

Executive Summary

**New Dogs and Old Tricks: What Can The UK Teach the
US about University Education?**

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Background

1. For the past forty years federal higher education policy in the United States has focused on helping students *enter* higher education, annually providing billions of dollars in grant and loan assistance to help them finance their education. What happens *after* students enter postsecondary education—whether they complete their studies--has received far less attention, and it is a question nearly absent from federal higher education policy. In the past few years, however, both advocacy groups and politicians in the US have focused increasing scrutiny on low rates of completion in higher education. Some have proposed that the US should look for guidance to the UK, where higher education policies place greater emphasis on the completion of a degree, both by penalising institutions for students who fail to complete, and by compiling benchmarked graduation rate scores for each publicly funded university.

Study Questions

2. This paper examines whether the UK does, in fact, have substantially higher rates of university completion, why these differences exist, and what lessons the US might learn from the experience of the UK. It is written by an American, and from an American perspective.

Measurement and Definitions

3. The UK has one authoritative measure of degree completion, calculated each year by the Higher Education Funding Council for England

(HEFCE). Drawing upon individual student record data from all publicly funded higher education institutions, HEFCE produces a projected rate of completion among all UK-domiciled, full-time entrants to bachelor degree programmes. Among these students who entered UK universities in 2000-2001, 82 per cent were projected to complete a bachelor's degree at the institution where they began their studies, or at another university. For individual institutions, the proportion of full-time students starting on first degree courses in 2000-2001 who were projected to leave without transferring to another institution or taking a higher education qualification ranged from 1 to 39 per cent.

4. The US federal government lacks student record data with which to calculate completion rates for each of the nation's universities. However, using data provided by the National Center for Education Statistics 'Beginning Postsecondary Student Study', one can identify a subset of US students who closely resemble the UK university population measured by HEFCE: all first-year students who began at a university, enrolled full-time during their first year, and reported that they intended to complete a bachelor's degree. Among these students, an estimated 65.6 per cent completed a bachelor's degree within six years of beginning their studies. Using a slightly different subset of students contained in the National Educational Longitudinal Study, one obtains an eight year bachelor degree completion rate of 67.3 per cent. In sum, by measures of university completion conventionally used within the US higher education community, about 66-67 per cent of US university students appear to complete their degree, a level that is measurably lower than the UK's rate of 82 per cent. Differences in the rates of completion among university students in the US

and UK appear to be real, substantial, and persistent.

Government Policies Towards Completion

5. State and federal policies in the US concerning degree completion are very different to those of the UK. Only one federal law directly addresses degree completion, and it does not authorize the federal government to calculate league tables, institutional benchmarks, or otherwise employ these data to shape the performance of the nation's universities. American states are responsible for the organization and funding of public universities, but they have played only a modest role with respect to university completion. The funding methodologies employed by US states are not completion-related. Although most states collect information about university graduation rates, these measures are typically incomplete (omitting part-time students and those who interrupt their studies), they often ignore successful outcomes (because the data do not include students who move from one institution to another), and they impose a "one size fits all" metric upon institutions with very different missions and admissions policies. State legislatures appear to make little use of this graduation rate information.

6. Degree completion plays a more prominent role in England's policies for university funding and performance measurement than it does in the US. Universities are funded not on enrolments *per se*, but on *completed* enrolments: students are funded as a full-time equivalent enrolment only if they undergo assessment in, regardless of whether they pass or fail, all modules on which the student has enrolled within the year of study. The

sharpest contrast in government policy can be found in the use of institutional completion rates as a measure of university performance. The UK eschews a “one-size fits all” metric, creating instead an institutional benchmark for each publicly funded university against which its performance is measured, and annually reported. Performance indicators for completion provide an opportunity for all within the higher education community to assess how each of the nation’s universities compares to the others, and against its own benchmark.

7. Though policy differences exist, they probably play a modest role in explaining why the rates of university completion are dissimilar. Although funding arrangements in the US and UK do treat student dropout differently, in practice it appears that neither universities in the US nor the UK often feel the effects of lost dollars or pounds as a consequence of student dropout. Moreover, the UK had a consistently high rate of university completion well *before* the government introduced a completion-related funding system in 1992, or adopted higher education performance indicators in 1999. Rather than causing high rates of completion, these policies are better understood as initiatives aimed at *sustaining* the practices and traditions that led to high rates of completion despite the swift expansion of English higher education.

The Economics of Completion

8. A lower rate of university completion in the US may be attributable to a set of economic factors: the level of resources invested in the two university systems; the economic benefits of university completion; and the level of

privation and paid work that students face while at university.

9. Teachers are the key resource within universities, and the most costly. With insufficient academic staff, students may receive inadequate direction in reading, research, and career planning, or find queues for courses; these difficulties might deter all but the most intrepid learner. Hence, the ratio of students to academic staff provides a simple indicator for the sufficiency of university resources. US universities, especially its private universities, have a significantly lower ratio of students to academic staff than do UK universities. Staffing levels at US universities are measurably higher than those of peer English-speaking nations. It seems clear that insufficient resources, as measured by high student/staff ratios, are not responsible for comparatively lower rates of university completion in the US.

10. Students may also drop out of university because they conclude that the costs of continuing—their mounting debts and the wages that they are foregoing—are simply greater than the benefits that they will derive from completing their degree. One international measure of the economic benefits of a university degree is the private internal rate of return on investment in education, which measures the monetary returns obtained over time relative to the initial investment. Both the US and the UK have especially high rates of return to university education compared to other OECD nations. The US has marginally lower private returns to investment in university education than the UK for males, while rates of return for females are nearly identical. Differences of this magnitude probably explain little about the UK's higher rates of university completion.

11. In 1998-1999, 46 per cent of UK full-time university students reported that they were engaged in paid term-time work, and that they worked an average of 11 hours per week. US students report undertaking significantly more paid work. Among full-time students at US universities 73 per cent worked, and those who did worked an average of 21 hours per week. With levels of work this extensive, students who work at or above the average weekly rate are at a measurably increased risk of being unable to continue with their studies. Taken by itself, this difference is part of the reason that US university students less frequently complete their studies than do those in the UK. Viewed more broadly, the fact that US students are more often occupied by paid work while at university is one part of a larger set of differences in the culture and practice of university education in the two nations.

The Culture and Practice of University Education

12. In comparison to the United States, two aspects of the English university system—student entry and student progression—are marked by a continuing, albeit attenuated, persistence of elite thinking, policy, and practice. Taken together, elite practices concerning entry and progression have permitted the UK to maintain university completion rates that are substantially higher than those of the US.

13. Since the mid-1980s there have been significant changes in patterns of entry to English universities. Nonetheless, viewed in comparison to the US university system, the English university system appears to have more consistent standards of entry and a much closer alignment of its upper

secondary curriculum and assessment to the needs of university education. It may also have a slightly narrower range of preparation among its entrants, and, on average, a somewhat higher level of preparation. These differences between university entry in the US and UK appear to underlie, at least in part, the lower rates of completion found in US bachelor degree study.

14. The patterns of student progression through UK universities are sharply dissimilar to those in the US. Although UK universities have adopted the nomenclature of modules and credits, most university students in the UK are engaged in study on one course, at one institution, for a fixed and limited period of time -- as they were decades ago. US students are five to ten times more likely than UK students to change courses, to change universities, to vary their rate of work between full and part-time study, and interrupt their studies. For example, 34 per cent of US university students alternate between full-time and part-time study; in the UK an estimated 3 per cent do.

15. Taken as a whole, about two out of three US bachelor degree students follow a high intensity, high continuity path to graduation, as compared to nearly nine out of ten in the UK. Universities and government policy in the US combine to afford significantly wider flexibility to learners, permitting large numbers of them to depart from a path of continuous full-time study in a single course at their institution of origin.

16. If a more flexible pattern of attendance in the US results in wider accessibility to bachelor degree study for non-traditional students, then we

should expect to find that a significantly larger share of US bachelor degree students are older, working, disabled, caring for dependents, and married than is the case in the UK. To the extent that the limitations of data make these comparisons possible, these expectations are consistently borne out. For example, a significantly larger share of US bachelor degree students are 25 or older (27.4 per cent v. 18.2 in the UK), or to have a reported disability (7.7 per cent vs. 4.8 in the UK).

17. Among mature students who do study, some may be constrained to make choices that poorly suit their needs. While 21.2 per cent of students beginning full-time first degree study in the UK are 21 years and older, in the US only 8.5 per cent of students beginning full-time first degree study are 21 and older, since mature bachelor degree students in the US often enroll on a part-time, rather than full-time basis. If mature students have similar obligations in both nations, then those in the UK appear to be induced by student aid policies and university restrictions on the availability of part-time degree programmes to study in ways that they might not if afforded greater flexibility and choice.

18. Flexibility in provision has costs as well as benefits. In particular, it appears to diminish rates of degree completion. Permitting intermittent enrolment or variation between full and part-time enrolment lowers barriers to entry for those populations who are at highest risk to drop out of university, such as parents with young children. It also permits students to engage in activities—such as extensive paid work—that jeopardise their prospects for degree completion. Finally, flexibility in provision diminishes students' integration into their course and sense of group cohesion, both of

which reduce students' prospects of completion. With students interrupting their studies, varying their rate of work, and selecting dissimilar module combinations, US students rarely move as a cohort through a course.

19. One century of experience with modularized and credit-based education in the US has shaped the culture of higher education and the labour market. Students, educators, employers and politicians tend to think of a degree as something that consists of discrete skills and capabilities, and they believe that there is *some* benefit to acquiring *part* of a degree. In the US view, completing a degree is better than not, *but something is better than nothing*. Research in the US suggests that there are returns to having a credential over and above the skills acquired in postsecondary education; it also shows that there is a wage premium for skills obtained even without degree completion.

20. A credit-based culture has not been assimilated into UK higher education, labour markets, and policy planning. A university degree continues to be viewed as an indivisible experience and qualification. This is reflected in the continuing use of the term "course" as an integrated or unitary experience, and in the detailed practices of assessment and grading. Crucially, it is also reflected in labour markets. Students and graduates in the UK commonly express a view that is nearly the opposite of that expressed in the US: that *nothing is better than something*. Research suggests that men who begin a university course but do not finish it are, in fact, worse off than those who do not begin. Because there appear to be greater labour market penalties attached to non-completion in the UK than in the US, extending access to those whose circumstances put them at risk

to drop out may be comparatively less beneficial in the UK than it is in the US, both individually and socially.

21. If mature, disabled, or working adults who could have succeeded at university do not study, there are both social and personal costs to their exclusion. These costs appear to loom larger in the calculation of politicians and the higher education community in the US than in the UK. Although the United States lacks a social democratic tradition, its political culture does contain an egalitarian strain, in which opportunities for self-sufficiency and advancement through competitive individualism are to be widely dispersed, and second chances to those who initially fail are to be generously provided. For the past half century this promise of opportunity has been embodied by providing broad access to public postsecondary education, and by offering remedial education for those in need of a second chance. Seen in this light, *any* willing student who has *any* prospect of success should be given a chance--and a second chance--to study.

22. It might be argued that universities in the UK achieve their high completion rates by choosing not to take enough chances on students who *might* succeed at university, thereby excluding some who would have gone on to graduate. However, this argument has rarely been ventured in UK policy debates. Unrestricted access to university is not native to the social democratic tradition of the UK, or to Britain's larger culture.

Implications for Policy

23. What can US policymakers learn from the UK's experience as it has attempted to balance its historic commitment to low rates of "wastage" with higher rates of participation? HEFCE's completion policies and England's experience at aligning secondary to university education hold promise of improving rates of completion while sustaining broad access and flexibility for students. US state governments have put forward measures of institutional accountability and degree completion that fail to recognize differences in the students they are teaching. Criticized by universities as inappropriately applying a single standard to diverse institutions, these measures of performance have generated little lasting enthusiasm from legislators. HEFCE's benchmarked performance indicators offer, in comparison, the promise of meaningful and appropriate accountability for universities.

24. Evidence from the United States suggest that nontraditional students, such as mature students with children or students with disabilities, are especially likely to avail themselves of the flexibility permitted in a system of enrollment that is credit-based, and in which part-time study is given (proportionately) equal financial support to full-time study. England's higher education policymaking community may wish to reexamine whether it can widen participation while at the same time maintaining government policies and university practices that support an elite model of progression that is continuous, intensive, and exclusive of other obligations.

25. English universities wishing to respond to the needs of non-traditional

students may not be able to do so successfully within a policy framework and a larger university culture that is committed to the maintenance of an elite model of progression and to a unitary system of university education. Unlike their US counterparts, UK universities that take substantial numbers of non-traditional students and permit them to depart from a traditional model of progression are at risk, since the institution's measures of efficiency or quality may suffer, sometimes to the serious detriment of the institution.