YOUNGINVINCIBLES

Advisory Committee on Student Financial Assistance
Friday September 11, 2015
Consumer Information & Data Transparency Panel
Part IV: 1:45 PM

I. Introduction

Good afternoon. My name is Tom Allison and I am the Deputy Policy & Research Director for the Young Invincibles, a non-profit research and advocacy organization dedicated to expanding economic opportunity for young people. Thank you for the opportunity to share some of the challenges and opportunities facing current aspiring college students. We are humbled to offer our vision for how the reauthorization of the Higher Education Act can improve consumer information and provide greater transparency in our nation's higher education system.

Young Invincibles has previously submitted comments to the Department of Education on the development of the ratings system and consumer tool, testified at the Senate HELP Committee's hearing on risk-sharing proposals, and shared our proposals for HEA reauthorization with the House Education and Workforce Committee.

We, like many of our colleagues, endorse a fundamental overhaul of the way we track and use higher education data, and envision three distinct applications for how the data can and should be used. In addition to the consumer information application for which my testimony focuses on today, we also believe that an improved postsecondary data infrastructure also carries unique applications in government accountability efforts, as well as for institutions.

II. The Information Students Need

Young Invincibles recently conducted 19 student workshops around the country, exploring student perspectives on college value, information design and delivery, and student data privacy to better understand what consumer information might be needed. We talked to nearly 400 students, from Florida, California, Texas, Illinois, New York and Maryland, enrolled in middle school, high school, community college, and four-year institutions, from a diverse set of socio-economic, racial, and ethnic backgrounds. A consistent theme emerged however: a desire for clearer information to inform major decisions, such as which institution and sector to enroll, what to study, and how to finance that education.

Students clearly prioritized two types of information as the most important criteria when weighing a college decision: skills and knowledge obtained in school, and workforce outcomes, such as job placement and ability to repay their loans. While learning outcomes are sometimes subjective and difficult to define, a student data system, with longitudinal connections between higher education activities and workforce outcomes, could help answer the fundamental question asked by students and families; will the time

and money I invest in a given educational program give me a good chance of achieving my economic goals?

Answering this question requires metrics around access, completion, cost, and outcomes. I refer all policymakers to the Institute for Higher Education Policy's excellent work mapping the specific measures.

Students also reported a lack of information about what degrees and majors lead to what sorts of jobs, as was recently highlighted in Young Invincibles' evaluation of the 25 Best Jobs for Millennials. While we were able to provide a rough sketch of the occupations that will lead to economic security for today's young adults, we were unable to explicitly determine what levels and types of education were needed for a young person to enter that occupation.

Other themes from our student listening tour include:

- Students turn to family members and guidance counselors and advisors for information about college more than other sources, so the delivery of any new information should incorporate outreach to counselors and advisors and families.

- A majority of students rely on mobile devices as their primary access to the Internet, so mobile applications of consumer information must be considered.

- Students have privacy concerns about the government linking databases about their personal information, though the level of concern and specific perspectives are diffuse and warrant more research.

III. **Information Design & Delivery**

How information is delivered can be just as important as the information itself. We can collect all the data in the world, but our efforts will fail to improve student decision-making if we don't consciously design information for optimal student use. We should incorporate behavioral design best practices, make the information as personally tailored as possible, meet students and families in the proper contexts, and translated in the appropriate language.

To better understand how to design college information resources and tools, Young Invincibles published an in-depth review of clinical and statistical studies on cognitive information processing, in other words, how people find and use information when making decisions. We synthesized the key results and offered recommendations on how they could apply to the higher education space, specifically to new tools and resources being designed by the Department of Education.

Those recommendations include:

1. Do not overload students and their families with large quantities of information or redundant information about financial aid.

    a. Pare down the number of attributes for each type of financial aid that is presented to consumers. It is cognitively taxing for people to evaluate a large number of alternatives at one time, and providing too much information can lead to decreased information search.

    b. Use common techniques such as aggregation and summarization to keep the number of information dimensions (both diversity and repetitiveness) to a minimum. We note that more detailed, disaggregated information should still be provided as a resource for those who are interested in a more in-depth treatment of the topic.

    c. Use small tables of information instead of large tables of in an effort to facilitate consumers' decision-making process.

    d. Modify information displays (i.e., simplify existing displays or create new, consumer-friendly displays). This may help consumers process information more effectively and accurately.

2. Provide unambiguous and complete information.

3. Present financial aid options with alignable characteristics – e.g., present the same characteristics for each loan type.

4. Provide relevant financial information in both dollar terms and percentage terms.

    a. Situate financial statistics such as dollar amounts and interest rates in the appropriate context to facilitate students' and their families' processing of the information.

5. Ground financial aid information in the psychological literature so that students/families are able to understand, properly interpret, and put to use the information that is delivered. Psychological principles such as those we have just described are rarely used in public policy development. We encourage researchers to conduct studies to determine what this would look like in practice.

6. Gather feedback from the relevant consumer groups to inform efforts to improve information quality.

7. Conduct specifically-tailored experiments to determine the context(s) in which students and their families are best able to take up information about financial aid. One limitation of the research presented above is that it was not conducted specifically with regard to financial aid. It is therefore possible that the findings

described are at least in part dependent upon the context of the experiment. It is therefore necessary to conduct experiments tailored to financial aid and designed to determine the methods of financial aid information provision that are most effective.

We recommend that any effort to provide more consumer information keep these design recommendations in mind. Furthermore subsequent user experience and user interface testing should also consistently explore how students are using or benefitting from current tools.

IV. Recommendations for Overhauling Postsecondary Data Systems

The new postsecondary data paradigm I have described is admittedly ambitious, and we recognize the importance of laying out specific recommendations for policymakers. I will how briefly outline how our data systems should be overhauled:

1. Replace the student components of IPEDS with an automatic reporting system at the student unit level. This system would report data on student demographics, area of study, part/full-time status, credit accumulation, and other information that every institution currently tracks but does not disclose. Instead of burdening institutions with reporting requirements like aggregating and calculating observations, institutions could automatically transmit information to the Department from secure terminals. Information like Pell and loan status would not yet be incorporated at this stage.

2. The Department could then link incoming student data from institutions with loan information via NSLDS and labor outcomes from the Internal Revenue Service or Social Security Administration, with personal identifiable information such as social security number as the joining field. The resulting database would be a student unit record system with the ability to answer our most pressing questions around equity, access, affordability, success, and outcomes.

3. The Department would house the database with strict protocols keeping the three sources of data (institutions, NSLDS, and employment) separate.

The database would then truly inform the three objectives of postsecondary data reform: provide information to consumers, bolster institutional accountability, and help institutions improve, all while keeping sensitive student data private and secure.

Thank you for the opportunity to share our perspective and look forward to the continuing discussion.