

AEI “Diplomas and Dropouts” Report: Questions & Answers

1. What is the origin of the selectivity categories, and how did we determine which category a school falls into?

To divide schools into the six selectivity categories, we used the well-known *Barron’s Profiles of American Colleges* (2009 edition), which groups most four-year colleges and universities into six broad categories (noncompetitive, less competitive, competitive, very competitive, highly competitive, and most competitive) based on a variety of metrics. “Special focus schools,” such as theological seminaries and art schools, are not ranked by *Barron’s* and are not included in our sample.

Data from the Integrated Postsecondary Education Data System (IPEDS) provided the Carnegie classifications and institution type (public, private nonprofit, etc) categories. Regional categories are taken from *U.S. News & World Report’s* college rankings guide. We used the *U.S. News & World Report* regional definitions, which differ very slightly from those used by U.S. government, to simplify for readers who wish to use the figures presented here along with that publication’s popular college guide.

2. Why are some institutions not in the report?

Any four-year college or university that did not report a first-time, full-time six-year graduation rate (the SRK graduation rate) could not be included in the analysis. There are a variety of reasons that schools in the IPEDS database, while having the authority to grant bachelor’s degrees, do not report a six-year graduation rate. For example, some are specialized religious schools; some are community colleges that have the authority to grant the degree but do not enroll students who meet the definition for inclusion in the cohort. Additionally, any school that was not explicitly ranked by *Barron’s* could not be included. In particular, some satellite campuses of state universities or for-profit colleges reported graduation rates in IPEDS but were not ranked by *Barron’s* and are therefore not in the sample.

3. Doesn’t this analysis leave out many students that are not first-time, full-time attendees at four-year colleges and those that attend two-year institutions?

The Student Right to Know Act mandates that schools report the percentage of that cohort of full-time beginning students that graduate in 150 percent of the “expected” time to complete the degree. Because we focus here on bachelor’s degree completion, which traditionally takes

four years, the graduation rate is based on the percentage of the 2001 full-time beginning cohort that received degrees by 2007. This definition excludes students who were not “beginning” students at their current institution (i.e., transfer students) and who enrolled part time. Also, students attending schools that do not grant bachelor’s degrees are not included.

The data used for this report, therefore, cover a limited percentage of the total number of currently enrolled college students. In fall 2006, for instance, the number of full-time, first-time bachelor’s degree-seeking undergraduates (those included in the graduation rate survey) was 2.4 million. Meanwhile, the total number of full-time undergraduates was about 9.9 million.

4. How do you account for transfer students and the fact that students who transfer may still graduate in six years, even if they do not graduate from their first institution?

Unfortunately, given the way IPEDS collects the completion data, students who transfer out of their starting institution are counted as not receiving a degree in six years even if they receive a degree from the second (or subsequent) institution in six years. The graduation rate reported here is therefore the “institutional” graduation rate rather than the “total” graduation rate. The 1996/2001 Beginning Postsecondary Student Study, conducted by the U.S. Education Department’s National Center for Education Statistics, shows that many students switch institutions and then graduate, often taking longer than the six year cutoff. This survey suggests that the “individual graduation rate” is about 8 percent higher than the average institutional graduation rate.¹

If each school reported a transfer rate, we could adjust the analysis by “controlling” for transfers to show which schools are graduating the most students conditional on their transfer rate. Unfortunately, only a fraction of the schools included in our sample reported transfer rates. Among those that did, however, the data suggest that though the transfer rate declines as selectivity increases (better schools have fewer transfers), *within* categories the transfer rate is not wildly different across those schools at the bottom and top of the graduation rate rankings. See the “Note on Transfers” section in the report and the table in the Appendix for more details.

5. Isn’t it easier for CalTech or MIT to boast high completion rates than for schools where students are not so highly accomplished or are not enrolled full-time? Shouldn’t you take that into account when comparing schools?

¹ See <http://nces.ed.gov/pubs2003/2003151.pdf>

This is precisely why our analysis accounts for differences in admissions selectivity, using *Barron's* categories of competitiveness when comparing schools. Comparing completion rates at CalTech and Cal-State Long Beach, for instance, is not only “unfair,” it is also not very useful to parents and students looking for a college that fits their needs or to policymakers thinking about institutional performance. The contribution of this report is that we acknowledge this well-founded criticism by using a commonly accepted measure of institutional selectivity in order to compare schools that attract similar students. We highlight the *within* category differences because these gaps are not easily explained by differences in student aptitude or background.

6. Won't a focus only on graduation rates encourage schools to drop their standards for receiving a diploma? Isn't that a problem?

We do not suggest that high graduation rates are invariably a good sign or that low graduation rates are necessarily a bad one. After all, an easy way to pad graduation rates is to drop standards and hand a diploma to every student who walks through the door. And the high graduation rates at Harvard, Notre Dame, Princeton, or Stanford may not say as much about those institutions as they do about the students who attend them. The results reported here should be read with such cautions. In particular, we do not suggest that modest differences in graduation rates should be overemphasized—that is why we focus on the extremes.

We believe that the graduation rate measure included here should be just the beginning of a richer inquiry into college success—one driven by more accurate measures broadly defined: in future earnings, in acquiring knowledge, and in succeeding in the workplace.

7. Are you implying that schools with poor completion rates are bad schools?

Schools with low graduation rates are not necessarily “bad” schools. A low graduation rate could reflect any number of factors, including a high degree of quality control. A low graduation rate at a school with a special focus on engineering, for instance, could be a signal of the rigor of its curriculum. Low graduation rates also reflect transfer rates, and students could be transferring to more selective schools out of these transfer institutions, thus depressing their graduation rates.

In general, however, we would argue that low graduation rates are an important indicator that a given school may not be serving the needs of its degree-seeking students. When schools that admit similar students have vastly different graduation rates, consumers should wonder what this implies about institutional practices and quality. When compared to their high-

performing peer institutions, it is difficult to argue that the schools in the bottom end of the graduation rate distribution are doing enough to help their students successfully complete a degree.

8. Don't students bear some responsibility for non-completion?

Students certainly bear "responsibility" for non-completion. Although many students drop out because they are underprepared for the rigors of college learning or are financially unable to pay for the remaining credits, a fraction probably do make an independent decision to leave and enter the workforce. Institutions may have little control over these students' decisions. Just as students bear some responsibility for their own persistence, we argue that institutions have a responsibility to ensure that their students have the opportunity and the support they need to finish a degree in a reasonable amount of time. That some schools are doing a better job of retaining and graduating their students than their peer institutions suggests institutional practices do play a role in facilitating completion.

9. Are graduation rates the only factor, or even the main factor, that prospective students and parents should weigh in choosing a college?

The list of factors that students, parents, and guidance counselors must weigh in deciding which college to attend varies across students. Students need to choose the school that fits their needs financially, academically, and socially while ensuring that the degree will serve them well in the future. For the nation's top students, graduation rates are clearly not a concern; the best schools in the country graduate the vast majority of their students in six years. For most students, those who attend the bulk of the colleges and universities in this country, the widespread variation within the bottom four selectivity categories may not be well-known or well-documented. This information should be readily at their disposal.

Rather than argue that graduation rates "should" factor into their decision processes, this report proposes only that information on completion rates should be made more accessible to consumers and that schools should be more transparent about their completion record. Parents, students, and guidance counselors could then use this information to make better-informed choices, while the light shed on poor performing schools might provide incentive to improve their completion rates.

10. Why are some schools doing better than others?

The purpose of this report was to document the variation in graduation rates across schools with similar admissions criteria. We have established that there is significant variation within selectivity categories, which suggests that there are some institutional-level variables and practices that influence completion rates. The report is not focused on explaining this variation in any way, but we believe that this question is a promising area for future research.