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Committee on Education and the Workforce
Subcommittee on Higher Education and Workforce Training
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**Keeping College Within Reach: Enhancing Transparency for Students, Families and Taxpayers
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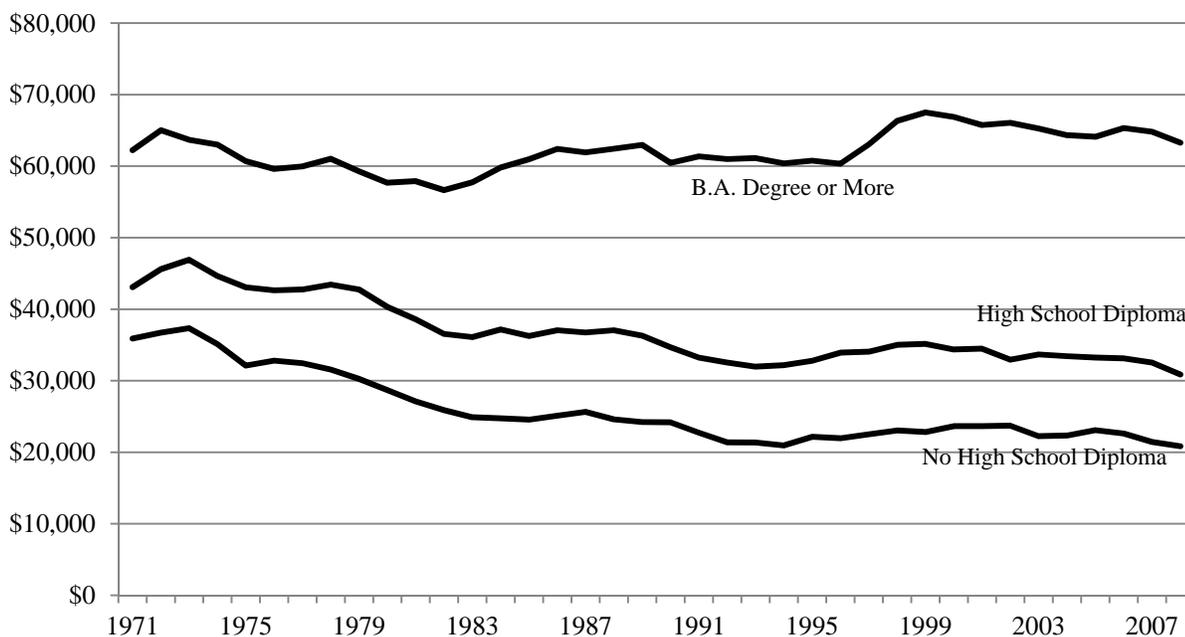
Chairwoman Foxx, Ranking Member Hinojosa, and Members of the Subcommittee:

Thank you for the opportunity to address you on today. I would like to offer a special greeting to Representative Walberg, from Michigan's 7th District, right next to our campus, as well as Representative Thompson, with whom I have met in the past and who represents the district of my former employer, Pennsylvania State University. I come to you today as a researcher having conducted studies on college admissions and access for over fifteen years, and not as a representative of Michigan State University.

As the price of college has risen over the last three decades, there has been much discussion of ways to ensure that students and their families have adequate information about the costs, programs, and benefits associated with attending postsecondary education. We are reasonably assured of the benefits of attending college; much has been written of the lifetime returns earned by those with a college degree as compared to those who enter the labor market with only a high school diploma. One example, from a recent book of mine, is shown in figure 1 on the next page. In 2008, the median income of men holding bachelor's degrees was 105 percent greater than men holding only a high school diploma, and 204 percent greater than high school dropouts. More importantly, this college wage premium – the additional amount, on average, that someone with a bachelor's degree earns over those with only a high school diploma or less education – has more than doubled over the last 35 years. This increasing college wage premium is the primary reason that most analysts describe to explain why college enrollments have continued to rise, even in the face of price increases that have well exceeded inflation over the last three decades.

It is important to note that earning a bachelor's degree is not the only path toward achieving what we often have called a "middle class lifestyle." However, it is clear that fewer and fewer jobs in our economy today, as well as into the future, will allow people to earn a decent wage if they don't have *some* form of postsecondary training.

It is clear that it is a national imperative to ensure that we have good information available about postsecondary educational options for students and their families. In thinking about ways to do this, it is important to realize a few key facts about where students attend college (all data are the author's



Income in constant (2008) dollars. Source: Heller, D. E. (2011). Trends in the Affordability of Public Colleges and Universities: The Contradiction of Increasing Prices and Increasing Enrollment. In D. E. Heller (Ed.), *The States and Public Higher Education Policy: Affordability, Access, and Accountability* (2nd edition, 11-38). Baltimore, MD: The Johns Hopkins University Press.

Figure 1: Median income of men age 25 and older, by educational attainment, 1971-2008.

calculations from the U.S. Department of Education's National Postsecondary Student Aid Study of 2008):

- 54 percent of all first-year students enrolling in postsecondary educational institutions attend community colleges, and the great majority of these are attending community colleges in their local regions. Another 14 percent of first-year students are enrolled in proprietary institutions, where again, they are most likely attending one in their local communities.
- This proportion is even greater for independent students, those generally over the age of 24. Fifty-nine percent of these students attend community colleges, and another 22 percent attend proprietary institutions.
- Over two-thirds of all first-year college students are enrolled in an institution within 25 miles of their home, and 81 percent are enrolled within fifty miles of their home. Again, these proportions are even greater for adults students – three-quarters and 90 percent, respectively.

What these data tell us is that the vast majority of prospective college enrollees, both traditional-aged students as well as adults returning to college for the first-time, are looking at a fairly limited choice set: those institutions that are very close to home, and primarily community colleges and proprietary institutions.

This is not to say that given better information about postsecondary educational choices, more students would not choose to move farther from home to attend college, or more students could not be persuaded that a four-year public or not-for-profit institution would be a better option for them. But the reality is that for many students attending college for the first time, there are a very small number of the over 7,200 accredited, Title IV-participating institutions, that these students are considering.

For high school students or adults who are thinking about attending college, there are a number of sources of information available:

- **Parents, families, and peers:** One of the most important sources of information about college is a student's parents (if a traditional-aged student), families, and peers. Research has shown that these are critical data sources, particularly for students in the earlier parts of the college search process, i.e., those in the early high school years.¹ Students later in high school seek out and find additional sources of information, but family and friends are critical in the earlier stages. The quantity, quality and reliability of information about college available from family and friends varies greatly by such characteristics as income and parental education.
- **Colleges and universities:** There is lots of information from colleges and universities themselves, including admissions and financial aid websites, view books, and college cost and financial aid calculators. Most college also provide tours to prospective students who visit the campus, and send representatives to college fairs out in the community. Like any information provided by an organization selling a good or service, however, it is only fair that the information be consumed with the warning of *caveat emptor*. While I do not mean to imply that colleges and universities may intentionally mislead potential students, it is advisable to keep in mind that information is generally provided to maximize institutional, rather than student, interests.

Many colleges, including my own, offer outreach programs that bring high school students to their campuses to give them an intensive experience of what it is like to be on a college campus, provide academic and test prep tutoring, and the like. These experiences may range from the relatively short-term (such as a weekend) to as long as four or more weeks in the summer.

- **Guidance counselors:** For students still enrolled in high school, guidance counselors (as well as teachers and other school staff) can be a valuable resource. However, access to these kinds of resources – particularly guidance counselors, who are most likely to have the best and most up-to-date information about attending college – is very inequitably distributed. A study conducted for the National Association for College Admission Counseling found that high school guidance

¹ Bell, A. D., Rowan-Kenyon, H. T., & Perna, L. W. (2009). College Knowledge of 9th and 11th Grade Students: Variation by School and State Context. *The Journal of Higher Education*, 80(6), 663-685.

counselors can be critical in improving college access for racial minority and low socioeconomic status students, but these are exactly the populations who are likely to have the *least* access to good college counseling.²

- **Federal government:** In recent years, the Department of Education has made a number of efforts, some under Congressional mandate, to provide more consumer-friendly information to students. The IPEDS College Navigator, for example, provides a single website with basic data about every Title IV-participating institution in the country. This includes things like prices, enrollments, programs offered, financial aid available, and graduation rates. The Department has also worked with colleges to help them implement Net Price Calculators, mandated by Congress in the Higher Education Opportunity Act of 2008.

There are also a number of federal programs, most notably the TRIO and GEAR-UP programs, which have as an important part of their mission providing information about colleges to their participants.

- **Private sources:** There are also many private sources of information about college. This includes:
 - Publications, such as college guidebooks written by individuals or organizations, or rankings published by such organizations as *U.S. News & World Reports*, Barron's, and The Princeton Review. This includes numerous books providing advice on how to pay for college. A simple search on Amazon for "college guides" returns over 3,000 entries.
 - Information provided in written and other forms by not-for-profit organizations devoted to improving college access, most prominently the National College Access Network and its many state affiliates around the country.
 - Private college counselors, who charge hourly or flat rate fees to parents to help their children choose colleges. These fees may run from a few hundred dollars to as much as \$14,000 for a four day "Application Boot Camp."³ As with access to guidance counselors in high schools, access to private college counseling is correlated with the income of the student's parents.
- **States:** Information from the 50 states and the District of Columbia, who control and provide funding to public colleges and universities that enroll 72 percent of all college students. I will not say much else about this, however, as I know that Mr. Reindl will be discussing this topic.

I would argue that there is no issue with the volume of information available about college. As mentioned earlier, there are numerous guidebooks, websites, magazines, and other sources that are often

² McDonough, P. M. (2006). *Counseling and College Counseling in America's High Schools*. Arlington, VA: National Association for College Admission Counseling.

³ Hernandez College Consulting. (2013). "Application Boot Camp." Retrieved April 21, 2013, from <http://www.hernandezcollegeconsulting.com/application-bootcamp/>

freely accessible and available to most all prospective college students. As has been said by many, the Internet has greatly helped to democratize access to information. What it has not done as successfully, however, has been to help people get access to the *right* information to meet their needs. And it is critical that we help prospective students to get the right information in their hands at the necessary times.

Having provided you with this overview of the availability of information about college and how to fund it, let me turn now to a few recommendations regarding how we can improve the this information. Some of these are actions that the federal government can assist with; others are better suited for other levels of government or private sector actors.

First, there is no adequate substitution for having access to objective, unbiased, and knowledgeable information that can be tailored to the needs of individual students. A couple of generations ago, when we had a much smaller proportion of high school students who transitioned into college (and adult students were few and far between in comparison to today), this role was fulfilled by the high school guidance counselor. Schools in upper-middle and upper-income communities were the ones sending a high percentage of students onto college, and these schools provided adequate access to college counseling.

Today, we have a higher proportion of students who aspire to attend college, and they are distributed among a broader set of high schools than in the past. However, we have not provided access to good college counseling in the schools to many of these students who historically have been underrepresented in higher education, those predominantly from lower-income and racial minority families. Because these students tend to be clustered in lower-resourced schools, they are not provided with the same level of college counseling afforded to students from wealthier families. And for most of them, access to private college counseling – including the \$14,000 “Application Boot Camp” mentioned earlier – is well beyond their means.

While local school districts and states have the primary responsibility for funding and operating high schools, the federal government could consider a highly-targeted, federally-funded program to place more qualified college counselors in schools serving lower-income students. A complimentary approach would be for the federal government to partner with non-profits, such as the National College Advising Corps (NCAC), a largely privately-funded organization which works with colleges and universities to place recent college graduates into high schools serving high proportions of low-income and first-generation students. The NCAC representatives work one-on-one with these high school students to supplement guidance counselors who are often overwhelmed with high student-to-counselor ratios and many other demanding responsibilities.

Students in predominantly low-income schools who have had been able to gain access to good college counseling from an individual report how important it has been to them. In one study, respondents

described this person as being “almost ‘savior-like’” (p. 674) in helping them gain good information about college.⁴

Second, the Department of Education can also continue to improve the information about college and financial aid that it provides to students and families. While as I noted earlier the Department has made great strides in recent years with its websites and other sources of data, the information that is provided is still focused on providing facts and figures. If a student wants to know what majors are offered at a particular institution, or what the tuition and fees and net price are, or what the six-year graduation rate is, the IPEDS College Navigator is a good place to go. But it is not a place to visit to help students understand if a college is the right “fit” for them. I am not suggesting that the Department get into the college guide book business, but it could create a portal to objective information that could help students find a good college. Just as the Institute of Education Sciences’ What Works Clearinghouse provides access to educators on proven educational programs, products, practices, and policies, a similar website on college access could provide pointers to good, objective information about choosing colleges.

Third, Congress should continue to support the existing Department of Education programs, such as the TRIO and GEAR-UP programs, that have as part of their design providing information to students about attending college and how to pay for it.

Fourth, school districts and state governments need to step forward and ensure that high school students and their families are being provided access to high quality information about attending college and paying for it. One way of doing this is to ensure that schools are adequately funded so that students have access to good advice from school personnel. As described earlier, there is no good substitute for this level of personalized attention. Schools should be encouraged to work with private organizations, including local businesses and non-profits, that have as their mission getting more students enrolling in postsecondary education.

As I described earlier, the great majority of students are interested in attending college very close to their local communities, and for many of these students, the local communities can offer at least one postsecondary option that is the right price, offers the program they want, and would be that proverbial “good fit.” Thus, providing good information about these local options should not be as daunting a task as trying to help students choose from among the over 7,000 accredited institutions across the country.

Fifth, there are some innovative experiments being conducted by researchers that attempt to target information at those students who historically have been underrepresented in higher education and generally have poor access to good information about it. One I will highlight is the Expanding College Opportunities Project, being conducted by researchers Caroline Hoxby of Stanford University and Sarah Turner of the University of Virginia.⁵ This project has targeted high-achieving, low-income students, and provides them with very low-cost, highly-targeted information (via the mail and websites) about colleges, financial aid, and net prices. While the study is somewhat limited because the target

⁴ Bell, A. D., Rowan-Kenyon, H. T., & Perna, L. W. (2009). College Knowledge of 9th and 11th Grade Students: Variation by School and State Context. *The Journal of Higher Education*, 80(6), 663-685.

⁵ Hoxby, C., & Turner, S. (2013). *Expanding College Opportunities for High-Achieving, Low Income Students*. Unpublished manuscript, Stanford University and the University of Virginia.

population is those students who have relatively high levels of academic achievements, early results nevertheless show that the approach holds promise.

I would also like to add one cautionary note. There has been much focus in the last year or two, particularly in some states, on collecting better information about the salaries earned by graduates of specific colleges and universities, including data on earnings by major. This issue has been framed not just as one of providing better information to prospective students, but also as one of institutional accountability. While this kind of information can be helpful, I think that it also can be used in a way that narrows the purpose of a postsecondary education. While there are important vocational training components of many postsecondary programs, a college education – whether it is one that leads to a bachelor’s degree or not – confers returns to the individual *and* society that cannot be valued only by the simple measurement of an individual’s wages in her first job after college. The true value of an education can only be seen five, 10, or even 20 years after the education is experienced, and in ways well beyond the size of the paycheck earned by the recipient of that education.

In summary, we have made some good strides on getting more information to students about college. These efforts have been accomplished by the federal government, states, local districts, and private organizations. But we still have a long way to go to improve on these efforts if we are going to ensure that all students have the right information at the right time and tailored to their needs.

I will close by thanking you once again for the opportunity to address you today. I would be happy to take your questions after the remaining witnesses have testified.