Rating President Obama's College Ratings

Finding the right college is complicated enough for well-prepared students from middle- or upper-class families with a history of college education. If you’re a low-income student, the first in your family to attempt college, and have less than stellar grades from a solid, but not storied, public high school, the thousands of colleges and universities out there may be little more than a blur. How will you choose a school that provides the academic support you need, offers a solid (and perhaps challenging) education with good career prospects, and helps you graduate without a mountain of debt?

These are the students who can benefit the most from what President Obama’s college ratings proposal promises—a clear view of which institutions are the best value, with a commitment to direct more financial aid to them. With tuition too high and graduation rates too low at many institutions, many Americans want and need to know, in the simplest terms, where to find the best value for their money.

The ratings proposal is one aspect of the president’s multifaceted plan, announced in August, to make colleges more accountable and higher education more affordable. Other components include requiring undergraduates to provide evidence of academic progress to qualify for continued aid and expanding the Pay As You Earn program, which allows student borrowers to cap their federal loan payments at 10% of their income.

On the institutional side, the proposal seeks to promote initiatives that may lower costs and improve quality, such as awarding credits for demonstrated learning rather than amount of time in class; creating hybrid in-class and online courses; using online learning communities and other technology to help students select courses, collaborate, and get academic help; and awarding credit for prior learning. The Obama plan would also provide seed money to test and evaluate new approaches.

All of these ideas are merely proposals, not “realities,” and many of them won’t happen unless Congress authorizes and funds them. But one thing the
administration can implement without Congress, and the one we’re concerned with here, is the college ratings plan. The president hopes to have it in place in 2015 as part of the existing College Scorecard, take some time to refine it, and then, in 2018, begin giving larger Pell grants and cheaper loans to students at high-performing institutions.

The intentions are admirable and the goal is worthy. In our judgment, however, some of the criteria for determining college value are flawed.

The plan promises to compare “colleges with similar missions,” and we agree that that’s essential. The wide variety of institutions is a strength of U.S. higher education, and the differences are significant, ranging from agile community colleges that are critical to workforce training to advanced research universities, whose mission is as much about discovery and innovation as about undergraduate education.

Within those mission categories, the proposed criteria for college performance are (to quote the plan)

- Access, such as percentage of students receiving Pell grants;
- Affordability, such as average tuition, scholarships, and loan debt; and
- Outcomes, such as graduation and transfer rates, graduate earnings, and advanced degrees of college graduates.

Other useful metrics should be added to this preliminary list. Faculty quality, most easily measured in terms of the percentage with doctoral or other terminal degrees, is one important factor. Others include the student/faculty ratio, the types of public service performed by students and graduates, and surveys of alumni satisfaction.

“Access” is an important factor to consider, but the percentage of students receiving Pell grants does not tell the whole story. Other types of aid, including aid from the institution itself, may also be crucial in enabling low-income students to attend.

“Average tuition” provides limited information; a student’s actual cost of attendance varies with family income and the cost of living in the college location. Taking average tuition as a metric can also create curious dilemmas: if a state cuts funding to its public university, as so many have done in recent years, forcing a hike in tuition, is it fair then to make less aid available to those students?

The outcomes metrics are even more problematic. Let’s take graduation rates. Currently available federal data on this point include only first-time, full-time students. Until we have more inclusive data (which are being developed, but slowly), colleges that serve many part-time and transfer students are going to look bad through no fault of their own.

We also need to consider the populations who enroll in different kinds of colleges. Some colleges make it their mission to educate students from disadvantaged backgrounds who are less well prepared than their peers. Helping 50% of these students to earn a bachelor’s degree within six years
may represent a greater achievement than a 90% rate at a selective college
that enrolls mostly students with high test scores and transcripts full of A’s,
honors and AP credits.

The graduation rate, viewed in context, is a legitimate metric. There is a
danger in giving it too much weight for purposes of determining federal aid.
Some institutions, we fear, may be tempted to elevate their graduation rate by
“dumbing down” courses or accepting fewer students from lower
socioeconomic groups.

As for graduate earnings, they are a poor metric for college quality, leading to
a narrow focus on the current highest-paying fields at the expense of the
liberal education that has been so critical to the success of our nation. In any
case, given how often people change jobs and even careers these days,
etarnings soon after graduation don’t necessarily predict the future. Two years
after he graduated, it’s worth noting, Barack Obama was a community
organizer on Chicago’s Far South Side; his paycheck undoubtedly would have
dragged down Columbia University’s ratings.

As Obama’s early career suggests, another problem with using graduate
earnings as a metric is that many essential careers are not highly paid. It
makes no sense to rate a college poorly because it graduates teachers, social
workers, nurses, and others who serve their communities in modestly
compensated jobs.

In any reasonably well-designed rating system, Ben Miller of the New
America Foundation points out, it’s likely to be hard to distinguish among the
vast, more or less average majority. But setting minimum performance
standards for all colleges and universities, non-profit and for-profit,
residential and virtual, and “identifying the worst of the worst would be a
huge step forward.” We strongly agree that by doing so we could spare many
students a painful waste of effort and money.

With this proposal President Obama has launched a useful debate about how
to measure effectiveness in higher education. Calibrating the metrics for
maximum benefit and fairness won’t be easy, but we believe it can be done. As
thoughtful voices from the public as well as academic and public-policy circles
weigh in, we hope the administration will be listening. We can and must make
progress together.

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