

Conference Keynote: “Cutting the Trust Deficit and Investing in College Success”

Jamie P. Merisotis

Thank you, and good morning, everyone. It is wonderful to have all of you in Indianapolis, and it’s even nicer to be able to talk with a group of such like-minded people . . . committed educators who understand and share my goals and those of the organization I represent.

Most of you are already familiar with Lumina Foundation, so you know that our mission is to enroll and graduate more students from college—especially low-income students, students of color, first-generation students, and adult learners. I also hope you’re aware that Lumina pursues its mission in a very targeted way. All of our energy and resources are focused on achieving one ambitious but specific goal for college attainment, what we call “Goal 2025.” The goal, simply stated, is this: **By the year 2025, we want 60 percent of Americans to hold high-quality college degrees and credentials.**

That often-stated goal drives everything we do. It’s even reflected in the title of this speech, as you can see printed on the meeting agenda: “Lumina’s Quest to Enhance Student Success.” Well, in the spirit of sidelined Colts quarterback Peyton Manning, I’ve decided to call an audible on that title. You see, enhancing student success isn’t just “Lumina’s quest.” It can’t be. It’s a goal that’s too big—and far too important—for any one organization to tackle. In fact, Goal 2025 needs to be a *national* goal . . . because it addresses a critical national need.

We all know what that need is: As a nation, we desperately need more college-educated citizens. We need them to rebuild our economy for a global era, to strengthen our democracy, to empower millions of citizens, and to ensure a better future for all Americans.

I want to talk today about your role in helping make that happen. As leaders of metropolitan colleges and universities, you know perhaps better than anyone how challenging the college-attainment quest can be. The students and the communities you serve face so many social and economic barriers these days. They—and you—are fighting battles on several fronts. And let’s face it, those battles are raging at a very difficult and divisive time in this country.

We're all aware of the nation's looming budget deficit; well, my remarks today focus on a related, but different kind of deficit . . . a deficit of trust. In my opinion, if we hope to succeed in the shared effort to reach Goal 2025, we must first cut the trust deficit . . . a gap that seems to be widening with every news cycle.

When it comes to civic and societal institutions, public confidence is low and getting lower. In Washington and in many state capitals, political posturing seems to foil serious attempts to govern or to craft meaningful policy. Wall Street abuses and shortcuts have shattered our belief in corporate integrity . . . and even raised doubts about basic competence. Many media outlets have ceded their role as objective watchdogs and now cling to specific positions that pit different organizations at opposite ends of the opinion spectrum. In short, even in this age of incessant action and instant communication, no one seems to be doing or saying things that we can truly trust.

As members of the higher education community, we all may like to think that we have avoided the trust deficit . . . that we are somehow immune from this contagion of no-confidence. With enrollments up, and with many economists and labor experts extolling the benefits of postsecondary education, it's easy to assume that colleges and universities hold—and will *always* hold—a special place in the public mind.

My friends, that is a very dangerous assumption.

True, higher education is still widely and highly valued. I'm not implying that any of you or your institutions has descended to the circle of hell now occupied by talk show pundits and credit-default swappers. Still, no one in this room has fully escaped our national crisis of confidence.

If you want proof, just look at the increasing numbers of naysayers who question whether higher education is always a good investment . . . whether its benefits continue to outweigh its costs. Frankly, with college tuition and fees increasing by more than *400 percent* since the early 1980s, it is not such an unthinkable question.

Look next at what researchers are telling us about what students are learning—researchers who are sometimes at your institutions. Richard Arum and Josipa Roksa's recently published book, *Academically Adrift*, offers one slice of this critique—a stern and well-timed warning about inadequate levels of learning on today's campuses, as measured by the College Learning Assessment. Next, consider your own operating budgets, which certainly have been pinched, sometimes even slashed, by the policymakers in your state. And those same policymakers are no doubt pressing you and your staff to do more and do it better, to be more accountable and more efficient.

Finally, read the spate of recent news stories that point enviously to countries with college-attainment rates that far surpass our own—countries like Canada and Japan . . . and especially South Korea, which, in just one year, increased the college attainment rate among young adults by an astounding 5 percentage points to 63 percent.

Looking at all of this evidence, it's very clear that, even though the reservoir of public trust for higher education is deep, it certainly isn't bottomless. And you know what? It *shouldn't* be.

After all, as higher education professionals and advocates, we are very much a part of civic society, and that makes us stewards of the public trust. If we claim that higher education is a major contributor to the public good—an assertion I believe more firmly every day, as I'm sure *you* do—still, if we make that claim, then we must act accordingly. That means we must do all we can to restore and ensure the public's confidence in higher education. It is our duty to build new and better bridges, to shore up areas of erosion, to recommit ourselves to excellence—and to the students and society we profess to serve.

In short, we have to cut the trust deficit.

For the rest of my time today, I'd like to offer four basic ways for you to do that . . . four things to focus on as you seek to demonstrate the genuine and lasting value of postsecondary education. Those four things are: *advocacy*, *quality*, *productivity*, and *selectivity*. Let's explore each of them in turn, beginning with *advocacy*.

What I mean here relates directly to my earlier comments about the perils of complacency in higher ed. Simply put, we can't afford to rest on our laurels or point to past successes. Rather, we must be proactive and forceful in advocating for higher education—emphasizing what increased attainment can mean to the nation's *future*. We can't simply assume that higher education's historic value will continue to be recognized; we must continually and aggressively *demonstrate* its value.

The good news is, there is a wealth of information that can help you do that. Recent work by economist Tony Carnevale and other experts has yielded an impressive array of facts underscoring the economic and labor market benefits of increased educational attainment. Not only do these facts indicate that postsecondary education will be required for the vast majority of jobs in the increasingly complex global economy, there's also strong evidence that college success is a major driver for individual wage gains and overall national prosperity.

Here are some quick examples:

- First, we know that wage differentials for people with college degrees compared to those with high school credentials are wide. That's a fact that we've understood for many years—if you go to college, you make more money. What is less recognized is that the differential in wages is actually growing. Individuals with a bachelor's degree make an average of 84 percent more over their lifetimes than those with just a high school diploma. This is an increase even since the late 1990s, when the differential was about 75 percent. This increasing wage premium shows that the labor market is hungry for college graduates. Even in this job market, employers are willing to pay an increasing premium for college graduates.
- Second, data from the Brookings Institution shows that recent college graduates are faring far better in this difficult job market than their peers who lack credentials.

Among Americans twenty-three and twenty-four years old, more than 85 percent of those with college degrees were employed in 2010, earning an average of nearly \$600 a week. Of those in the same age group who had only a high school diploma, less than 65 percent were employed, and their average weekly salary was only about \$450. By the way, you probably know that unemployment rates for those with college degrees are considerably lower than those with postsecondary credentials. This is true even for young people—despite what you may be reading in your local newspapers. National unemployment rates for eighteen- to twenty-four-year-olds (not enrolled in school) are about 8.9 percent for BA recipients and 11.9 percent for AA holders, compared to a whopping 22.9 percent for those with only a high school credential.

- Finally, building on work done in 2006 by the Organisation for Economic Co-operation and Development, Carnevale and the Center for Education and the Workforce estimate that an extra year of education for all Americans by 2025 would increase GDP by \$500 billion in today's dollars and generate an extra \$150 billion in state, local, and federal taxes paid.

You can see, then, that the facts are on your side as you serve in this advocacy role. And again, that role is immensely important in addressing the trust deficit.

The second role you should serve is to be a champion of *quality* in higher education. If there's one point of tension surrounding the Goal 2025 effort, it's this question of quality. Some people, when they hear that 60 percent target, fixate on the number and fail to grasp the goal in its entirety. But look closely – the goal specifically calls for *high-quality* degrees and credentials. Clearly, neither students nor our society will be well served if we increase the number of college graduates without ensuring that their degrees and credentials have real value. That's why the focus on quality is so important. We can't simply duck the questions of the naysayers; we must *answer* them.

At Lumina, this focus on quality has become increasingly central to everything we do. And for us, the quality of the credential is tightly and inextricably bound to one thing: student learning. All of the evidence we have seen about the need for increased attainment points to the fact that it is the underlying skills and knowledge that are important—not the credential itself. What matters is what students actually *learn* . . . how they can use the knowledge and skills they gain in their programs of study.

We believe the learning that any postsecondary credential represents must be explicit and transparent to all concerned. Faculty must agree on—and students must clearly understand—what skills and knowledge a graduate in a particular discipline should possess. Policymakers must be able to allocate resources based on those required outcomes. Employers must be able to hire graduates with confidence, knowing what skills and knowledge are embedded in a two-year degree in English or a bachelor's in electrical engineering.

Our commitment to learning as the true measure of quality is what led Lumina to the recent release of the Degree Qualifications Profile. The Degree Profile is a framework for clearly defining learning outcomes—a baseline set of reference points for what students in any field should do to earn their degrees.

I've brought copies of the Profile with me today, and I hope you'll pick one up and take time to review it—and, really, to use it on your campuses. We at Lumina truly see this as a living document, and we're relying very heavily on people like you—those who are on the front lines of instruction—to test it and improve it.

Still, even though this “beta version” of the Degree Profile is a work in progress, we see it as a very promising tool. We're convinced it can have great impact in the vital effort to ensure continued quality in higher education. And again, we cannot close the trust deficit if we sidestep the quality issue.

A third step you can take in helping cut that deficit is to embrace the necessity for improving *productivity* in higher education. Now I realize that “the P word” is one that sometimes raises questions—or even hackles—in the higher education arena. Some educators and advocates equate productivity with mere cost-cutting; they worry that outsiders are suggesting a bottom-line approach that may be suitable in business, but isn't workable or appropriate in higher education.

In reality, the real productivity work isn't about cutting costs. It's about serving more students and serving them better . . . which we *must* do if we hope to reach that 60 percent goal. Specifically, the productivity push aims to change the system so that it has the capacity to produce many more graduates . . . with high-quality degrees and certificates . . . but without increasing costs.

Our productivity work is now being pursued by policymakers and higher education officials in 18 states. In this work, officials strive to follow four steps to improving productivity in higher education.

- One step is to adopt some form of performance funding or outcomes-based funding—that is, rewarding institutions, not for the number of students they *enroll*, but for how many of those students succeed.
- Step number two is to provide student incentives. The idea here is to use tuition and financial aid policies strategically, in a way that rewards students for completing courses and programs on time.
- A third step is “new models”—in other words, finding new, lower cost approaches to deliver high-quality instruction to students. Blended instruction . . . learning modes such as Western Governors University . . . Carnegie Mellon’s Open Learning Initiative . . . prior-learning assessment—all of these are relevant examples of the kind of innovation that’s needed.
- Finally, the fourth step is to incorporate business efficiencies. In other words, promoting and implementing good business practices such as regional purchasing, consolidation of common administrative functions, and facilities-sharing to produce real savings . . . savings that are then used to educate and graduate more students.

That’s the real key with the productivity work – ensuring that the cost savings and increased efficiencies aren’t simply absorbed by the system or redirected to nonproductive areas. The effort can be considered successful only if it is focused squarely on educating and graduating more students.

And that point—that emphasis on student success—brings me to the fourth and final step you can take as you work to close the gap in public trust. That fourth step is *selectivity* . . . but not the definition of selectivity that you’re used to in higher education. I assure you; I’m not talking about preferring academically-gifted students or those at the upper end of the income scale. In fact, we all know that the exact *opposite* approach is the one we must take.

As I’ve said, we need millions more students to succeed in college and earn high-quality credentials. That means all types of students, from all income groups, all racial and ethnic groups, all types of backgrounds. In this case, selectivity isn’t about choosing *whom* we must serve, because it’s clear we need to serve everyone. It’s about when we serve them.

In our view at Lumina—a view that is widely shared in the higher ed arena and in workforce and policy circles—the drive to increase student success should focus first and most intently on *adult students*. They are the absolute, undisputed “sweet spot”

population in the drive to increase college completion. Without question, Goal 2025 won't be reached without a concerted effort to make sure that millions more citizens in the working-age population become students . . . and that these students stay on track and become *graduates*.

In particular, we must focus on the more than thirty-seven million working-age Americans who have earned some college credits, but have failed to earn a degree or certificate. That segment of the population is hugely important. First of all, it represents the nation's quickest, best hope to break out of the short-term economic doldrums. Huge numbers of these students are already highly motivated to return to college. Given the right tools and the right pathways, these "comeback" students can finish their programs rapidly and find good jobs in the knowledge economy—jobs that require skills which many employers say are now in short supply.

This relatively quick win with returning adult students can also lead to more sustained economic progress. Experts have shown that, in a knowledge economy, increasing higher education attainment plays a key role in *driving* economic growth. Put another way, our ability to retool and "up-skill" workers to meet the changing requirements of the modern workplace isn't just a reactive response to labor market demands. Rather, it is a significant *proactive* force for good; it actually creates jobs.

What's more, we believe the relatively quick successes with returning adult students can also lead to more sustained and widespread progress in the drive to achieve 60 percent attainment. In the past few years, consensus has been building steadily toward embracing a nationwide college attainment goal. We believe a bit of selectivity now can yield tangible successes with adult students—successes that others will be increasingly eager to build on.

In other words, momentum matters, particularly in pursuit of a goal as ambitious as Goal 2025. We know that goal is a big challenge. We know it can't be met unless we first address that deficit of trust that I've mentioned so often this morning. And we certainly know it won't be met without the sustained and committed partnership of people like you and the institutions you represent.

So that's really the main message I want to leave you with today. Your commitment is absolutely critical in the effort to ensure public trust and in the overall drive to increase college attainment. Each of you occupies a unique and pivotal place—in the cities and communities you serve, among the employers in your area, with your state and local policymakers, and with local school districts and philanthropic organizations. I urge you to take advantage of that pivotal position . . . to reach out to all of those stakeholders and forge connections and partnerships that can make a real difference—not to your institutions, but to the success of the students you serve.

Give those students every chance at success. That's how trust is earned, and that's how the goal will be reached.

Author Information

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