Documents/Higher-Ed-Assoc-PIRS-Comments.pdf>
- Dechter, G., & Morgan, J. M. (2012). *Improving the college scorecard: Using student feedback to create an effective disclosure*. Washington, DC: Center for American Progress. Retrieved from: <http://www.americanprogress.org/wp-content/uploads/2012/11/CollegeScorecard-4.pdf>
- Eagan, K., Lozana, J., Hurtado, S., & Case, M. (2013). *The American freshman: National norms fall 2013*. Los Angeles, CA: Higher Education Research Institute, UCLA.
- Hechinger, J., & Runningen, R. (2013, August 22). Obama proposes linking federal aid to new college ranking. *Bloomberg News*. Retrieved from: <http://www.bloomberg.com/news/2013-08-22/obama-said-to-propose-tying-college-aid-to-school-ranking.html>
- Kanter, M. (2013). *Department launches college affordability and value outreach initiative today—starting with student advocates*. Retrieved from U.S. Department of Education website: <https://www.ed.gov/blog/2013/09/department-launches-college-affordability-and-value-outreach-initiative-today-starting-with-student-advocates/>
- Kimbrough, W. (2014, April 29). Email correspondence.
- Kiley, K. (2013). A blunt instrument. *Inside Higher Ed*. Retrieved from: <http://www.insidehighered.com/news/2013/02/14/white-houses-new-scorecard-oversimplifies-institutions-liberal-arts-advocates-say>
- Maryland Higher Education Commission. (2014). *Higher education in Maryland*. Retrieved from <http://www.mhec.state.md.us/higherEd/index.asp>
- Redden, E. (2009, July 14). Reaching black men. *Inside Higher Ed*. Retrieved from <http://www.insidehighered.com/news/2009/07/14/blackmale>
- Student Achievement Measure. (2013). Retrieved from: <http://www.studentachievementmeasure.org>
- Supiano, B., & Fuller, A. (2011, March 27). Elite colleges fail to gain more students on Pell grants. *Chronicle of Higher Education*. Retrieved from <http://chronicle.com/article/Pell-Grant-Recipients-Are/126892/>
- U.S. Department of Education. (2013). College scorecard. Retrieved from the website of the U.S. Department of Education's College Affordability and Transparency Center: <http://www.whitehouse.gov/issues/education/higher-education/college-score-card>
- U.S. Department of Education. (2014). *Predominantly Black institutions program—competitive grants*. Retrieved from: <http://www2.ed.gov/programs/pbi/eligibility.html>
- U.S. Department of Education, National Center for Education Statistics. (2013a). Price of attending an undergraduate Institution. Retrieved from: [https://nces.ed.gov/programs/coe/indicator\\_cua.asp](https://nces.ed.gov/programs/coe/indicator_cua.asp)
- U.S. Department of Education, National Center for Education Statistics. (2013c). Integrated postsecondary education data system website. Retrieved from <http://nces.ed.gov/ipeds/>
- U.S. Department of Education, National Center for Education Statistics. (2012d) Fast Fact: Degrees conferred by sex and race. Retrieved from: <http://nces.ed.gov/fastfacts/display.asp?id=72>
- U.S. Department of Education, Office of Federal Student Aid. (2013). *Three-year official cohort default rates for schools*. Retrieved from: <http://www2.ed.gov/offices/OSFAP/defaultmanagement/cdr.html>

U.S. News and World Report. (2013). *University of Pennsylvania*. Retrieved from: <http://colleges.usnews.rankingsandreviews.com/best-colleges/university-of-pennsylvania-3378>

University of North Carolina. (2014). Retrieved from: [http://www.northcarolina.edu/campus\\_profiles/index.php](http://www.northcarolina.edu/campus_profiles/index.php)

The White House, Office of the Press Secretary. (2013a). *Fact sheet on the President's plan to make college more affordable: A better bargain for the middle class* [Press release]. Retrieved from: <http://www.whitehouse.gov/the-press-office/2013/08/22/fact-sheet-president-s-plan-make-college-more-affordable-better-bargain>

The White House, Office of the Press Secretary. (2013b). *Remarks by the President on college affordability—Buffalo, NY* [Press release]. Retrieved from: <http://www.whitehouse.gov/the-press-office/2013/08/22/remarks-president-college-affordability-buffalo-ny>

The White House, Office of the Secretary. (2013c). *Remarks by the President in the State of the Union Address—Washington D.C.* [Press release]. Retrieved from: <http://www.whitehouse.gov/the-press-office/2013/02/12/remarks-president-state-union-address>

The White House, Office of the Press Secretary. (2014). *My brother's keeper: Creating opportunities for boys and young men of color* [Press release]. Retrieved from: <http://www.whitehouse.gov/the-press-office/2014/02/27/fact-sheet-opportunity-all-president-obama-launches-my-brother-s-keeper>

Wilson, D. (2014, May 8). Telephone interview.



Blog: [www.msिसunplugged.com](http://www.msिसunplugged.com)



Facebook: [www.facebook.com/penncmsi](http://www.facebook.com/penncmsi)



Twitter: @CenterForMSIs  
[twitter.com/CenterForMSIs](https://twitter.com/CenterForMSIs)



Instagram: @CenterForMSIs  
[instagram.com/CenterForMSIs](https://www.instagram.com/CenterForMSIs)

#### PENN CENTER FOR MINORITY SERVING INSTITUTIONS

—

3819-33 CHESTNUT STREET  
SUITE 140  
PHILADELPHIA PA, 19104-3106

p: 215-898-8956

e: [CMSI@GSE.UPENN.EDU](mailto:CMSI@GSE.UPENN.EDU)



Graduate School of Education  
**Penn GSE**

Center for  
**MSIs**