

Hitting Home: New Postsecondary Realities for New England—and the Nation

BY TRAVIS REINDL

Over the past half-century, New England's colleges and universities—and their counterparts across the nation—have made great strides in serving a growing and diversifying population. This unprecedented expansion of college opportunity has paid large economic and social dividends, and it must continue.

But we must be prepared to continue that expansion in the face of new and challenging realities. New England and the nation as a whole face intensifying

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global competition and rapidly growing demands for a skilled workforce. Yet disparities in educational opportunity and degree completion linger, even as more Americans than ever recognize that education beyond high school is essential to their economic and social well being.

Significant increases in spending by students and taxpayers have not moved the needle: the percentage of adults with a college degree has changed little over the past decade. While we must continue to invest in higher education, we cannot award the number of degrees needed to be competitive and expand opportunity without increasing productivity—generating more degrees for the dollars we spend.

Boosting productivity is a national imperative that must be addressed at the regional and state levels. The New England states bring particular advantages and obstacles to this effort, and political, educational, and community leaders must recognize these as they consider new ways to fund, deliver, and measure higher education. The time to act is now, because key trends suggest that we are living on borrowed time.

Why Productivity? Why Now?

We must come to terms with four converging trends that spell serious trouble for “business as usual” for higher education and underscore the need to think in terms of productivity.

1. Educational Attainment Is Leveling Off. The U.S. has reached a plateau in the percentage of adults age 25-64 with a college degree, while other nations are making rapid gains. According to the Organisation for Economic Cooperation and

have 55 percent of its adult population with college degrees by 2025 to be competitive. Today, none of the New England states have reached that benchmark, and assuming “business as usual” in degree production between now and 2025, only two states (Massachusetts and Rhode Island) are on track to do so. This assumes, however, that these states will maintain their degree production rates for a more diverse population, which is a big assumption.

2. A New Population Is Facing Old Inequities. The face of New England, like the rest of the nation, is changing rapidly. These changes have serious implications for efforts to increase college access and success within an environment of limited resources. Simply put, two of the groups slated for the fastest growth over the next two decades—students of color and adult learners—are underrepresented and underserved in higher education.

New England is becoming more racially and ethnically diverse. According to the U.S. Census Bureau, the number of whites age 18-44 will decline by just under 275,000 between 2005 and 2025. Over the same period, the number of Hispanics in that age group will increase by the same amount, and the number of African Americans will increase by nearly 80,000. But in America today, 42 percent of whites age 25-64 have a college degree, compared with 26 percent of African Americans and 18 percent of Hispanics. This makes it clear that competitiveness demands a concerted focus on equity of educational opportunity.

New England also is getting older. Between 2005 and 2025, half of the New England states (Maine, New Hampshire, and Vermont) will see their 18-24 year-old populations shrink, but all will see increases among adults 25 and older. Any competitiveness

Development (OECD), the U.S. has now fallen to tenth among industrialized nations in the percentage of 25-34 year olds with a college degree. Perhaps more troubling is the fact that younger adults (age 25-34) now post a lower educational attainment rate than older adults (age 35-44).

This slippage is due in part to poor degree completion rates. OECD also reports that the U.S. is tied for last among industrialized nations in the percentage of entering students that complete degree programs (54 percent, compared with the OECD average of 71 percent). Even though our institutions are enrolling record numbers of students, we are treading water on educational attainment because too many students fail to make it from orientation to graduation.

While New England leads the nation in postsecondary attainment, the region still falls short of where it will need to be to meet workforce demands and compete with best-performing nations. According to estimates by the National Center for Higher Education Management Systems, states should be aiming to

strategy for the region must include plans for reaching adult learners, who generally attend and complete college at lower rates than their younger counterparts.

3. Higher Education Finance Is Reaching a Turning Point—or a Breaking Point. Two questions loom large in this area: 1) How much can colleges and universities reasonably expect in the way of additional revenue in the short and longer terms? and 2) How are students' and taxpayers' investments translating into more degrees?

On the “how much” front, the picture is not terribly rosy, particularly for public colleges and universities. In the short term, the specter of recession is already impacting state budgets, meaning that higher educa-

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tion is once again likely to feel the pinch. Looking ahead, the demands associated with an aging population, deteriorating roads and bridges, and overcrowded prisons will make it even more difficult for campuses and systems to compete for funding.

But perhaps more important—and less discussed—are the questions related to how much institutions spend and on what. Today, the U.S. spends nearly three times per student as the average industrialized nation, even as the percentage of adults with a college degree levels off. At the same time, there appears to be a strong “don't ask, don't tell” worldview in academe when it comes to spending or spending in relation to results. A 2007 survey by the Association of Governing Boards of Universities and Colleges found that fewer than half of the 700 responding institutions had presented per student spending data to their governing boards in fiscal year 2006.

What we are now learning in the area of spending should give us pause.

Preliminary research from the Delta Project on Postsecondary Costs indicates that there is little evidence to suggest that institutional spending increases have either positively or negatively affected degree completion rates. This may be due in part to the fact that the bulk of increased spending over the past decade has not gone into classroom instruction, but into areas such as administration and institutional aid (which is increasingly awarded on the basis of academic merit). The bigger implication is that institutions do not have investment strategies that explicitly focus dollars on getting more students successfully through college. There is much more that we need to understand in this area, but we must start by legitimizing the cost conversation.

4. Public Anxiety and Political Pressure for Change Are Rising.

There is mounting evidence that colleges and universities will face increasing scrutiny and calls for changes in the way they do business. Opinion research from the National Center for Public Policy and Higher Education and Public Agenda reveals that the percentage of Americans believing that qualified students are being denied college opportunity because of cost has reached an all-time high of 62 percent. Moreover, a majority of Americans (56 percent) feel that colleges and universities could expand access without significantly increasing costs, and Americans are equally divided on the question of whether more spending by colleges and universities is resulting in more learning by students.

State and federal policymakers are also getting into the act. In its final report, *A Test of Leadership*, the Secretary of Education's Commission on the Future of Higher Education called on colleges and universities to

become more productive by focusing more on results than reputation. The National Conference of State Legislatures echoed that call through its Blue Ribbon Commission on Higher Education, urging lawmakers to shift state policy conversations from “spending more money” to “spending money more efficiently.”

A Productivity Agenda: More Degrees for the Dollars We Spend

It is easy to see that we need more degrees for the dollars we spend and easy to say that we want more degrees for the dollars we spend, but how do we make that happen? Advancing a productivity agenda requires three fundamental commitments:

1. Measure what matters. Look at any higher education report card or data system, and you will find a lot about what comes in—revenues and enrollments—but comparatively little about what goes out: spending and degrees. States need to establish compelling and transparent goals for reducing cost per degree and increasing degree attainment for historically underrepresented groups—low-income and first-generation students, students of color, and adult learners. These goals need to be accompanied by clear progress indicators that are reported annually and publicly. These goals and measures should figure prominently in accountability reports and be used by governors, legislators, and campus and system governing boards in strategic planning and budgeting processes.

2. Fund what matters. Money is the single largest determinant of institutional behavior, so we should not be surprised by lagging completion rates and lingering disparities in educational attainment when our finance system emphasizes enrollment over completion and academic profile over access. States that are serious about boosting productivity and expanding opportunity must be prepared to change their funding models to allocate a portion of institutional appropriations based on persistence and completion, focus-

ing on historically underrepresented groups. Additionally, states need to review and revise their funding strategies to ensure that efforts to expand enrollment capacity are cost-effective and responsive to demographic realities and regional needs (i.e., looking beyond more bricks and mortar).

Institutions should be encouraged to audit their curricula to contain “credit creep,” to outsource or eliminate low-enrolled courses and programs, and to redesign introductory level courses using technology to improve learning while reducing the cost of delivery.

3. Do what matters. Campuses, systems, and states are currently involved in a number of efforts to increase efficiency and smooth the path to a degree. The challenge now is to expand and sustain these efforts, changing regulations, policies, and practices to provide real incentives for boosting cost-effectiveness and reinvesting the savings in proven approaches for increasing degree completion. This work falls into three broad categories:

• **Operations and infrastructure.**

While colleges and universities have made considerable progress in streamlining their back office functions, more must be done in this area. Opportunities include consolidating and outsourcing administrative functions, improving the use of campus facilities, and revamping regulations that create ten dollars worth of paperwork for a five-dollar purchase.

• **Academic programming.**

Efforts to boost productivity must reach beyond the boardroom to the classroom. Institutions should be encouraged to audit their curricula to contain “credit creep,” to outsource or eliminate low-enrolled courses and programs, and to redesign introductory level courses using technology to improve learning while reducing the cost of delivery.

• **Student transitions.** States and their colleges and universities have a number of options for reducing

time-to-degree and the costs associated with student attrition. These include expanded use of accelerated learning (dual/concurrent enrollment, early college high schools), comprehensive articulation and transfer agreements between two- and four-year institutions, and out-

reach to students leaving institutions with significant credits but no degree.

Moving this agenda will be an ambitious and difficult task. It will require leaders who are willing to speak up and spend political capital to effect change and new knowledge and tools that will help policymakers

and practitioners frame the issues and explore new ways of doing business.

But our colleges and universities have met the challenge of change before. They have transformed themselves to power New England and the nation through the industrial age and the space age into the information age, opening the doors of opportunity to millions of veterans, women, low-income students, and students of color along the way. The time has come to do it again.

If we are to make good on higher education’s promise of opportunity, social mobility, and economic competitiveness in the face of a changing New England, we have to be smart, strategic, and swift.

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