UNDERSTANDING HIGHER EDUCATION FINANCE

INTERVIEW WITH LASHAWN RICHBURG-HAYES
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As part of a project on higher education finance supported by the Bill and Melinda Gates Foundation, Nate Johnson interviewed a number of experts and leaders to gather different perspectives on how major budget choices are made. The interviews have been condensed for publication so that the key insights are available to anyone who is interested.

This interview with Lashawn Richburg-Hayes, whose research has focused on what drives student choices to attend higher education, explores graduation completion, the importance of data, the significance of cumulative work, and financial incentives.

When we're thinking about what is required to drive the higher education enterprise, should we be thinking about costs incurred by students—what's involved in getting the outcomes for students that we want?

First, just to give a little background, MDRC is a nonprofit social policy research organization, whose mission is to find what works for low-income populations, including low-income students, and to disseminate that knowledge to change policy and practice. In our higher education work, we've been generally focused on improving graduation completion, not access so much.

That's an important distinction, because there's been a lot of work focused on access, and increasing access, and lowering equity gaps in access, and we've made tremendous strides, if you look over the last 50, 60 years. That's not to say that that work is done, and we can move on. It certainly is not, but the one area that we've identified as lagging is completion. When you look at completion figures over that same period of time, we've made virtually little movement, particularly when you look at completion among different ethnic groups, particularly African-Americans and Hispanics, and particularly when you look at completion by income class. Low-income students, students from low-income families, are not really, and have not ever been, graduating at similar rates as their higher income counterparts. Over the last few years it really hasn't moved that much, whereas the upper-income quartiles have moved quite a bit.

How has your thinking evolved about opportunity costs and the classic supply-demand frame for higher education?

Theory can get you far in trying to make predictions, but in order for a theory to be tractable, you have to make simplifying assumptions. At the end of the day, you really can't prove or disprove a theory, but what you can do is pull data into the equation to verify whether those assumptions are plausible or reasonable in reality. I would say applied microeconomics is about looking at questions that affect smaller units, and using data to try to answer those questions, and to determine whether theory is applicable or not.

In that sense, what I do now is a direct outgrowth of that training. My thoughts haven't changed in the respect of the techniques, because the techniques and the theory is always applicable, and change depending on the things that you're looking at.

I'd say the other thing that's changed, and this has nothing to do with my graduate training, but more is reflective of the field of higher education: All of the stakeholders in higher education have become more savvy around the importance of data, examining data, looking at data to identify problems, as well as potential bottlenecks, and possible solutions, in ways that the field was not savvy, I would say, 10 years ago. I credit a number of movements for that change. Among community colleges, I think Achieving the Dream has been pivotal as a movement. I think the investments by the Gates Foundation, Lumina Foundation, Kresge, et cetera, has been tremendously helpful in educating and giving institutions resources to move the needle in that way.

Institutional research officers have become much more savvy as opposed to compliance-oriented. There's still some institutions for which reporting is the primary mechanism, but there are more and more institutions that are producing dashboards, and benchmarks, and looking at student outcomes, and knowing what an equity gap analysis is, and why you might look at one. This is all change for the better, I think.

Were surprised when you started, perhaps, by how poor quality, or how difficult to get even simple data were, that would enable the kind of analysis you needed to do?

I wouldn't say that I was surprised. I would say that I wanted my colleagues, and myself, to engage with institutions differently when we were trying to figure out sample size. What I was more frustrated with was this notion of asking an institution a question about their students that implied a question around sample size, or target populations, or some sort of figure, and expecting the institution to give you an answer.

My position was that the institutions didn't understand their data, and because they didn't understand that, the person you really needed to ask that question to was not the dean of student services, or was not the dean of academic affairs, or even the department chair. That person really was the institutional researcher, and you needed to be very specific about what you were asking, because it's a very specific question that if you programmed, you can think about in terms of a filtering. It's a filtered question for which you can literally code data to break down to get the answer to.

One area of research that sheds a little bit of light on it is the research on grit and persistence. You're never going to have that data, no matter how good your data system is. You're never going to be able to control for those kinds of things.

No, you're absolutely right. You can't. While there are more people who are coming out with technical skills, I think there's also a growing awareness of the selection bias and the other concerns of just straight manipulations of data through regression analysis without a real sort of sensitive understanding about what it can and cannot tell you. I think policy makers, in particular, are becoming more savvy around that than in the past.

What do you think the most significant body of work, or the most significant experiments, or category of experiments that you've worked on is, in your career at MDRC so far?

I would say that our entire body of work has been interesting. I say that because we, unlike some other research organizations, actually don't pursue things in isolation. We have a strategic plan for which we identify areas for which we'd like to focus. We work in those areas and our research builds upon each other. For example, when we first started in higher education, our policy area was developed to tackle two topics: young adults, sort of disconnected youth, as well as postsecondary education. The combination was a reflection of a concern that there might not be enough interest in work in postsecondary education.

Early in 2000, there was very, very little research in higher ed. We started our work by just trying to understand what people were doing in terms of solving problems of a low success rate. We focused our work on success rates, because there were a lot of organizations focused on access, but yet graduation rates had not moved. So we identified a success in academia, as well as graduation, as a key component that it seemed few people were focused on. Before jumping into that and assuming we knew solutions, we spent our first few years just doing fact finding, interviews with administrators, student who were both in school as well as students who had dropped out.

All of our work builds off prior work, and I find that really exciting, because once you found something, you're in a position to sort of see whether it's a real finding, which helps situated in the literature. It helps provide more evidence and confidence around the idea of that particular intervention as being an efficient use of resources for colleges.

I find all of [our programs] to be really interesting, because I feel like there's a degree of confidence in saying we know now that individual components, individual programs like learning communities, peer tutoring, incentivized advising, intrusive advising, we know that all of these things have some modest effect. The small financial aid grant, for the most part, the effects are only prevalent when the intervention is in place.

Most of these things need to be ongoing. Our research suggests that.

How much of it is about incentives, and trying to use financial incentives to draw people's attention to things, or get them to do things that they wouldn't do, and how much of it is that the money is providing support for either behaviors on the student side, or institutional programs, or institutional behaviors that they couldn't pay for without changes in how we channel money to students and institutions?

I agree with the broader point that the systems themselves are created to produce exactly what they're delivering, and if you want to change the delivery outcomes, the system itself needs to be changed, and not tweaked on the margins. I would say that performance incentives are really about tweaking on the margins. It's not a fundamental sort of systems change, and therefore the outcomes you are going to get are limited. I agree with that. I also agree with the notion that incentives, in and of themselves, can get you change in behavior, but it's not going to necessarily be a magic bullet that's going to solve all of the problems. I think we do need to have some structural change in higher education.

It feels to me that some of that is already happening. It's happening slowly, but I think all systems change does happen slowly. I don't think it happens overnight, or in the course of three years. I think it takes some time. At least over the last I'd say 10 to 12 years, we've seen a lot of change in institutions analyzing their data, trying to figure out what their problems are, concretely, as opposed to managing through anecdotal stories. I think that there are many institutions that have now adopted sort of a continuous improvement frame, trying to get incremental improvement, assessing that, and building on.

I think there does need to be a systems focus, and utilizing these interventions in a targeted way, so that in the totality, you're increasing the outcomes of students, as opposed to trying to find the one sort of magic silver bullet that's going to get it done once and for all.

What would the next big demonstration be that you'd like to see?

I would like to be able to test [enrollment intensity] formally. In our studies, we've almost uniformly seen some aspect of higher enrollment intensity in what's considered off-semesters. I have to say, years ago, when we first started doing the performance-based scholarship work, we made a decision to recruit students in the summer, and also to incentivize students to attend summer courses in the spring. When we did that, it was sort of a no-brainer to me. I have gone to school every summer, probably since high school. It just seemed the norm, but when we had a conversation about it internally, I remember being looked at with sort of four eyes, because that was not the norm. That was not the experience of most of our staff.

We started to see that during the summer you could have bigger impacts than almost any other semester. By impacts, I mean the difference between what you can incentivize a student to do versus what would happen in the absence of that. It was always larger in the summer, meaning that there was a lot more room to make a difference if you could encourage students to take up during the summer semester.

We're actually working now to launch a large-scale demonstration of incentivizing continual enrollment, because it feels to us that that is the easier way to increase enrollment intensity, as opposed to advocating for all students to take 15 credits a semester, which may not be feasible, either because of other responsibilities, or because of the cost and the opportunity cost that presents, being unable to work if you have dependents, et cetera, or not being able to handle all of the workload. It may be quite possible to attain either a similar number of credits over the course of an academic year if you have a winter intersession, as well as a summer session, and sometimes summer sessions are divided into two sessions. If you think about the entire calendar year, it may be possible to gain more credits over that period than within just the main fall and spring semesters.

Lashawn Richburg-Hayes previously served as the Co-Principal Investigator on the Center for the Analysis of Postsecondary Readings and worked on the Behavioral Interventions to Advance Self-Sufficiency and the Performance-Based Scholarship Demonstration.