

Empower Students as Consumers in Higher Education

Challenge:

The federal government can play an essential role in making information on colleges widely available to prospective students. Currently, the market is dominated by commercial interests, offering resources that may not be objective. The federal government, though, has access to valid and comparable information on all post-secondary institutions.

The federal effort to provide students and parents with information about colleges began with the advent of the College Opportunities On-Line (COOL) website in the late 1990s. The Department of Education's current [College Navigator](#) evolved from that effort.

Recently, the federal government has created additional consumer tools, including the [College Scorecard](#) and the [Financial Aid Shopping Sheet](#). Links to still more consumer resources are available through the Department's [Affordability and Transparency Center](#) – including institutional net price calculators, college affordability and transparency lists, 90/10 information, and state spending charts. The Department also maintains a [consumer information page](#), with links to a 31-page “Consumer Disclosures at a Glance” and more detailed information on 11 categories of required disclosures.

Beyond the Department of Education, several other consumer information proposals have been put forward. During the 112th Congress, several members introduced bills that would require collection and disclosure of information – down to the program level – for veteran and military students. Institutions don't currently collect information at this level, so such measures would substantially increase colleges' reporting burden. At the same time, the huge data sets these collections would comprise would likely be too cumbersome and confusing to be of use to prospective students.

Individually, each of these proposals may have merit. However, providing multiple federal information sources can confuse rather than aid consumers. In fact, a recent study by [Monroe Community College](#) in Rochester, N.Y., showed that providing students with too much information on the college's early registration actually led students to ignore all available materials. The “communications audit” conducted by the college found that students had received 286 separate communications about enrollment.

As Congress wrestled with similar disparate proposals during the previous HEA reauthorization, NAICU conducted a series of focus groups with a diverse group of higher education consumers to determine their informational needs and preferences. Using the focus group results, NAICU developed [U-CAN \(the University & College Accountability Network\)](#). This interactive consumer college search tool has now been adopted by more than 800 private nonprofit colleges. We believe that U-CAN has been built upon consumer-tested principles that Congress might adopt in addressing consumer information questions.

Other current legislative proposals include making available to prospective college students the earnings by major of each institution's graduates. Advocates believe that consumers need to have this earnings information in order to inform their choice of college and major. Others believe creating a national student unit record system to collect such information will be too costly – both in terms of system design and invasion of graduates' privacy – and will yield information that is too misleading and one-

dimensional to serve as a tool for students' college-going decisions. Such proposals could be among the most divisive issues Congress will face during the forthcoming reauthorization.

Recommendations:

- 1. Consolidate federal consumer information.** Require the Department of Education to consolidate the various federal consumer information initiatives into a single, widely-available tool that includes information on all Title IV eligible postsecondary institutions. The goal of such a comprehensive tool would be to help a diversity of higher education consumers “shop” for their “right-fit” college. It also should be built on comparing, rather than ranking institutions, thereby avoiding the inherent ranking problems that plague some private vendors. The consolidated tool should be developed using these principles:
 - **Ask consumers what they want.** Policy analysts – many of whom drive reauthorization conversations – want more and different information than do consumers. If this is to be an information tool for consumers, focus group research should be used to determine the information and design consumers prefer. (See [NPEC Study: Student and Guidance Counselor Feedback on the College Navigator Website](#), May 2012, as an example.)
 - **Make it long enough, yet short enough.** The profile of each institution should avoid the traps of either too little (College Scorecard) or too much (College Navigator) information. The U-CAN focus groups suggested the equivalent of two pages as the ideal length. They also preferred the profiles employ colors and graphs in addition to data and narrative in presenting the information, making it more readily accessible.
 - **Include both qualitative and quantitative information.** Beyond facts and data points, the 2007-08 U-CAN focus groups also wanted to know about the nature of the institution, or what it considers its most outstanding feature. Such “soft” information helped them determine “fit.” U-CAN profiles feature a series of “click-through” buttons taking users to the college’s website for such points of consumer interest as mission, community, religious affiliation and traditions, public service opportunities, student employment, special programs, and student services.
 - **Look at the “Improving Postsecondary Education Data for Students Act.”** Introduced by Rep. Luke Messer (R-Ind.) and approved by the House earlier this year, H.R. 1949 offers a good framework for such a review. Rep. Messer summarized it well: “Before we add further complexities to the existing programs, we ought to ask the Department of Education to examine whether the information that’s out there is working well for families.”
- 2. Offer multi-faceted “return on investment” information.** Prospective students and their families do want to know what a graduate might earn. However, proposals that simplistically attempt to predict earnings by major at a particular institution miss the point about the [skills valued](#) by employers. They will also inevitably ignore the unique combination of interests, responsibilities, priorities, ambitions, study habits, and personal circumstances behind any individual’s career choice. This is especially true for [liberal arts graduates](#) whose careers are the summation of any number of choices, preferences, and opportunities.

- **Look at value beyond earnings.** A one-dimensional focus on earnings ignores the fact that the success of a college education can be measured in other equally valid ways. Institutions have a wide range of missions in areas such as the arts, religion, social work, and public service. Students don't choose to teach for the earnings potential; they do so because they want to make a difference in shaping young lives. Careers in public service may not be lucrative, but they are of immeasurable value to the individuals and communities being served. Students have a wide range of aspirations that have nothing to do with maximizing their earnings. A college education allows them to meet those personal goals.
- **Respect student privacy.** Tracking an individual's earnings for years after graduation would require the development of a unit record data system. The federal government has already invested something in the neighborhood of \$700 million to set up such systems at the state level, and state governments have invested many millions more. *(As background, see this [2009 Fordham Law School study](#) on educational records and associated privacy issues.)*

Current discussions seem to be moving away from the statewide systems and toward a national system—the creation of which is prohibited by a provision of the Higher Education Opportunity Act of 2008. NAICU supported the 2008 prohibition in the interest of protecting student privacy, and we believe the prohibition should be maintained. We do not see the need to re-ignite the debate over student privacy rights; nor do we see the value of investing still more money into building data systems.

- **Consider another way.** A better approach might be to make available general information on earnings and employment prospects for particular occupations. For example, the college consumer website could include a link to current employment and earnings information already being collected by the Department of Labor. This would include average career earnings by region, along with any postsecondary education or training required. Department of Labor resources currently available include:
 - [Overview of BLS Wage Data by Area and Occupation](#)
 - [Occupational Employment Statistics](#), showing variation in employee demand and salaries by occupation and geographic location. *(As an example, this link takes you to a set of maps showing employment and salaries of elementary school teachers across the country.)*

Another useful resource for such general earnings information by occupational area is the U.S. Census Bureau's ["Pathways After a Bachelor's Degree" website](#).