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Center for American Progress



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# Introduction and summary

The process of college admissions does not suffer from lack of attention. Students and families often obsess over it, media coverage is plentiful, and commercial enterprises that offer test preparation, private counseling, rankings, and guidebooks capitalize on it. Yet admission is but one aspect of how colleges and universities manage their enrollments and impact educational attainment in the United States. How colleges determine who is recruited, who merits admission, who receives student aid and of what variety, which classes are offered and when, and what kind of assistance is provided to students all comprise a complex system and an emerging field known as enrollment management. Outside of the world of higher education administration, however, the term enrollment management has little meaning. But as the United States looks to increase the percentage its population entering and graduating from college, this larger process must be more fully understood.

That colleges manage their enrollments only makes sense. After all, enrollments make up the bulk of institutional revenue at universities and colleges and students bring the energy, diversity, and talent that comprise the potential for learning and academic success. So it is to be expected that colleges and universities will manage enrollments to meet their particular missions, needs, and interests. What can be said, however, about the way college enrollments are managed on behalf of the public and national interest? This paper addresses this question by examining institutional enrollment goals and the enrollment decisions and strategies that are used in service to them. Further, the paper addresses how institutional goals may be directed in greater measure toward the public interest. In doing so, a framework is provided for better public information and more informed public policy with respect to college enrollment in the United States.

Specifically, this paper begins with a focus on the imbalance in higher education results in relation to the educational-attainment needs of the country. Next it identifies fundamental conditions to which institutions respond when establishing enrollment goals and highlights the strategies that enrollment managers employ in balancing the competing demands of equality of opportunity with institutional ambitions and revenue requirements.

The paper establishes that enrollment strategies favor economically advantaged students and identifies public disinvestment, poor economic conditions, and the highly competitive positional marketplace of higher education as factors that drive enrollment strategies and lead to lopsided educational results for the nation. It then takes a novel turn by adapting the unlikely example of the National Football League as a promising model to moderate harmful competition, regain public trust, and focus on educational results as measures of quality, as opposed to the present rankings-centered emphasis on characteristics of the incoming student body.

It's common knowledge that the NFL establishes rules that temper competitive practices that could harm the game of football and its member franchises. These rules include the banning of illegal performance-enhancing substances that could result in a competitive advantage, establishing the roster size and payroll limits of teams, and putting in place revenue sharing by all franchises. The intent of these rules is to focus competition on the field of play, contain costs, and permit small-market teams to compete with those teams with greater resources. Drawing on this example, this paper develops the concept of a “league” of member institutions to establish mechanisms of public information, public policy, and institutional goal setting in order to focus attention on educational results and broaden the service of higher education to the nation. It also calls on education policymakers and others to provide favorable conditions to allow such cooperation to occur.

Specifically, this paper suggests that American higher education would be more inclusive and results driven if colleges and universities formed a league to establish rules of competition and progress in the public interest. The goals of this “Higher Education League” would be broader participation, increased rates of success, and reduced costs. League rules would ensure better and more relevant public information about college characteristics and college choice, clear and consistent recruitment and application guidelines, full disclosure and uniform methods in the determination and delivery of student financial assistance, educational quality measured by student learning and student readiness to realize personal and societal goals, and the nurturance of the talent in the K-12 pipeline.

This paper concludes by suggesting that higher education leaders, public policymakers, philanthropic foundations, corporate entities, and others engage in and support the exploration, formation, and start up of the league.

In sum, this paper examines the conflicts and tradeoffs in college-enrollment management and presents a case for how the goals and strategies pursued can be recalibrated to address the national priorities of educational access and completion.

# A system out of balance

“In the broad context of the general welfare, the overwhelming obligation of higher education is the provision of education for all capable of realizing its benefits and feeding these back in multiplied vigor into the general polity.”

— **B. Alden Thresher, former dean of admission, Massachusetts Institute of Technology, 1966**<sup>1</sup>

Let’s talk simply and directly. The future of the United States depends upon how well its inhabitants apply their knowledge and skills to advance economic prosperity, to promote an effective and participatory democracy, and to construct a civil and humane society. We are not, after all, a society based upon inherited privilege and status—the American Dream is premised on the assumption of equality of opportunity.

But how do we describe a society in which the practice of education—the primary means for advancing its people—produces college graduates from the most advantaged of the population at alarmingly disproportionate rates? We cannot argue that it is a meritocracy, for meritocracy suggests education that is based upon talent and drive. These qualities are certainly not the sole province of the advantaged. Nor is it egalitarian since opportunity in an education system with widely disproportionate results does not approximate equity. One thing is clear: There is good reason to wonder aloud whether our current educational policies and practices are providing the equality of opportunity that we have espoused for decades.

What is the evidence? National educational-attainment statistics demonstrate that eighth graders who had at least one parent who graduated from college and whose families were in the upper-income quartile went on to earn a bachelor’s degree at a rate of 68 percent. In stark contrast, students from families in the lower-income quartile and without a degreed parent attained a bachelor’s degree at a rate of just 9 percent.<sup>2</sup>

Among the same group of students who were fortunate enough to enter a four-year college, those with at least one parent with a bachelor's degree and in the upper-income quartile had a six-year college graduation rate of 81 percent. Those from families in the lower-income quartile and without a degreed parent earned their degrees within six years at rate of only 47 percent.<sup>3</sup>

In the face of these results come numerous reports that a college education matters more than ever for the growth and sustenance of the country. With growing numbers of jobs requiring postsecondary education, with low participation and graduation rates among low- and middle-income students, and with population growth expected primarily from populations who have historically low college participation rates, the stakes for the nation are high.<sup>4</sup>

The locus of concern with regard to this difficult problem tends to be what occurs in the college admissions office. Indeed, the admission process suffers no lack of attention and familiarity. It is often the source of consternation for students and their families, news coverage on the process is extensive, and commercial enterprises that offer test preparation, private counseling, rankings, and guidebooks have capitalized on it. Yet the admission process is but one aspect of how colleges and universities manage their enrollments, which in turn impacts educational attainment in the United States. The methodologies used by colleges and universities to determine who is recruited, who merits admission, and who receives student aid and of what variety, in addition to setting course offerings and deciding what kinds of student assistance is provided, all comprise a complex system and an emerging field known as enrollment management. Outside of the world of higher education administration, however, the term enrollment management has little meaning. Yet now, as America looks to dramatically increase the number of individuals who enter college and earn degrees this larger process must be more fully understood.

Therefore, what is examined here is the role of college and university enrollment strategies that are at once a source of hope for underserved students and a vehicle for colleges and universities to pursue mission, prestige, market position, and financial efficacy. Enrollment management is a practice replete with dichotomies. Colleges and universities struggle to balance their public service missions against the financial resources they need to stay afloat; but at the same time, these same institutions are engaged in intense competition with each other and are engulfed in a costly marketing battle for recognition in rankings that most generally consider poor measures of educational quality.

Indeed, today we find a higher education system that is out of balance. It is a system that is:

- Struggling to meet lofty educational missions while simultaneously maximizing revenue and prestige
- Facing a crisis of identity—known as the best in the world, it is nonetheless caught in a spiral of costs and competition that threatens to undermine what may be its greatest legacy: the upward mobility and strength of the American people through education
- Deserving of praise, sometimes even love, but one that faces disinvestment by state and national governments and flagging public confidence among those it is designed to serve
- Operating in recessionary times, which is causing the public to question the value of a college degree at the same time that the nation's long term economic future turns on a more well-educated population

In other words it is a system threatened by disinvestment, a poor economy, and misplaced ambition in the drive for prestige at a time when it must refocus itself on its educational mission and on the public trust that it is chartered to pursue.

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## The X's and O's of enrollment management

When brought to bear on the very human problem of who is admitted to college, who enrolls in college, and who receives the wherewithal to complete college, higher education turns to a new class of institutional leaders to balance these dichotomies: enrollment managers. Their job is a difficult one. If it were true that all they needed to consider was educating the students necessary for the United States to write its next chapters, and if the means for doing so were plentiful, we would likely see a more reasonable balance of meritocracy and equity. These new leaders, however, must meet multiple goals. They must identify and enroll the students who can pay the level of tuition needed to cover campus revenue requirements. Simultaneously, enrollment leaders are expected to produce results that figure prominently in having their institutions leapfrog each other in college rankings or in other measures of prestige. These include markers of academic selectivity, including high-school grade point average, test scores, percentage of students in the top 10 percent of the high-school class, the number of applications received, as well as the percentage of admissions granted, the number of admitted students who enroll, and the percentage of students who ultimately graduate.



Broader social missions are achieved to the extent that they are done under these constraints. One noted professional summed it up succinctly, saying, “It is my job to manage the nexus of revenue, prestige, diversity, and access for the campus.”<sup>5</sup>

In plain English this means that the enrollment manager must determine which students to recruit, which to admit, and which to provide financial aid so that academic programs are filled, the academic profile of the class advances, and sufficient tuition revenue is generated to meet campus objectives and ambitions. Moreover, the enrollment manager may also direct campus efforts to increase graduation rates and institute new programs that have market potential. Indeed, it is now common for these leaders to be at the vice-presidential level and be key members of the senior strategic management team of their campuses.<sup>6</sup>

A particular focus of this report is the strategies, often seen as mysterious, that are employed by enrollment managers to meet the multiheaded hydra that is their set of goals. These strategies and enrollment managers themselves have been widely criticized for contributing to the stratification of educational results in the United States. As identified in a recent article in the journal *College and University*, “Critics have equated enrollment management with a range of specific strategies designed to deliberately shape enrollment outcomes such as increasing selectivity, optimizing net revenue, and improving student academic profile—all in ways that work against broad educational values and the social good.” Moreover, critics have “identified enrollment management strategies as causal factors in the pervasive pursuit of prestige—the arms race—in American higher education.”<sup>7</sup>

While a number of these strategies are outlined here, it is also important to address the conditions that undergird these pursuits in order to find better public-information solutions and to better inform public policy. Indeed, the position taken here is that enrollment-management strategies can be readily utilized to provide better and more encouraging information to the nation’s underserved students; can stimulate and inform better academic and personal preparation for college success; and can identify, recruit, select, and support students who can differentially benefit from the resources that colleges and universities devote to the undergraduate experience.

Indeed, a study recently published by the College Board, a nonprofit educational organization, noted, “Lower-income students have similar or higher aspirations than higher-income students to attend college and are confident about navigating the college admission process.” The study also reported, “Although both lower- and higher-income students say they receive plenty of information from colleges, lower-income

The enrollment manager must determine which students to recruit, which to admit, and which to provide financial aid.

students are more likely to report being influenced by it.”<sup>8</sup> There are, however, strong market forces at work that serve to discourage colleges and universities from acting to achieve broader social objectives and these forces will be addressed here as well. Finally, a conceptual framework for common ground is developed to demonstrate one way that colleges and universities may use their strategic resources to compete on educational grounds. To do so would widen college options for all students. In sum, this paper examines the conflicts and tradeoffs in college-enrollment management and presents a case for how the goals and strategies pursued can be recalibrated to address the national priorities of educational access and completion.

# Striving for higher education's mythical Super Bowl

Institutional prestige has always been a pursuit of postsecondary education. There is no doubt, however, that the rise of *U.S. News & World Report's* list of best colleges, along with other efforts to rank U.S. institutions of higher education and universities, has created the illusion that institutional quality can be readily measured and numerically ordered. As the illusion gained prominence and power, it stimulated accelerated efforts in the higher education community to improve institutional position in the rankings. Among other things, it gave rise to both sanctioned and unsanctioned inflation of application counts and average SAT scores, sleight of hand in the reporting of the resources devoted to undergraduate education, and artificial deflation of college admission rates. In other words, though dismissed as “the way the game is played,” colleges manipulate their data in order to maintain position or rise in the rankings. In the book *Shakespeare, Einstein, and the Bottom Line*, its author David Kirp notes, “Colleges have ... taken unsavory steps to improve their reputation—for instance, by misrepresenting the data used in determining US News rankings. The temptation to cheat is considerable because the stakes are so high ... even the most selective schools have cheated.”<sup>9</sup>

There is a joke told in enrollment-management circles, which goes like this: The president of the college calls a meeting with three key enrollment leaders on the campus—the admission director, the registrar, and the director of institutional research. The president says, “I have question for each of you. How much is two plus two?” The admission director, well-versed in the behavior of 18-year-olds and ever wary of specific targets replies, “Well, it’s four, plus or minus one or two.” The registrar, stolid keeper of academic records, replies, “Why, I’m quite certain that it is four exactly.” Then, the director of institutional research leans in close to the president and whispers, “What number do you want it to be?”

Funny, perhaps, but it brings to mind the steroids problem in professional sports. Indeed, the public relies on the data reported by institutions when making educational decisions and it should be assured that trusted institutions produce trustworthy information. How does this manifest itself in enrollment strategy and practice?

Institutions are savvy as to how rankings are calculated and tailor their data to influence positive results. SAT and ACT scores, for example, may appear falsely high by not including all students in a first-year class in the calculation. Faculty members who are only nominally devoted to undergraduate teaching may be included in “resource” calculations that figure highly in rankings. Application counts may be inflated by the inclusion of short-form applications that do not include sufficient information to make and process a final admission decision, a practice that deceptively lowers admission rates and helps schools rise in rankings or at least hold their own.

Is this harmful or is it “just how the game is played”—a rather harmless fact of life? The truth is that cheating is insidious because it creates mistrust, including among college presidents who are loath to share too much information with each other. Even if cheating is not ubiquitous or if it occurs episodically within campus data reporting, no one, it is said, is without sin. If this is the belief system, can campuses be expected to cooperate for the broader educational good?

Moreover, such practices unnecessarily discourage the less savvy or inexperienced student from applying to the right college or from applying to college at all. It is well documented that lower-income students often do not apply to colleges that would otherwise have accepted them and from which they would have a better chance of graduating. This is a substantial loss of human potential and has become known as “undermatching.”<sup>10</sup> The lack of reliable public information about colleges is certainly not the only cause of undermatching, but more accurate and relevant public information, including the likelihood of admission, success, and financial assistance would be an important step toward raising both the aspirations and the attendance of students who are less well-served today.

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## Manipulating applications

Of course the inflation of college application numbers and other prestige indicators can be accomplished without overt misrepresentation. Application counts, for example, may be boosted by the recruitment of students who have a negligible chance of being admitted. Yield rates, the percentage of admitted students who enroll on the campus and an indicator of attractiveness and market position, can be inflated by enacting “early-decision plans” in which an application for admission requires a student to pledge to enroll if admitted. Something similar can be accomplished by other restrictive early admission options in which students are permitted to apply to only one school “early.” And there are other ways to ensure

higher yield rates as well, including the consideration during admission decisions of the “demonstrated interest” of students, an indicator which is calculated by keeping track of how many times a student has contacted a school, attended that school’s recruiting events, visited the campus, or interviewed with an admission officer or alumni representative. Of course, low-income students cannot demonstrate the same level of interest as other more well-to-do students since they cannot afford to visit campus, may be working during college fairs or college nights, and because college recruiters simply do not visit their schools with the same degree of frequency, if at all, as they do elsewhere.

These are just a few of the strategies employed by some enrollment managers to satisfy their multiple masters. In the college-admission arena, effectiveness is evaluated, in large measure, by application counts, which must be high; by admission rates, which must be low; by the number of full-paying students, which must be maximized to boost tuition revenue; and by the academic indicators of the incoming class, which must always be rising. Yield rates, no longer considered by *U.S. News* rankings, remain a key indicator as campuses compete for market position. Indeed, Harvard College, which hardly needs more recognition, recently boasted of an 80 percent yield rate.<sup>11</sup> These measures have much to do with selectivity, but they are not measures of educational results and they do much to provide the aura of exclusivity that is problematic in college admissions.

In fairness, and provided the data are accurate, high application counts give colleges choice and students opportunity. Low admission rates can give students a realistic assessment of their chances. Tuition revenues are maximized because some amount goes to financial aid to students who cannot afford the full price. Additionally, strong academic indicators are a reflection of the competition and academic rigor associated with the learning environment. Nonetheless, the issues discussed earlier are only a few of the ways that enrollment strategies operate to place inexperienced and less wealthy students at a disadvantage in negotiating the system.

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### Price, cost, public disinvestment, and missions adrift

In the book *The Balancing Act*, Sandy Baum, noted higher education economist, documents the reality that colleges and universities face resource constraints.<sup>12</sup> Indeed, many private colleges bring in just enough students and tuitions to keep themselves afloat. Similarly, state budget woes have resulted in slashed public college and university budgets, causing these institutions to look increasingly for

students who can pay the full cost of education even if this means abandoning traditional service roles and trolling out of state and internationally for students. Further, institutional funds used for financial aid are most often generated by tuition revenue and as Baum explains, “Many colleges would go under if they gave all of their money to the poorest students.”<sup>13</sup> She documents that institutions face a difficult balancing act when it comes to pricing and the many forms of student financial assistance, including need-based aid, discounts, and merit scholarships.

One fundamental cause of this delicate balancing act and of the strong turn of public institutions to market-based pricing strategies is public disinvestment. According to Michael McClendon of Vanderbilt University, the United States has arrived at a point where there is serious question as to whether public universities are public anymore. McClendon notes that since the late 1970s, state funding per student in higher education has declined from \$15 of every \$100 of state expenditures to only \$7 of every \$100.<sup>14</sup> Indeed, there are now 59 public universities that receive less than 10 percent of their funding from their states—a number that McClendon predicts will climb to 100 public universities in the near future. In California alone, state appropriations for the University of California system have been cut by \$750 million in just the last year.<sup>15</sup> As a result, this year marks the first time that the system received more money from student tuition than from state aid. Increased tuitions, however, covered only a quarter of the deficit left by state cuts. To place this in perspective, state appropriations are the same as they were in 1997 when there were 75,000 fewer students enrolled.<sup>16</sup>

What are the results of such disinvestment? McClendon tells us that we have seen the emergence of the privately funded public university, the increasing stratification of opportunity and quality within the public system of higher education, a growing arms race in pursuit of prestige given the necessity for marketization, and a growing disparity among the haves and the have-nots among the public universities.<sup>17</sup>

Moreover, it is also well-documented that an increasing percentage of the student aid provided by institutions and by the states is devoted to students without financial need.<sup>18</sup> Some of this aid is in the form of merit scholarships, primarily defined as recognition for outstanding academic achievement and talent, to recruit sought-after students for both educational and market positioning purposes or, in the case of some states, to retain talented students within the state. Other non-need aid comes in the form of tuition discounts, which are awards to entice the enrollment of candidates who are able and willing to pay at least a significant portion of the tuition bill, but who it is believed may enroll elsewhere unless a

Since the late 1970s, state funding per student in higher education has declined from \$15 of every \$100 of state expenditures to only \$7 of every \$100.

discount is provided. The higher up on the prestige food chain an institution is, the lower discount it has to provide. Similarly situated institutions compete with one another by deepening discounts and, of course, students and families have now learned to pit one school against another. So, unless a school is receiving just enough tuition revenue to get by, differential dollars are going to students with little or no financial need to improve the market position of the schools. The losers are students with financial need. Moreover, a recent report suggests that discounting may now be losing its effectiveness.<sup>19</sup>

Given institutional financial constraints and competitive forces, there are several ways that low- to middle-income students are put at a disadvantage. First, institutions will concentrate their recruitment resources in geographic areas where greater wealth is present. Next, schools may limit the number of students who require financial assistance. Another approach is to be need blind, in other words unaware of family resources, at the admission stage but then fail to provide adequate financial aid to maintain a student's enrollment. This is known as the "admit/deny" effect because inadequate aid has the same, if not more devastating, effect as denial. Finally, many institutions maintain policies that ration financial aid in a way that leaves some portion of a student's need uncovered. The amount left uncovered is the "gap" and the practice is known as "gapping." Needless to say, students from families without college experience or adequate resources find all of this very difficult to understand and navigate.

To be clear, only the wealthiest of institutions can afford to be completely need-blind at admission and still meet the full need of every student who enrolls. Most schools must find ways to stay financially stable, which limits the number of needy students they enroll, the amount of financial aid awards they give, or both. This duly noted, the rise in discounting and merit awards—now a widespread practice across the nation—occurs within a marketplace in which competing institutions match prices in an inflationary spiral thus further distancing public policy and institutional practice from meeting the educational needs of low- and middle-income students.

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## A positional marketplace

We have seen that problems in college and university access develop when institutional ambitions play out in the competition for prestige and market position and when institutional financing is weak or threatened. In higher education these conditions exist in a positional marketplace. Economist Robert Frank defines

positional markets as those in which the value of an entity depends on its position relative to others within the market.<sup>20</sup> Frank points to higher education as a prime example since institutions compete in prestige hierarchies. This is true if you are an elite institution, as was amply documented with respect to Harvard, Princeton, and Yale in Jerome Karabel's *The Chosen*,<sup>21</sup> or if you are a regional public university or a small private college competing with other schools in your category or striving to enter a new competitive set.

Such markets are characterized by expensive “arms races” in which no competitor dares to “disarm”—spend less—for fear of losing market share or position. In higher education this spending occurs in cases such as the market for prominent professors, enticement of senior administrators who can produce and manage resources (like enrollment managers), price competition through merit scholarships and tuition discounting, expenditures on attractive facilities, and student recruitment.

Illustrative is the case of tuition discounts. Let's consider the following example: Institution A and Institution B receive applications from the same students. One year Institution A offers these students a \$10,000 award to enroll. It gains advantage over Institution B during that year. During the next year Institution B matches or beats the scholarship offer and either regains its position or overtakes Institution A. Institution A then responds and the cycle continues. This is reminiscent of the classic prisoner's dilemma in which the parties act in selfish personal interest rather than choosing to cooperate when it is clear that each would be better off cooperating. As adapted to business, or in this case higher education, solutions to the prisoner's dilemma do, in fact, identify common ground in which cooperation leads to better results. Indeed, we can look to one of the most competitive elements of American society to find an example.



# The National Football League as a model of competitive cooperation

Imagine a National Football League, or NFL, where a few teams, those with the greatest resources, could always outspend their opponents for player talent, coaching talent, training facilities, and the fan experience. These well-to-do teams would naturally win most of their games against the weaker (poorer) franchises and would compete in an ever-escalating arms race to overtake their similarly situated rivals. Clearly, an NFL without each team having an equitable chance of success would not last long. The richer teams would so dominate the poorer ones that fan interest would dwindle and revenues across the league would fall. Moreover, fans living in the regions of the weaker franchises would lodge protests with the league, and perhaps with their elected officials, complaining about unfair competition. There is, after all, an undeniable public interest in the local teams. Therefore, to protect and strengthen the overall league, the NFL imposes restrictions on harmful or wasteful competition to keep the competition within the bounds of the game itself. This permits small-market teams to compete reasonably with large-market teams and allows overall costs to be controlled. The NFL, alongside other professional sports leagues, accomplishes this parity primarily through salary caps, player roster limits, and revenue sharing.<sup>22</sup>

Now imagine an American system of higher education where the institutions with the greatest resources could outspend their competitors for the best students, the best faculty, the best facilities, and create the best campus experiences. It's not hard to imagine because it is the reality in higher education today. You can find the results of that set of conditions in the *U.S. News and World Report* rankings of colleges and universities. The institutions with the most resources and therefore the best market position are always rated at the top of their categories. Indeed, in the book *Remaking the American University*, Robert Zemsky, William F. Massey, and Gregory R. Wegner note quite plainly, "the US News rankings ... measure market advantage."<sup>23</sup> Moreover, William Durden, president of Pennsylvania's Dickinson College, asserts, "The U.S. News rankings are all about money. With but a few exceptions, the rankings descend in value according to size of the endowment and overall wealth of a college or university."<sup>24</sup> The same view was offered by Graham

Spanier, former president of Penn State University, in Malcolm Gladwell's *New Yorker* article, "The Order of Things": "What I find more than anything else is a measure of wealth: institutional wealth, how big is your endowment, what percentage of alumni are donating each year, what are your faculty salaries, how much are you spending per student," said Spanier. "There is no possibility that we could do anything here at this university to get ourselves into the top ten or twenty or thirty—except if some donor gave us billions of dollars."<sup>25</sup>

Gladwell goes on to conclude:

*Rankings are not benign. They enshrine very particular ideologies, and, at a time when American higher education is facing a crisis of accessibility and affordability, we have adopted a de-facto standard of college quality that is uninterested in both of those factors. And why? Because a group of magazine analysts in an office building in Washington, D.C., decided twenty years ago to value selectivity over efficacy, to use proxies that scarcely relate to what they're meant to be proxies for, and to pretend that they can compare a large, diverse, low-cost land-grant university in rural Pennsylvania with a small, expensive, private Jewish university on two campuses in Manhattan.*<sup>26</sup>

As we've previously detailed there are numerous enrollment strategies that are designed to compete in the positional market of higher education, including:

- Market segmentation: recruitment concentration in wealthy geographic regions and an increase in out-of-state and out-of-country recruitment (at the expense of in-state or U.S. residents, respectively)
- Market manipulations: a focus on narrow measures of qualifications (for example, test scores), falsified or misleading public information, and early-admission programs and demonstrated-interest programs that disadvantage those with little college experience and low incomes
- Shift of financial aid dollars from needy students to discounts and merit-aid programs for students with little or no financial need
- Consideration of family resources in critical enrollment policies such as limits on admission spaces for those unable to afford the full price, and the processes known as "admit/deny" and "gapping"

Unfortunately, other such strategies can be identified. One of the unfortunate consequences of this positional market competition is the mistrust that has been bred among and between institutions designed for higher purpose. Indeed, the

president of one highly respected liberal arts institution recently lamented that (university and college) presidents “share nothing with one another for fear of giving away some minute advantage.”

Compared to the NFL—a paragon of American competitiveness—our colleges and universities are engaged in an unbridled, no-holds-barred competition—one that places them in constant danger of valuing prestige and ranking over mission attainment; market position over educational results. This is an imperfect analogy, of course, because there is no “league”—no singular governing body to ensure fair competition among college and universities. Which is also to say that there is no organization or federation to ensure that all who are capable of reaping the benefits of higher education may reasonably compete to attain them. But how might this change if institutions of higher education, bolstered by the support of governments, foundations, and the business community could find a way to come together to compete over the educational results and to level the playing field?

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### What if there was a “league” for higher education?

The time is ripe to consider new perspectives on how to “disarm” the arms race and find a way out of the prisoner’s dilemma. Therefore, in a spirit of playfulness, but purposefully, let us propose a “league” for higher education—a league that would both serve the needs of its public (the educational needs of students and society) while also seeking what is best for the institutions that comprise it.

While there are certainly other analogies, metaphors, or heuristic devices that could be used to step back and reconsider the enrollment goals and practices of postsecondary institutions, the idea of a “higher education league” provides many opportunities to reimagine our current activities. Many will no doubt object to this idea on the basis of institutional autonomy or on the ideological grounds that any restraint on competition is harmful. But in the spirit of reasonableness, would anyone argue that the NFL has a more compelling public responsibility than higher education? Similarly, could anyone responsibly object if the competition were about educational results rather than measures of status and institutional revenue?

Let us ask, then, if there were a league (or an agency, or a consortium) for higher education, how would it work? What reasonable limits might it place on wasteful or harmful competition? How might it cooperate to strengthen the overall ben-

efits provided by the league? How could governments, through enlightened public policy, as well as foundations and businesses support the league? And why might colleges and universities want to participate?

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## A set of rules to govern competition

Imagining ourselves as league commissioners for a moment, our primary objective would be to engender competition on strictly educational grounds. In other words, we would keep the game “on the field” and away from the many interests that would lead it otherwise. Another aim would be to reduce the waste and the harm caused by overheated competition. Finally, our intent would be to ensure more equitable results. The members and supporters of our league should not find objectionable a joint dedication to educational values, a concentration on educational results, and the benefits of lower overall costs.

One preliminary note must be made. From 1954 to 1991 elite colleges and universities, including the Ivy League schools and the *Massachusetts Institute of Technology*, formed the Overlap Group, which met regularly to compare the financial aid packages offered to common applicants. Their goal was “to apportion the limited financial aid funds available among the applicants in such a way that the maximum number of students would benefit.”<sup>27</sup> The U.S. Department of Justice, however, brought suit arguing that “the sharing of students’ financial information constituted a conspiracy to set financial aid awards at a fixed level for any given applicant, thereby depriving students of the benefits of price competition.”<sup>28</sup> Overlap Group members argued, however, that banning their practice would result in a “bidding war” scenario that would divert resources from the truly needy by concentrating them on a few highly qualified students. Moreover, they argued, this heightened competition would require increased revenues and higher tuitions of all students. The sides settled with a consent decree in which the Overlap Group, with the Massachusetts Institute of Technology abstaining, halted their meetings while denying any wrongdoing and with the Justice Department dropping the suit. The Massachusetts Institute of Technology then fought the case on its own. Ultimately, the decision of the appeals court stated, “Overlap may in fact merely regulate competition in order to enhance it, while also deriving certain social benefits. If the rule of reasoned analysis leads to this conclusion, then indeed Overlap will be beyond the scope of the prohibitions of the Sherman Act.”<sup>29</sup>

Indeed, while the Overlap Group has ceased to meet since 1991, and while the Justice Department action is often cited as a reason not to cooperate, the decision of the appeals court in the Massachusetts Institute of Technology case and the rationale for the existence of the Overlap Group each provide a strong rationale for reconsideration of cooperative arrangements. In this spirit, let us consider a set of rules for our league:

### 1. Ban steroids (hyped facts and figures)

Data published would be relevant to student decision making and would be clear, accurate, consistent, reliable, and verified (drug testing). To meet these criteria, our schools would publish ranges of admission rates based upon academic records, income levels, ethnicities, and geographic origin. Further, our schools would publish graduation frequencies based on these same categories. One such frequency distribution would be based on the historical record of graduation for a particular campus, and yet another distribution would be on the historical record of students who began on that campus and then graduated from another.

Other examples to meet our criteria for better, more informed public information could include answers to the following questions:

- To what extent does each college consider family income in its decision to admit?
- To what extent does each college meet the full need of its students?
- If the college meets the full need of its students, how?
- If not, how much are students expected to pay from their own resources?
- How much loan debt can students expect to accrue during their college career?
- What will be the nature of their loan repayments?
- Do the policies that govern the granting of student aid in the freshman year remain the same each year?
- If they change, how so?
- What is the admission rate at each college for students within ranges of credentials and income levels?
- What is the success rate at each college for students within ranges of credentials and income levels?
- How many students and what percent of the first year class is included in SAT/ACT test score data?
- Who is excluded and why (athletes, special admits, spring admits, etc.)?
- Is spring term admission available?

- If so, how and when do students apply?
- When counting admission applications, what criteria are used?
- Is a decision rendered and a student informed on every counted application?

## 2. Everyone plays on the same field

Just as the NFL has a common draft date, our schools would compete using standard deadlines and notification periods. These periods would be well publicized, easily understood, and followed by our members. To accomplish this our schools might use a common application and educational history database. Data collected would permit much greater and more accurate information about success across the system and would provide realistic information to the public, to high schools, and toward the goal of results-oriented college matches for students. Indeed, agencies already exist that provide a common application and that track student enrollments across the K-16 spectrum—the Common Application and the National Student Clearinghouse, respectively.

With respect to students at member institutions, each would be expected to file the following personal progress plans:

- Four-year graduation plan
- Four-year financing plan
- Four-year work, experiential, and internship plan

In addition, each member institution would allow for personal circumstances addendums to these plans each year for up to six years.

## 3. Scoring would be based on results

Our measures of quality would be based upon the results achieved by students while enrolled in our colleges and these results would be determined mindful of incoming preparation. Indeed, the National Resource Council's recent report, "Improving Measurement of Productivity in Higher Education," recently suggested the same idea and provides a beginning framework for consideration.<sup>30</sup>

For illustrative purposes, consider the following examples. By and large, the nation's most selective schools receive students on entry who present superior

writing, quantitative, and interpersonal skills. As a result, these schools may or may not improve their students greatly in these areas. They will, however, improve them in many other ways, including higher order thinking, understanding of world cultures and economic systems, dedication to public service, creative capacities, and much more. Other institutions may receive many students on entry who require improvement in writing, quantitative reasoning, and critical thinking skills. These schools may improve students in each of these areas while also developing teamwork, problem solving, civic participation, networking and interpersonal skills, and more. Additionally, all of our schools may instill love of learning, a deeper understanding of human conditions and of human endeavors, and habits of mind conducive to public engagement.

These many areas must be enumerated and instruments worthy to the cause must be constructed. The College Learning Assessment and the National Survey of Student Engagement are examples of such instruments, as is the certificate proposal of the New Leadership Alliance for Student Learning and Accountability.<sup>31</sup> While each of these examples has flaws, they are illustrative of the kinds of outcome measures that must be developed.

In our league there will be many ways to score. What will be critical is that our institutions take responsibility for the students they admit in terms of learning, personal growth, and completion with a recognizable set of results. To quote Richard Hersch, the creator of the College Learning Assessment, “Measuring learning hasn’t been tried and found wanting; it has been found difficult and left untried.”<sup>32</sup> Our students and our nation deserve our best effort. Our league should give it to them.

#### 4. Revenue sharing in the form of student aid

Without price setting and mindful of both the disbanding of the Overlap Group and the Massachusetts Institute of Technology’s victory on appeal, our league would encourage students from all income levels to compete for spaces and to be successful in our schools. Among strategies we may follow are:

- Using legal means to establish reasonable methods and ranges of need calculations to determine the percent of need to be met by scholarships, grants, loans, and solely by student or family resources.

Our students and our nation deserve our best effort. Our league should give it to them.

- Producing four-year financial aid award estimates at entry, which would include expected grant, loan, and self-funding totals over a four-year college career. These estimates would be binding within an agreed-upon range of error to account for economic conditions and institutional financial variations. This measure would be deflationary with respect to the “price” of college.
- Reducing annually, by a negotiated percentage, the amount of institutional funding that goes directly to forms of non-need aid, including tuition discounts and merit scholarships. Our competition is based upon our educational results, not the financial incentives that an institution can provide to overtake a competitor.
- Engaging in joint fundraising for student aid, with an emphasis on schools with a high percentage of need-eligible students. This would be a shared fundraising and identification responsibility of league members, state and national governments, and other sources to include the *National Collegiate Athletic Association*, corporations, foundations, and individuals, each of which can be expected to benefit from a more productive league. While hard to imagine in the current competitive scenario, we can at least suggest such an approach.

With respect to this section of our “rules,” this encouraging news was recently reported in the *Chronicle of Higher Education* on June 5, 2012:

*Ten colleges, universities, and systems have committed to presenting certain cost and financial-aid information to incoming students as part of their aid awards starting in 2013, the White House announced on Tuesday. The institutions will provide information on what one year of college will cost, the financial aid available to help pay for it (with a clear distinction between grants and loans), the net cost after grant aid is included, estimated monthly payments for federal loans, and their students’ retention, graduation, and loan-default rates, according to a White House news release.<sup>33</sup>*



## 5. Developing talent for and throughout the league

“Not only should colleges do better at providing remedial help to those who need it, but they should recognize that their obligations begin with prospective students.”

— **Andrew Delbanco, chair of American studies, Columbia University, 2012**<sup>34</sup>

Our league would seek to develop talent ready to take full advantage of the educational opportunities provided by our member institutions. Therefore, our members would accept responsibility for articulating preparedness standards, for becoming full partners with K-12 education in the development of college aspirations and success skills, and in creating educational and financial planning guides for current and prospective students. Moreover, a designated part of each campus recruitment budget would be utilized to visit schools in nearby service areas for the purpose of raising college aspirations and for providing the information necessary to act upon heightened expectations. Teacher education and curriculum updates would emanate from our campuses with greater vigor, frequency, and depth.

With respect to this exercise, these rules are perhaps too many, perhaps too few. These things can be determined. What is important now, is to identify why colleges and universities should want to be in our league.

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### Why join the league?

“Accountability is something that is left when responsibility is subtracted.”

— **Pasi Sahlberg, director general of the Centre for International Mobility, the Ministry of Education, Helsinki, Finland, 2011**<sup>35</sup>

Just as the National Football League seeks to protect all of its franchises and raise the level of the industry, U.S. higher education has an enormous stake in lifting its level of performance and its level of public acceptance. Among the many benefits of a well-run league, ideally governed by its members, are the following:

- Improved and visible results of the system
- Reduced political pressure
- Enhanced public regard and trust
- Preservation of the finest system in the world at a time when it is being threatened by reduced public resources, a difficult economy, and its own practices
- Larger pool of knowledgeable students brought about by an increase in national college-going rates
- Improved access to those not currently in the pipeline, either those who believe they cannot afford to attend or those too fearful to apply to the institutions that they are qualified to attend
- Increased recognition that each member can do better by working together to lift the system
- Reduced costs in unnecessary merit aid and discounting, recruitment expenses, spiraling facilities, and escalating salaries for administrators and faculty superstars
- Improved ability to work with policymakers to design educationally valuable public policy and to reclaim the public trust. Examples of these may be: funding systems that reward completion not enrollment; review of antitrust notions that prevent cooperation; incentives to move merit aid to needy students; incentives that encourage investment in direct educational outcomes as the new definitions of prestige; and, new measures of progress

In sum, institutions should join the league to regain the public trust, to recoup public investment, and to operate more fully in the spirit of their missions and their public charters.

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## Public policy and the league

Considerable attention in this paper has been paid to institutional enrollment goals and strategies in higher education. It is reasonable and appropriate to point out, however, that many of these goals and strategies are rational responses to the conditions in which higher education operates, and that the actions of institutions are influenced by incentives and disincentives in the public policy arena. Reduced public investment in state-supported institutions and the drift of state student aid

funds from need-based awards to those based on merit, are prime examples that move public institutions more sharply to the market and away from the needs of students who have little college backing or experience. In other words, federal and state governments have considerable leverage based on how they fund various aspects of the higher education enterprise.

In the case of the “league,” state and federal actions with respect to disclosure of accurate and representative information, clarity in student aid and in lending, and the progress of institutions toward getting a broader segment of the U.S. population in and through college, hold promise. Moreover, and particularly at the federal level, the antitrust matter concerning the Overlap Group has had a chilling effect on cooperative efforts to reduce costs and share information. In light of the ruling on the Massachusetts Institute of Technology’s appeal of the antitrust case, the chilling effect seems unwarranted. Indeed, the federal government can go a long way in paving the way for cooperation by providing a clear signal that the formation of cooperative consortia such as the “league” may, in the words of the appeals court, serve to “regulate competition in order to enhance it, while also deriving certain social benefits,” and further that such activity “will be beyond the scope of the prohibitions of the Sherman Act.”<sup>36</sup>

Finally, governments in conjunction with foundations and business entities who have an interest in broadening educational access and attainment in the United States may encourage the formation of “leagues” or similar consortia by funding their exploration, formation, and start-up phases. Institutions of higher education are held in public trust and should be expected to perform accordingly. To do so at their best, they must have the support and partnership of the bodies that are elected to serve the public, of entities that exist for the public welfare, and of corporations that would benefit from a more fully and broadly educated population.

# Conclusion

In our “league” we recognize that our members are all institutions held in public trust, each with service to the broader national interest as fundamental to its mission. We recognize that we have a system that has become out of balance, one in which the pendulum has swung too far from the needs of the public in the pursuit of prestige and position. We recognize that we must cooperate more in order to compete better for our nation. We commit to refocusing on the real prize—a United States that realizes its democratic destiny in the participation and dedication of its citizens.

There are undoubtedly other metaphorical frames that may be employed to reconsider college enrollment policies and practices. That duly noted, developing the “league” presents numerous opportunities to devise the methods, and engender the cooperation, that are needed to more fully align enrollment management results with the public interest. Indeed, we look forward to the day when each of our university and college presidents stands before an entering freshman, one who otherwise would never have had the chance of attending college, and utters, “Hey kid, welcome to the league.”

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## About the author

**Jerome A. “Jerry” Lucido** is research professor and executive director of the University of Southern California’s Center for Enrollment Research, Policy, and Practice in the Rossier School of Education. The center he directs is devoted to the social benefit of enrollment policies and practices in higher education. Prior to joining the faculty, he served as the University of Southern California’s vice provost for enrollment policy and management. He is a recent past trustee of the College Board, served as chair of the College Board’s Task Force on College Admission in the 21st Century, and as vice chair of the Commission on Access, Admission, and Success in Higher Education. He has played a leading role in initiatives to improve access for low-income and underrepresented students and to design and execute effective and principled college admission and enrollment management practices. Lucido came to the University of Southern California from the University of North Carolina at Chapel Hill, where he advanced access and student quality in part by eliminating the university’s early decision program in 2002, an action that was hailed by the *Washington Post*, *Newsweek*, and the *New York Times*. He holds a doctorate degree in higher education from the University of Arizona, a master’s of education degree from Kent State University, and a bachelor’s degree in business administration from Miami University in Oxford, Ohio.

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