

## Editor's Column: The Use of Data

One of the most fundamental principles involved in formulating a good policy requires that it be reviewed periodically for overall effectiveness and efficiency. Were the assumptions upon which the policy was made valid and are they still appropriate? Are the long-term goals and broadest purposes for which the policy was established being achieved? Is the policy fulfilling the larger mission for which it was established? Are the outcomes in line with the intended goals? Have the tenets upon which the policy is based been altered along the way? If so, what is needed to keep future performance objectives on track or what might be needed to make the results even better? If not, where did the planning fail or what occurred that was not anticipated, and what might be done to get the policy back on track? Should the fundamental purpose or mission of the institution or organization being served be changed? These are the kinds of good questions that policymakers ask regularly.

In the world of higher education financing, public policy for federal and state legislators is currently receiving significant attention. The reauthorization of the Higher Education Act provides members of Congress and the Administration the periodic opportunity to review the basic purpose of this legislation, originally written into law in 1965. Opportunity, access, and the American Dream were key goals in authorizing support for individuals “who but for such funds” would not be able to pursue postsecondary education. Much of the legislation establishing student aid at the state level was also based on these goals.

As policymakers review the current state of affairs and try to measure outcomes against the original goals, they should consider a number of significant dynamics that were not necessarily prevalent at the inception of the authorizing legislation, such as the rapidly rising cost of college relative to family income. Some may suggest that the definition of “family” has changed considerably in the nearly four decades since the Higher Education Act was originally conceived. Demographic factors, such as the number of high school graduates per year, the percentage of non-traditional and first-generation students, the size of the racial- and ethnic-minority student population, and changes in immigration laws, have also had a considerable effect over the past 39 years. Indeed, now that the majority of students enrolled in postsecondary education can no longer be defined as “traditional,” what should be understood as the traditional student when policies are reviewed? Employment opportunities, new skills, global trade agreements, and the incredible advances in technology also impact

higher education. Moreover, changes in economic conditions, tax policy revisions, the rise and fall of budget deficits, the uncertainty of Social Security, the emergence of IRAs, the need to address crime, the shifts in state fiscal circumstances, and international terror crises have all become prominent dynamics in setting priorities for resources.

Addressing these challenges wisely in reauthorization requires a sound understanding of the past. A steady, deliberate, and careful review of the many dynamics involved in solid policy analysis requires a thorough examination of outcomes as measured in available, assessable data. While political considerations, current events, the role of the media, and anecdotal stories of difficult circumstances will surely be noted, a review and understanding of hard data and how well it supports or does not support the original, simple purpose of a policy, should remain one of the most basic performance measures.

Of course, in the real world of research, one needs to begin with a common agreement on terms and definitions. Without this consensus, common sense comparisons and efforts to measure outcomes rationally often become complicated. Many examples of how a lack of common definitions can challenge the fair evaluation of performance are visible in our current, contentious environment. How does one measure the cost of administering two very different ways of providing government student loans (i.e., Direct Loans versus FFELP)? What is the true cost of providing instruction and related services? How is “unmet need” calculated and are these calculations consistent with reality? How do we view a tuition discount? What is meant by “net price”? How does one define a student loan default rate? Indeed, how do we measure performance, outcomes, and accountability?

One of the hallmarks of a true profession is its ability to produce good research and policy analysis. If we expect our policymakers, both institutional and governmental, to develop future policies based on solid information, as a profession we must be ready to provide good, reliable, and timely longitudinal research. Without it, we surely run the risk of having future platforms for policy and funding priorities driven by knee-jerk reactions to misunderstood, exaggerated, and contradictory examples and non-representative anecdotal “evidence.”

NASFAA has developed a highly respected array of services and products intended to support quality research and policy analysis. Among these are its various professional committees, organizational staffing resources, and numerous publications including the *Journal*. NASFAA’s *Student Aid Research* manual can serve as a good basis for initiating and carrying out institutional policy review. Another comprehensive summary of the best resources available for understanding and conducting quality research is NASFAA’s Monograph, “Research Tools, Tips, and Resources for Financial Aid Administrators” (April 2003,

---

*If we expect our policymakers, both institutional and governmental, to develop future policies based on solid information, as a profession we must be ready to provide good, reliable, timely, longitudinal research.*

---

Number 13) which is also available on the NASFAA Web site (<http://www.nasfaa.org/publications/2003/rnresearchmonographupdate040203.htm>).

Those of us responsible for the *Journal* hope that the three articles included in this issue will also inspire future research and inform policy decisions. The first, written by Gary Donhardt, reviews the employment activity of master's degree graduates and how they manage their educational debt in the early years following graduation. NASFAA is pleased to have supported this research through its Sponsored Research Grant Program. This study analyzed the effects of debt burden when factors such as age, grade point average, academic major, gender, race, and industry are considered.

Our next piece, authored by Steven Harrast, examines the undergraduate debt burdens of recent graduates. The study also addresses the percentage of recent graduates with student loans in excess of lender recommended levels.

Our final article comes from a colleague in the Netherlands, J. J. Vossensteyn. It reviews the growing worldwide attention being given to the financing of higher education. The issue of who should be responsible for paying for these costs and how—a question heard often among policymakers here in the United States—is discussed.

We feel certain that you will find the fine efforts of our contributors worthy of your review and consideration.

Joseph A. Russo, Editor  
March 2004