



**DATE: August 27, 2014**

**TO: U.S. Senate Committee on Health, Education, Labor and Pensions**

**FROM: Dr. Marilyn F. Mackes, Executive Director, National Association of Colleges and Employers (NACE)**

**SUBJECT: Response to request for Comments on the Higher Education Affordability Act**

The National Association of Colleges and Employers (NACE) is pleased to respond to the request for comments on the reauthorization of the Higher Education Act (HEA). These comments include the following:

- Background information about NACE;
- Observations on selected aspects of HEA reauthorization that are of particular interest to NACE and its member organizations;
- Suggestions for outcomes data to be made available to students, parents, and other interested parties; and
- Explanations of how these data should and should not be used.

**NACE Background:**

Established in 1956, the National Association of Colleges and Employers (NACE) is the leading source of information on the employment of the college educated. NACE counts among its membership more than 5,900 college career services professionals at nearly 2,000 colleges and universities nationwide, and approximately 3,000 HR/staffing professionals focused on college relations and recruiting at 1,000 employer organizations in a wide variety of industries.

The mission of NACE is to facilitate the employment of the college educated. In fulfillment of its mission, NACE seeks to provide its members; students and their parents; and the public at large with current information about the status of the college labor market including data on recent hiring trends, starting salaries for newly hired graduates, and near-term projections for graduates about to enter the workforce.

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## **NACE Surveys:**

For nearly 35 years, NACE has surveyed its employer members twice annually to get the pulse of the college hiring market. These Job Outlook surveys detail the direction of employer recruiting (whether employers expect to increase or decrease college recruiting and by how much); identify graduates who will be in demand; and highlight the attributes and skills possessed by graduates that employers most value. This job outlook information is complemented by a suite of research products available to both employers and job seekers detailing compensation information for college hires at all levels of education and experience (Salary Survey). Starting salary data are produced by academic degree and major at both a national level and at local metro area levels for many majors, industries, and occupations.

NACE also conducts an annual survey of students asking about their post-degree intentions; their pursuit of employment or an advanced degree; activities undertaken to achieve a full-time position; and their success or lack thereof in achieving a full-time job. The data from this survey give significant insight into the factors that work on behalf of individual graduates finding success in the job market and the limits to which institutions can assist individuals in finding that success.

The employer and student data reported by NACE has significantly impacted public awareness of the college employment market since the 1950's.

## **HEA Comments and Areas to Consider**

### **NACE First Destination Survey Standards and Protocols**

As a professional association dedicated to facilitating the employment of the college educated, we are very much in favor of providing students/consumers with the most accurate information possible regarding outcomes associated with their pursuit of a degree. As the NACE position statement (August, 2012) on first destination surveys states: "NACE expects that all higher education institutions will assess the career and employment outcomes for their graduates through a first-destination/post-graduation survey.

- In order to ensure the confidence of the individual consumer and the public at-large that the outcomes reported by individual schools are "valid" and directly comparable, NACE has developed the Standards and Protocols for First Destination Surveys to create a consistent and systematic approach to first destination outcomes data collection and reporting.
- NACE has asked member institutions to begin implementing these Standards in collecting their outcomes data for the class of 2014.
- Nearly 300 schools have told us that they would be using the standards in this year and we expect many more will actually do so.
- We expect full implementation to take place for the class of 2015.

We would be happy to share these standards and/or to work with regulators to ensure that quality outcomes data will be produced. The Standards and Protocols for producing the First Destination Surveys are attached along with a sample survey instrument.

## **Major Concern about Ratings and Rankings**

Our major concern in the reauthorization of the Higher Education Act is the possibility that individual schools will be rated on the employment outcomes of their graduates. We oppose the creation of such a ratings scorecard, where one school will inevitably be ranked against another on the school's "performance" as defined by its graduates' success in the labor market. Our opposition to a ratings system stems from the following.

First, adequate data on outcomes (employment, salary, even continuing education) by individual institution do not currently exist and will be difficult and costly to universally develop in the future. NACE hopes that the adoption of its Standards by the majority of degree-granting institutions in the United States will provide adequate information to assess the overall performance of college graduates at their entry into the labor market, but it is unlikely that every school will be in a position to capture universal data about its graduates. Resource limitations (money, personnel, and time) at many institutions would make such required data collection burdensome.

Nevertheless, NACE prefers that any legislation dealing with the collection and reporting of outcomes data be structured so as to be broad and as individually non-intrusive as possible. We have great concerns about the initiation of a student unit card system. While such a data collection process has promise in terms of the data that might be collected we are troubled by the unprecedented tracking of individual records and the potential for abuse of confidential information. Our preference is that schools should be responsible for the assembly of the data, not government, and that compliance not be mandated.

Second, it needs to be recognized that even if universal data on graduate outcomes were to be easily available performance ratings for individual schools on these outcomes would still be inappropriate and potentially misleading. Outcomes, whether reporting employment or continuing education outcomes, are individual-level results determined by a multiplicity of factors (e.g. academic program, family education and income, work experience in an internship, gender). Controlling for all these factors across all individual graduates to determine the "value-added" provided by the individual school is virtually impossible.

If the outcome reporting is to be a simple recording of the percentage of graduates that became employed, then the results may be more a reflection of a strong admissions process rather than a true measure of the school's contribution to a student's employability. Selective institutions can virtually determine their outcomes performance measure by admitting students with the academic skills and interests that will be attractive to employers and the family background that provides the graduate with the networking connections that are advantageous in finding a good job. By contrast, an institution with a relatively open admissions system may have many students whose skill sets and family background will make it difficult for the graduate to compete in the labor market. An outcomes measure that compares two such institutions without accounting for the differences in entering students would be a dishonest evaluation of the schools' performance.

The result of such questionable comparisons could be the undermining of institutions taking on alternative educational missions. This could mean schools avoiding the admission of students with weaker academic credentials or those from poorer family backgrounds. It could also mean that schools with a philosophy of providing a broad-based liberal arts education would find it difficult to compete with schools more focused on training students in the short-term skill sets currently attractive to the

business community. We would suggest that neither of these results would be socially or economically beneficial to the nation in the long-term.

### **Summary**

In summary, NACE supports the idea that students/consumers should be provided adequate data on outcomes associated with a potential investment in higher education. Our preference is that higher education institutions collect and disseminate this information based on national standards rather than creating an extensive government program to obtain the data.

Colleges and universities should be transparent about the career outcomes of their graduates, but rating or ranking schools on those outcomes will not provide fully informed or honest comparisons and may have a chilling long-term impact on educational opportunities for future students and the innovation we hope to achieve from future graduates.

Thank you for the opportunity to comment on the Higher Education Act. We look forward to working with the HELP Committee as the bill progresses. We can be reached at either of the following e-mail addresses: [MMackes@NACEWeb.org](mailto:MMackes@NACEWeb.org) and/or [EKoc@NACEWeb.org](mailto:EKoc@NACEWeb.org).

A handwritten signature in black ink, appearing to read "Marilyn T. Mackes". The signature is fluid and cursive, with a long horizontal flourish extending to the right.