DOES WHERE YOU GO TO COLLEGE MATTER?

What really drives student outcomes, the truth about college rankings, and how to find the right college fit for a student

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Savvy College Planning®

Does Where You Go to College Matter?

In this resource guide, you'll learn…

1. **What the relationship is between college selectivity and student outcomes.**
2. **What college rankings really measure.**
3. **An important take on college fit.**

Where is your child going to end up going to college?

For many families, this is *the* No. 1 question. Just contemplating it can trigger tremendous anxiety.

And it's easy to see why. Here are a few of the reasons why you and your teenager might be stressing about this pivotal decision:

- There are roughly 3,300 four-year public and private colleges and universities in this country. That's a bewildering number of choices.
- The price of college keeps climbing. The cost of a bachelor degree at some of the most popular private universities now exceeds $300,000!
- The acceptance rates at the most elite colleges and universities continue to decline while the number of students who apply to these institutions keeps climbing. The admission competition to get into the most selective colleges and universities is nerve-wracking and the work necessary to have a decent chance is back-breaking.
- A belief exists, particularly among affluent families, that only prestigious schools can pave the way to a career that is socially and financially rewarding. For teenagers and their parents who believe this, the stakes can be unbearable and lead to emotional, mental and physical distress.

Just reading those bullet points can stress you out!

It's extremely important, as you explore college options, to understand these realities:

- The college admission process doesn't have to be as stressful as you might assume.
- Your child doesn't have to sacrifice his or her high school years to pursue what you might assume will be a limited number of collegiate choices.
- You don't have to sacrifice your own retirement nest egg to pay for your child's dream school for fear that without doing so his/her life won't be as rewarding.
- And finally, getting into college isn't as hard as you might think. Every year, UCLA's Higher Education Research Institute oversees an ambitious survey that measures the opinions and experiences of 1.5 million freshmen attending more than 1,400 four-year private and state colleges and universities.

Every year, when freshmen are asked if they got into their first-choice colleges, the results are roughly the same with 75% saying they did. In the latest report released in 2019 for the freshmen class of 2017, 75.8% were accepted into their first-choice school, but only 57.1% attended.

A Pew Research Center analysis of U.S. Department of Education data revealed that out of 1,364 colleges and universities examined, only 17 higher-ed institutions such as Harvard, Stanford, Yale and Northwestern accepted fewer than 10% of their applicants. Another 29 accepted less than 20% of applicants. Extremely competitive schools represented just 3.4% of the higher-ed pool while more than half of schools admitted at least two-thirds of their applicants.

It is true that at many schools acceptances are going down, but in absolute numbers, schools are making more admission offers than ever before. It's just not enough to keep pace with the soaring number of applications as students believe they have to send in ever more applications.

Reality Check

Some of the concerns regarding college can seem intractable. Too many students graduating from high school are not prepared for the rigors of college. An alarming number of college students drop out before ever getting their bachelor's degree. The price of college continues to climb and the buying power of federal financial aid for students, which is the nation's largest college aid program, has been dramatically eroded by stingy appropriations and inflation over the years. At the same time, many private and state universities have been putting more money into merit scholarships at the expense of need-based financial aid.

This particular lesson, however, is aimed at addressing a pervasive fear that only prestigious universities are worth attending because they are the only ones that allegedly can guarantee post-college success. These institutions are widely perceived to be golden ticket schools. Gain admittance to these institutions, so the thinking goes, and you are set for life. You not only will enjoy an elite brand name embossed on your diploma, but you also will benefit from unparalleled networking on an elite campus. The schools considered to be in this category are almost all research universities including such institutions as the Ivy League members, MIT, Stanford, Northwestern, Duke, Rice, Notre Dame, University of Chicago, Johns Hopkins and Georgetown.

Also sought after are prestigious public flagships such as the University of Michigan, University of Virginia, University of North Carolina, and the University of California campuses of Berkeley and Los Angeles.

In its most extreme form, the recent college admission scandal has illustrated that some wealthy parents have been willing to cheat, lie and break federal laws to get their children into these prestigious universities. Obviously, the vast majority of parents and teenagers are not going to do anything unethical, much less illegal, to get into elite schools, but the scandal has only fueled the impression that the admission competition is rigged against most students. And in doing so, it's increased the anxiety that the admission stakes are greater than ever before.

A Look at the Evidence

Now here is where you need to take a deep breath. I've already told you that the college process doesn't have to be as stressful as you might think. So let's dive into the research, some of which goes back decades, that backs up this reassurance. Once you've been exposed to the research, you can make your own conclusions.

An excellent resource that summarizes some of the key research on this fraught topic was pulled together in 2018 by **Challenge Success**, a nonprofit that is closely affiliated with Stanford University Graduate School of Education.

The organization's report entitled, A Fit Over Rankings: Why College Engagement Matters More Than Selectivity, summarized the extensive research and findings in these areas:

- What the relationship is between college selectivity and student outcomes.
- What college rankings really measure.
- What fit is and why it matters.

To delve deeper into all the research beyond what is summarized, I would urge you to read the Challenge Success report and check out the references cited throughout.

College Admissions and Selectivity

For affluent families, as I've previously noted, much of the angst regarding college admissions revolves around getting into highly selective colleges. One of the reasons for the allure of these campuses is the belief that students will learn more there.

Perhaps. But an exhaustive review of 1,800 peer-reviewed research studies collected into **three volumes** on the effects of college suggests that there is little evidence that attending a selective school enhances student learning.

What does correlate with learning, according to landmark research released in 2011, is time spent studying. What a concept! This finding held true regardless of the selectivity of a college or the types of students. In other words, a student who studies little at a selective college is less likely to learn than a student at a less selective school who hits the books.

If you're interested, you can check out the study, which was turned into a book entitled, **Academically Adrift**. Two years after its publication, Inside Higher Ed, a respected trade publication, said it was hard to think of a study in the last decade that had had a bigger impact on public discourse about higher education and the internal workings of colleges and universities than *Academically Adrift*.

Of course, no doubt the prime reason why elite schools are so alluring is because of the belief that they will guarantee graduates a great career path. There is no doubt that as a group, students who graduate from the nation's most elite higher-ed institutions do enjoy high earnings. The question remains, however, whether the grads' alma maters had anything to do with their overall impressive earnings.

Two bombshell studies, which for years have appeared air tight, strongly suggest that wealthy students don't boost their earnings power by attending the most elite institutions.

Let's take a look at these highly cited research findings:

The **first study**, which was initially released as a working paper in 1999, examined salaries of graduates who attended Ivy League schools in the late 1970s versus those who were accepted by Ivies, but went to other less selective universities.

When **Alan Krueger**, the late Princeton economist, and Stacy Dale, a senior researcher at Mathematica Policy Research, looked at the graduates' initial earnings, the differences in income earned between the two cohorts were "generally indistinguishable from zero."

The pair of researchers released a **follow-up study** in 2011 that documented the same earnings phenomenon from the original study subjects as they progressed in their careers. They also expanded their scope by looking at salaries earned by graduates of Ivy League institutions and compared them to the salaries earned by individuals who got rejected from the Ivies, but who possessed the same stellar academic profiles. When they examined the salary history of both groups of graduates, who started college in 1989, there was no difference in salaries.

The conclusion of this much lauded research was that the wealthy teenagers who apply to these prestigious universities will do well in their careers—regardless of whether they are admitted—because they are bright, talented, ambitious and have rich parents. For these affluent students, an elite education just isn't necessary.

The research suggests that a better predictor of earnings was the average SAT scores of the most selective school that a teenager applied to and not the typical scores of the institution that the student ultimately attended. Please let that sink in!

Both studies, however, did document a significant boost in income among black and Latino graduates, as well as low-income and first-generation students who attended Ivy League schools. These graduates are less likely to have parents who can help their children financially and professionally. Put another way, these schools do serve up golden tickets for students who did not grow up in gold-ticket households.

Despite the proven benefits that elite schools can bestow on less fortunate students, enrollment statistics show that these institutions primarily educate wealthy children. Some institutions enroll more students from the **top one percent** of the income scale than the bottom 60%.

Through the years, no one has debunked the work that Krueger and Dale did, but another set of researchers from Virginia Tech, Tulane and the University of Virginia took up the challenge recently when they revisited the pair's research.

Their **study**, which was published in National Bureau of Economic Research, came to much the same conclusions. For high-income, white male graduates, for instance, they found no relationship between attending an elite college and capturing a salary bump. Like the earlier studies, minority, low-income and first-generation students at elite schools, however, did enjoy higher salaries than if they had gone to less prestigious schools.

At least on the surface, however, there did seem to be a significant difference in **wages for white women** who attended elite schools. The women's earnings increased 14%. The researchers, however, explained that this boost was almost entirely achieved not by higher per-hour wages, but by the women staying in the workforce longer. These women delayed marriage and childbirth longer than women who attended less selective schools.

College Rankings and Selectivity

College rankings are one of the major factors fueling the preoccupation with college selectivity. A wide variety of rankings exist from sources such as Forbes, Money, Barron's, Washington Monthly, Niche and Princeton Review, but clearly the source that remains the most influential belongs to *U.S. News & World Report.*

A huge body of research and commentary exists that decries the use of *U.S. News & World Report* rankings as a proxy for academic excellence, but that hasn't stopped families from treating this ranking system as the definitive arbitrator of academic excellence.

In reality, the methodology fueling the *U.S. News* rankings are a collection of subjective and arbitrary measurements that students and parents are supposed to rely upon to pinpoint the schools doing the best job of educating undergraduates. *U.S. News* relies on proxies for educational quality, but these proxies are dubious at best.

One of the perverse aspects about the rankings is that turning out thoughtful, articulate young men and women, who can write cogently and think critically won't budge a school's ranking up even one spot. *U.S. News* doesn't even attempt to measure the type of learning going on at schools.

The two most heavily weighted factors that *U.S. News* does measure are graduation rates and reputation. *U.S. News* uses six-year graduation rates, which you probably won't find particularly helpful. I don't know any parents who are interested in comparing six-year rates when they are expecting their children to graduate in four years.

The most fraught factor that *U.S. News* measures, however, is its reputational yardstick so let's take a look at that.

U.S. News & World Report's Reputational Yardstick

Depending upon the type of institution being ranked, 15% to 20% of *U.S. News'* score depends on what peer institutions think of a school and five percent on what high school guidance counselors think.

In the annual survey, three administrators from the offices of president, provost and admissions at each school in the National Universities category, for instance, must assess what they think about their peers on a one-to-five grading scale. (One is marginal and five is distinguished.)

Here, however, is the dilemma:

What do administrators, for instance, at UCLA, Cornell, University of Tulsa and Florida State know about what's going on at Carnegie Mellon, Brandeis, Virginia Tech and Oregon State, much less all the other schools in the National Universities category?

Or how about schools in the National Liberal Arts Colleges category that have far less name recognition. What do administrators at Beloit College near the Illinois-Wisconsin border, Occidental College in Los Angeles and Juniata College in rural Pennsylvania know about the academic quality at Lake Forest College in suburban Chicago, Rhodes College in Memphis or Whitman College in the wine country of Washington state?

Rating schools is just as problematic for high school counselors who are no more equipped to know what's going on at individual college campuses.

Malcolm Gladwell wrote a **searing article** back in 2011 for the New Yorker that exposed the ludicrous nature of rankings including this reputational feature. Here is a powerful anecdote that he shared in the piece: Many years ago, a former chief justice of the Michigan Supreme Court sent a questionnaire to roughly 100 lawyers asking them to rank a list of ten law schools in order of quality. The list included some big names such as Harvard and Yale, as well as some lesser-known ones.

When the judge got the surveys back, the lawyers had ranked Penn State's law school right about in the middle of the pack. But here was the problem. At the time, Penn State didn't have a law school.

"Those lawyers put Penn State in the middle of the pack, " Gladwell wrote, "even though every fact they thought they knew about Penn State's law school was an illusion, because in their minds Penn State is a middle-of-the-pack brand. (Penn State does have a law school today, by the way.) Sound judgments of educational quality have to be based on specific, hard-to-observe features. But reputational ratings are simply inferences from broad, readily observable features of an institution's identity, such as its history, its prominence in the media, or the elegance of its architecture. They are prejudices."

Another drawback of *U.S. News'* rankings is that colleges can game them.

Some universities have included in their institutional missions to significantly climb in the rankings and there have been dramatic success stories of those that have succeeded.

Northeastern University, which is an incredibly popular university, is a poster child for figuring out how to use the rankings for its own rebirth. In 2014, **Boston Magazine wrote an article** that revealed how the university executed "one of the most dramatic turnarounds in higher education" with its single-minded focus on the *U.S. News* rankings. Twenty five years ago the magazine described the campus as a third-tier, blue-collar commuter school ranked the 162th "best" university. Today it's tied with Tulane at 44th place.

Nearly a decade ago, Washington Monthly documented the same **successful focus** by George Washington University to transform itself.

The Challenge Success report does a good job of summarizing the considerable deficiencies of the *U.S. News* rankings. I'd urge you to take a look at the report for a deeper dive.

College rankings critics can rail all they want but the beauty contest nature of evaluating colleges isn't going to disappear.

There is, however, a better, more fruitful way of using the *U.S. News* rankings. Rather than focus on a school's specific number, consider using *U.S. News* rankings simply to generate ideas. This will be particularly helpful in searching for promising schools beyond the National Universities category, which includes nearly all of the nation's best-known universities.

Try looking for ideas in *U.S. News'* Regional Universities and National Liberal Arts Colleges categories and then start researching them.

What Is Fit? Why Does It Matter?

When looking at colleges, families often spend time thinking about fit. Fit though can be a slippery concept to pin down. That may be why so many students never seem to find the right fit and federal statistics indirectly support this. Roughly one out of three students who start at four-year private and public colleges end up leaving their original school. That is a frightening statistic.

Anyone interested in fit should take heart. Research on college selection has led researchers to believe that fit is strongly tied to a student's ultimate engagement.

Work in this field suggests that what students do in college is far more important than the type of institution that they attend. Students learn more when they are actively engaged in the learning process and fare better in their careers and their personal lives after college graduation.

One of the pieces of evidence that this section of the Challenge Success summary relies upon is a much-cited **study** of more than 30,000 Americans with bachelor's degrees that Gallup and Purdue conducted in 2014.

Based on decades of knowledge on workplace engagement, Purdue and Gallup created an index in an attempt to better measure the most important outcomes of a college degree rather than the easiest ways such as grad school placements and beginning salaries. Instead Gallup and Purdue set

out to create an index that attempted to measure the long-term success of college graduates as they aim for rewarding jobs and lives.

The surveyed Americans included graduates from a wide variety of higher-ed institutions throughout the United States. Using the index, the key to happiness in the graduates' lives and careers was not the college that they attended but their level of engagement at whatever school they ended up at. It was stunning just how important the engagement was.

Here is how the researchers explained it in their findings:

"Where graduates went to college—public or private, small or large, very selective or not selective—hardly matters at all to their current well-being and their work lives in comparison to their experiences in college.

For example, if graduates had a professor who cared about them as a person, made them excited about learning, and encouraged them to pursue their dreams, their odds of being engaged at work more than doubled, as did their odds of thriving in their well-being. And if graduates had an internship or job where they were able to apply what they were learning in the classroom, were actively involved in extracurricular activities and organizations, and worked on projects that took a semester or more to complete, their odds of being engaged at work doubled also. Feeling supported and having deep learning experiences means everything when it comes to long-term outcomes for college graduates."

These were the six factors that the Purdue-Gallup Index measured when surveying the college graduates along with the percentage of grads who strongly agreed:

The Undergraduate Experience: Support and Experiential and Deep Learning	**% Strongly Disagree**
I had at least one professor at [College] who made me excited about learning.	63%
My professors at [College] cared about me as a person.	27%
I had a mentor who encouraged me to pursue my goals and dreams.	22%
All three	**14%**
I worked on a project that took a semester or more to complete.	32%
I had an internship or job that allowed me to apply what I was learning in the classroom.	29%
I was extremely active in extracurricular activities and organizations while attending [College].	20%
All three	**6%**
All six	**3%**

That these six elements of the college experience, the study said, were so strongly related to graduates' lives and careers was "almost hard to fathom."

"When it comes to finding the secret to success," the report said, "it's not "where you go," it's "how you do it" that makes all the difference in higher education."

As you can see in the chart, however, only 14% of graduates strongly agree that they were supported by professors who cared, made them excited about learning and encouraged their dreams.

Just six percent of graduates strongly agreed that they had a meaningful internship or job, worked on a long-term project and were actively involved in extra-curricular activities.

A mere three percent strongly agreed to having all six of these experiences during their college time.

Here are some of the other findings of the report:

- If a graduate had a professor who cared about them as a person, one who made them excited about learning and had a mentor who encouraged them to pursue their dreams, the graduate's odds of being engaged at work more than doubled.
- If graduates felt their college prepared them well for life outside of it, the odds that they are engaged at work increased nearly three times.
- As many graduates from the Top 100-ranked schools in *U.S. News & World Report* were thriving in all elements of well-being as graduates from all other institutions.
- As many graduates from the Top 100 *U.S. News & World Report* schools were engaged in their work as graduates from other institutions.
- There was no distinction between graduates of public versus private colleges on employee engagement.
- There were no differences in employee engagement by race or ethnicity or by whether the graduate had been the first in the family to attend college.
- If college graduates were engaged at work, the odds were nearly five times higher that they were thriving in all five elements of well-being. The odds of thriving in all areas of well- being more than doubled for college graduates when they felt their college prepared them well for life outside of it.
- There was no distinction between graduates of public versus private colleges on well-being.
- The higher the amount of school loans that graduates took out for their undergraduate education, the worse off their well-being was.

Bottom Line:

1. *U.S. News & World Report's* college rankings are deeply flawed and are best used simply to generate ideas.

2. Student engagement can be hugely important in a student's future success in a career and life.

3. Attending an elite university can provide a salary boost to low-income, minority and first-generation students, but studies have suggested that they typically don't provide the same advantage to high-income students.