Federal Data Systems: Their Capabilities and Limitations

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Who We Are: Third Way is a public policy and advocacy organization whose mission is to create and promote transformational ideas to help our country succeed in the 21st century.

Why: We are committed to creating a higher education system that ensures all students leave with more opportunities than before they started.

What: We aim to shift the conversation and create demand for new policy ideas that will better target taxpayer dollars and improve student outcomes.
How Does the Government View Institutional Outcomes?

- Graduation Rates: Percentage of first-time, full-time students that graduate within 150% of time expected for degree.

- Post-Collegiate Earnings: Percentage of former federally aided students that earn more than the average high school graduate ($25,000) six years after entering.

- Loan Repayment Rates: Percentage of students who have paid down at least $1 on their loan principal within three years of entering repayment on their federal loans.

- Cohort Default Rates: Percentage of students that have defaulted on their loans within three years of entering repayment.
Incomplete Federal Data

- Graduation Rate: Only covers 47% of students.
  - Leaves out transfer and part-time students.
  - All students who transfer out are counted as “non-graduates.”

- Earnings Data: Only covers 70% of students
  - Only includes federally aided students (received loan or Pell grant).
  - Does not include earnings by program level.
Recent Advances

- **Outcome Measures:** Includes students who attend part-time and that have transferred into an institution
  - Still treats all transfer-out students as “non-graduates.”
  - In 2008, 4.8 million students entered an institution that predominately awards certificates, associate’s, or bachelor’s degrees.
  - By 2016, 1.1 million (21%) of these students transferred out and are counted as non-graduates.

- **Prosper Act:** Proposes program-level earnings data
  - Important, as earnings vary more across programs than by institutions.
  - However, still only covers only federally aided students (70%).
  - Fails to address incomplete graduation rates.

- **College Transparency Act**
  - System allows for data on all students who attend a program approved by the federal government to receive grants or loans.
  - Provides infrastructure for complete graduation rates and earnings outcomes for students who attend full-time, part-time, or mixed enrollment. Would also allow for success of transfer students to be recognized within federal data.
How Does Currently Available Data Compare to More Complete Data on All Students?

- We don’t really know, but we have some clues.

- Graduation Rate: New “Outcome Measures” data suggests that the inclusion of part-time and “transfer-in” students in graduation rate data lowers national graduation rates.
  - Part-time students make up 25% of data, yet graduate only 24% of the time.

- Earnings: While those receiving Title IV have different incomes than non-Title IV students, their overall characteristics look similar – ACT/SAT score, race/ethnicity, age, dependency status.

- Repayment Rate: Data covers all student borrowers who have received loans from the federal government.
Accredited Four-Year Institutions

Graduation Rate: 4-year Institutions

Earnings Above HS Grad: 4-year Institutions

Repayment: 4-year granting institutions
Accredited Two-Year Institutions

Earnings Above HS Grad: 2-year Institutions

Graduation Rate: 2-year Institutions

Repayment: 2-year Granting Institutions
Accredited Certificate-Granting Institutions

Graduation Rate: Certificate-Granting Institutions

Earnings Above HS Grad: Certificate-Granting Institutions

Repayment: Certificate-Granting Institutions
Institutions Where Most Students Don’t Graduate, Earn Less Than a High School Graduate ($25K), and Struggle to Pay Down Their Loans

- All 3 Metrics (680 Institutions): $14.77 billion
- Graduation Rate and Earnings (929 Institutions): $16.51 billion
- Graduation and Repayment (1204 Institutions): $39.75 billion
- Earnings and Repayment (1221 Institutions): $17.79 billion
Where most students fail to graduate, earn above a high school graduate ($25k), and struggle to pay down their educational loans.
Takeaways

- We need better data. Our current data leaves a lot of students invisible. First-time, full-time status only covers 47% of all students. Earnings only 70%. It’s actionable, and NACIQI should continue to use this data within its deliberation, but it remains incomplete.

- As NACIQI uses this data to inform federal recommendations, they should demand the best data from lawmakers – data that counts all students. With an annual federal investment of over $120 billion, it’s necessary to have the best data available.

- Our current available data shows that we have 680 accredited institutions where most students don’t graduate, they earn less than a HS graduate, and they struggle to pay down their loans. These schools receive nearly $15 billion in federal student aid annually. These institutions should be a focus for NACIQI and considered within their recommendation process, where appropriate.