

Federal Data Systems: Their Capabilities and Limitations



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Third Way



- 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.

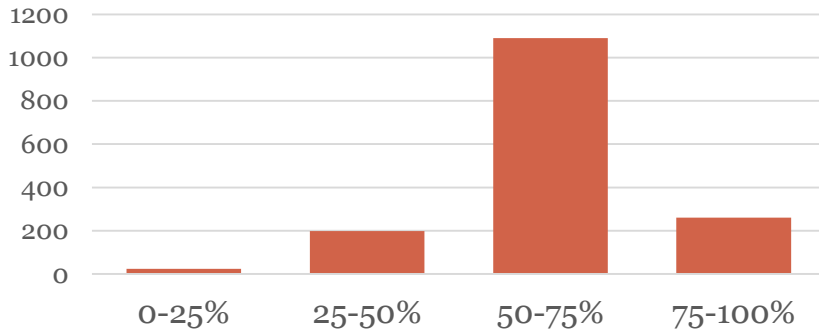
How Does Currently Available Data Compare to More Complete Data on All Students?



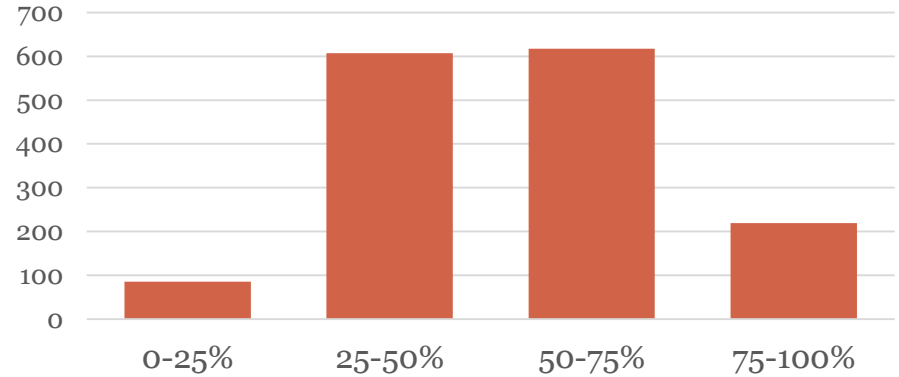
- We don't really know, but we have some clues.
- Graduation Rate: New “Outcome Measures” data suggests that the inclusion of part-time and “transfer-in” students in graduation rate data lowers national graduation rates.
 - Part-time students make up 25% of data, yet graduate only 24% of the time
- Earnings: 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

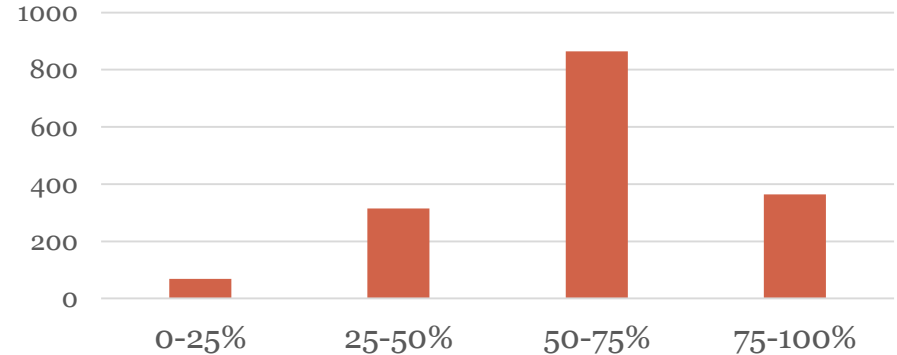
Earnings Above HS Grad: 4-year Institutions



Graduation Rate: 4-year Institutions

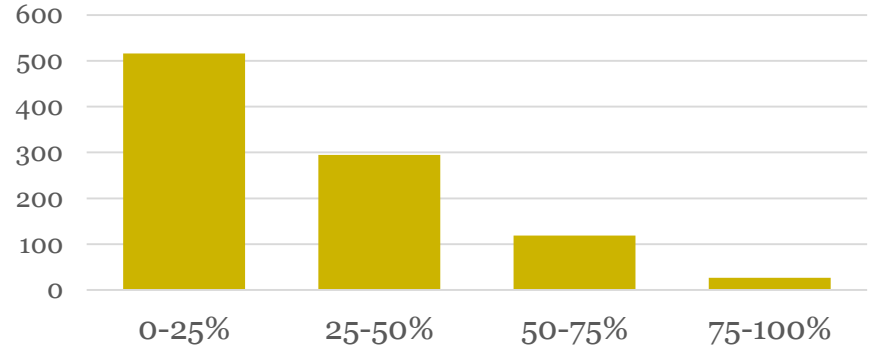


Repayment: 4-year granting institutions

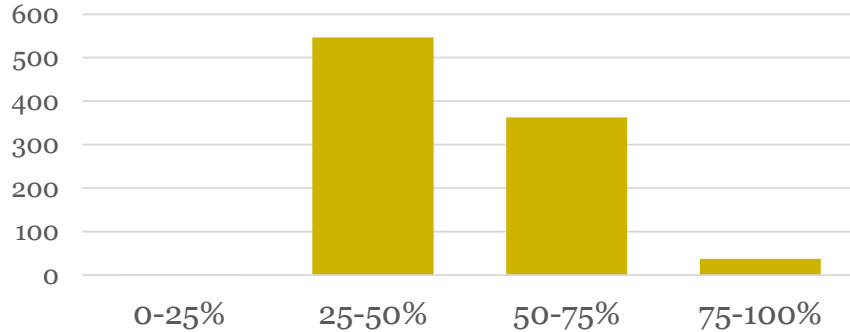


Accredited Two-Year Institutions

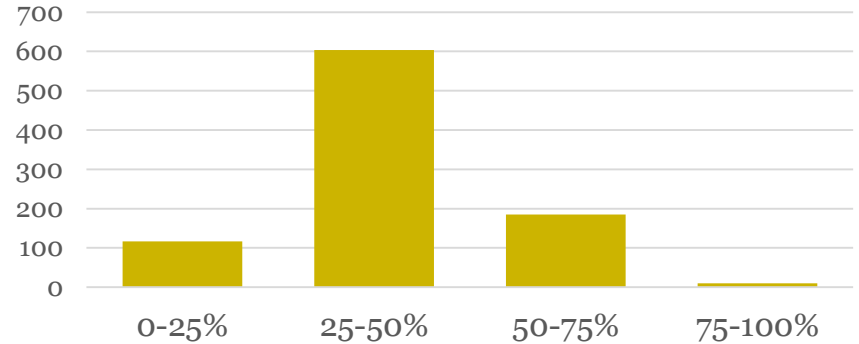
Graduation Rate: 2-year Institutions



Earnings Above HS Grad: 2-year Institutions

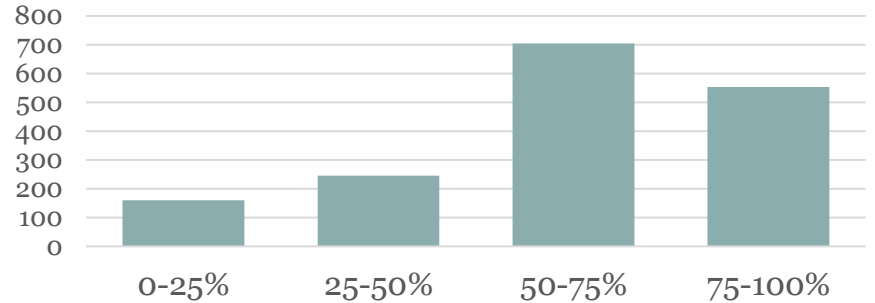


Repayment: 2-year Granting Institutions

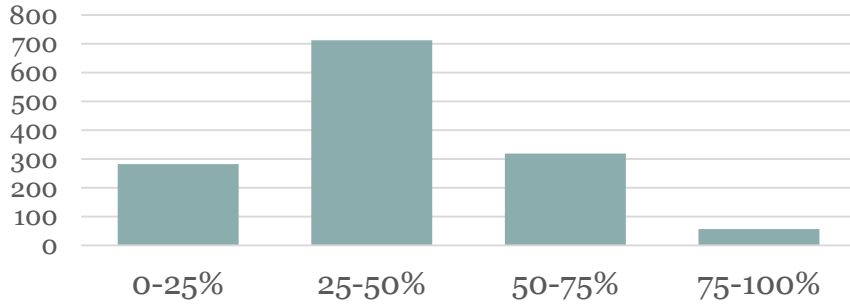


Accredited Certificate- Granting Institutions

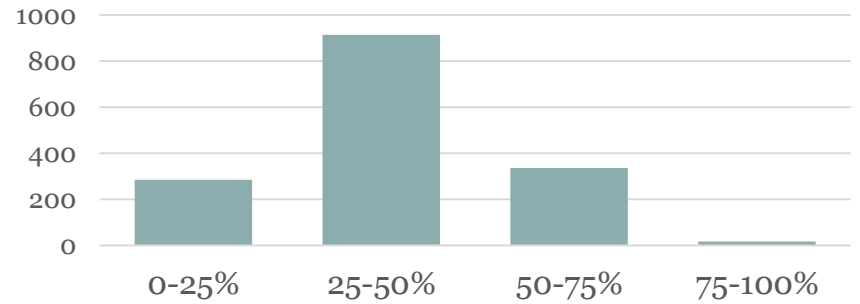
Graduation Rate: Certificate-Granting Institutions



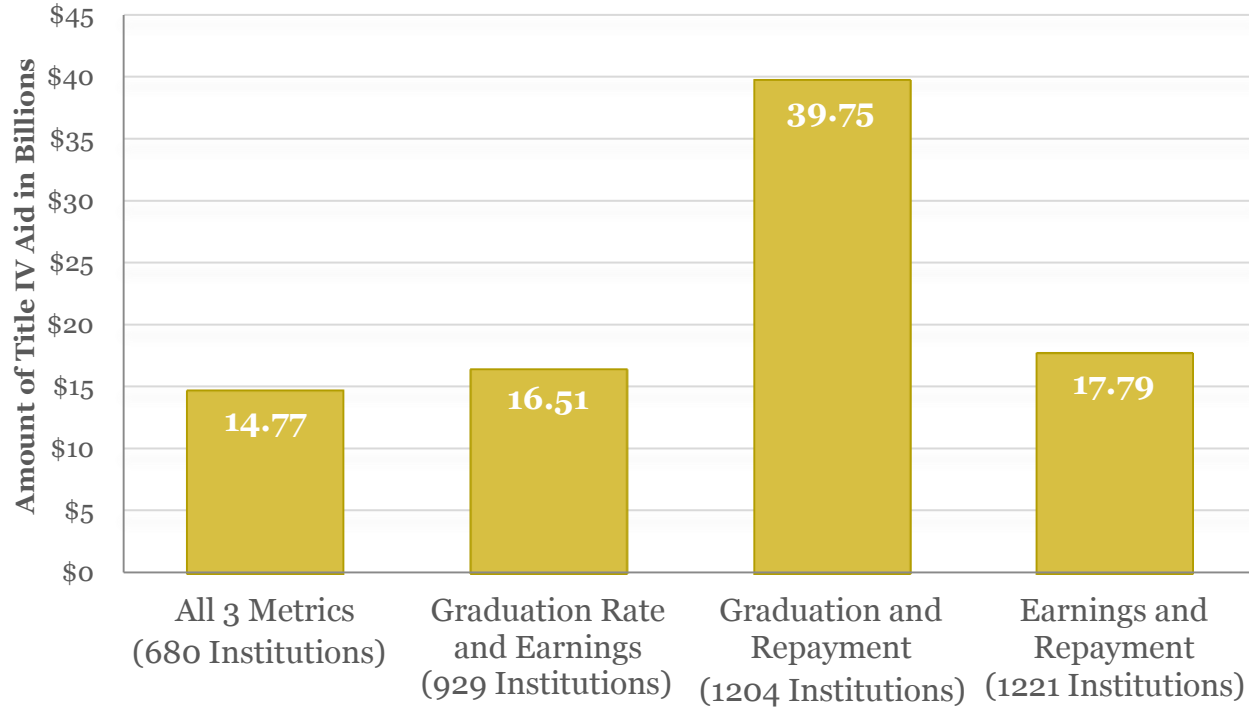
Earnings Above HS Grad: Certificate-Granting Institutions



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





680
institutions



3.4 million
students



\$14 Billion
in Student Aid

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.