

# A Package of Policy Proposals to Improve College Quality



## Third Way

There's no denying the importance of higher education as a lever for mobility in today's economy. Two-thirds of all jobs now require postsecondary education of some kind, and degree-holders experience wage premiums that pay big dividends over the course their lifetimes. As a result, higher education—which used to be viewed as a luxury for the few—has now become a necessity for the millions of Americans seeking to earn a stable and secure life.

That means the stakes are higher than ever when it comes to whether our nation's higher education system equips students with the credentials and skills they need to successfully navigate today's economy. Yet data on postsecondary outcomes indicates that far too many institutions are failing to deliver the results that students making the investment in college seek. Only half of students who start college earn a degree, and nearly six in ten students are unable to successfully begin paying down their student loans three years after leaving school.<sup>1</sup> In large part, this systemic underperformance is due to our failure to properly measure student outcomes, incentivize institutions to

improve them, and hold those schools and programs accountable if they fail to provide value to students and taxpayers year after year.

The good news is that it doesn't have to be this way. An upcoming reauthorization of the *Higher Education Act* will provide Congress with a prime opportunity to realign our priorities to ensure that students who start college finish with a quality credential or degree. That means using the \$130 billion dollars of taxpayer money the federal government invests in our higher education system every year to not just improve access and affordability—important topics that have dominated the national conversation in years past—but to also drive schools to increase the proportion of students who can graduate, get a good paying job, and pay back their loans. Because we can no longer ask students to leverage their financial futures in a system that bears little to no responsibility for the outcomes it delivers.

That's why over the coming months, Third Way will release a series of policy proposals that aim to get at the core of what we think matters most: higher education policy that focuses first and foremost on delivering value for students. These policy proposals are designed to concisely lay out what we see is the problem, a possible solution, and critiques and responses around each idea. These proposals are not intended to be perfect and are not the only possible solutions to the problems we identify. Instead, they are intended to put a panoply of ideas on the table as a starting point for more extensive conversations about how we can use federal policy to spur our higher education system to improve outcomes and deliver real value to both students and taxpayers.

#### TOPICS

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#### ENDNOTES

1. Michael Itzkowitz, "The State of Higher Education Outcomes," Third Way, Published on July 18, 2017, Accessed on February 8, 2018. Available at: <https://www.thirdway.org/report/the-state-of-american-higher-education-outcomes>.