

NASFAA TASK FORCE REPORT



EXAMINING THE LACK OF GRADUATE-SPECIFIC DATA



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NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

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Executive Summary

With a desire to better counsel and inform students and prospective students about graduate and professional programs at their institutions, the task force made the recommendations outlined below and explored in greater length later in the report.

The task force identified several programs with professional organizations, such as the American Bar Association (ABA) and the American Association of Medical Colleges (AAMC), with strong data collection. However, beneficial data collection for students and prospective students should not only exist among a few disciplines. With that in mind, the task force examined data currently publicly available, information institutions currently share with the Department of Education (ED), and student needs to surface their recommendations.

The NASFAA Task Force Examining the Lack of Graduate-Specific Data made the following seven recommendations:

1. Enhance National Student Loan Data System (NSLDS) reporting capabilities to provide graduate program-level data on indebtedness — utilizing Classification of Instructional Programs (CIP) codes — and Cohort Default Rates (CDRs), as well as national-level data so students and financial aid administrators may draw comparisons between the levels.
2. Create a Shopping Sheet with information specific to G/P students and G/P program-level data.
3. Additional work should be done to streamline and add consistency to assignment of CIP codes.
4. Additional consumer testing should be conducted to better understand and address the needs of prospective G/P students as they are applying for programs.
5. NASFAA should work with the National Center for Education Statistics (NCES) to organize training for the G/P community on how to utilize the National Postsecondary Student Aid Study (NPSAS).
6. NPSAS Survey Directors should partner with financial aid administrators from G/P institutions to look for ways to link together student populations in similar program structures.
7. NCES should increase the population of G/P students surveyed in NPSAS.

Introduction/Background

In April 2015, the NASFAA Graduate and Professional Issues Caucus (GPIC) issued their report, “Graduate/Professional Issues.” The caucus, which conducted its work between July 2014 and December 2014, identified several issues of importance to the graduate and professional (G/P) community and issued several corresponding recommendations.

The caucus identified the lack of graduate-specific data as an issue of importance to the community. The corresponding recommendation suggested establishing a task force “to identify data needs specific to graduate student financial aid.” The report noted, “There is very little available data on graduate students and graduate-specific student aid.”

In August 2015, NASFAA formed a task force to examine this issue. Specifically, the task force was charged with identifying the data that is currently being collected and what new data the community would like to see collected in the future. In addition, the task force will develop the intended purpose and use for both.

Task Force Members:

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Recommendations

Recommendation #1: Enhance National Student Loan Data System (NSLDS) reporting capabilities to provide graduate program-level data on indebtedness — utilizing Classification of Instructional Programs (CIP) codes — and Cohort Default Rates (CDRs), as well as national-level data so students and financial aid administrators may draw comparisons between the levels.

Providing students with graduate/professional (G/P) program-level indebtedness statistics would increase transparency and informed decision-making. The accessibility of this data would also allow students to compare the average debt figures incurred at multiple institutions against one another.

Providing financial aid administrators with this data would allow institutions to benchmark themselves nationally. It is important for schools to know how they compare in areas such as indebtedness and default rates for specific graduate-level programs, especially because the ability to distinguish between undergraduate and G/P borrowing would enable financial aid administrators to more appropriately target financial outreach and financial literacy efforts.

Providing students and financial aid administrators with the ability to differentiate cohort default rates (CDRs) at the G/P program-level would serve to better inform a potential student about the borrowing and repayment activities in a particular program, at a particular level. It would also assist financial aid administrators in targeting outreach and default aversion efforts to particular cohorts of students. Currently, institutional CDRs do not distinguish between students in default with only undergraduate debt, versus those with undergraduate and G/P debt, or those with only G/P debt. A desirable future enhancement would also show the repayment rate by program.

Considerations of enhancing NSLDS: While programmatic changes will be necessary by the technical team at NSLDS in order to accommodate this new functionality in both the Common Origination and Disbursement (COD) System and NSLDS, these changes could be made with no additional administrative burden to G/P schools, as the relevant data points are currently reported to NSLDS and/or COD. Consideration should also be given to the fact that some programs have very small enrollment numbers with an even fewer number of student loan borrowers. In order to provide both a figure that accurately represents average borrowing habits and to protect the privacy of these small groups of students, the task force recommends that a program would need to have a minimum number of 10 student loan borrowers to provide an average indebtedness figure¹. Additionally, data within NSLDS are specific to federal student loans, so Title VII and private loans would remain excluded from these calculations for the foreseeable future. Until all educational loan data is reported to NSLDS, it will be difficult to obtain a clear picture of how various undergraduate and G/P programs compare. However, these data points would add a remarkable amount of transparency to a student's search for a G/P program that best fits their educational and financial needs.

Further Considerations: In the instance of seemingly high program-level CDR figures, it is important to stress that this knowledge can and should be used by financial aid administrators to enhance financial literacy and outreach efforts and default aversion and prevention tactics for those particular cohorts of borrowers. However, this knowledge should not be utilized — either through statute, regulation or policy — in an effort to target particular groups of students or specific programs by jeopardizing financial aid eligibility or increasing regulations that could create obstacles to student success.

¹ This number is based on the minimum number of borrowers needed to provide average debt information in other disclosure forms. If the program has fewer than 10 borrowers, a message should be returned to the person doing the search that explains that a figure cannot accurately be calculated and the institution in question will need to be contacted directly.

Recommendation #2: Utilize consumer testing to create a Shopping Sheet with information specific to G/P students and G/P program-level data, using the CIP code data from NSLDS

In this recommendation, the task force supports the efforts of NASFAA's Consumer Information and Law Student Inebtedness Task Force to create a Shopping Sheet that better fits the needs of G/P students. The creation of this new template will reduce confusion for G/P students, especially if the Shopping Sheet is tailored to specific program-level data using CIP code information from NSLDS. The stated goal of the Shopping Sheet is that it "makes clear the costs and responsibilities of student loans upfront – before students have enrolled – outlining their total estimated annual costs, institutional rates of completion and default, and information about a student's potential monthly loan payments after graduation."² The current Shopping Sheet does not provide data points relevant to G/P programs, a key problem. This is due to the fact that current student loan default data aggregate all undergraduate and G/P students together. This task force agrees with the general layout of the current template: cost of attendance, gift aid and net cost, followed by self-help (work study and loan options). However, the limited space for loan information, especially with the increasing use of Graduate PLUS loans, results in a template that may not be as useful as it could be for graduate students. A new G/P template could also provide more space for different types of self-help programs and other options each program provides.

In addition, because of both the variety of lengths of programs (both in time and credit hours) and the variety of costs, a single average of all G/P programs at an institution may result in misleading data. The inflexibility of the current template results in schools being forced to send information to students that ultimately causes confusion.

The task force also supports the recommendation of NASFAA's Consumer Information Task Force that recommended the use of consumer testing during the development phase of any new disclosure requirements.

Recommendation #3: Additional work should be done to streamline and add consistency to assignation of CIP codes.

CIP codes should be clearly defined and potentially audited for consistency. An additional consideration should be made for consistency to the use of program levels in enrollment reporting. For example, applied versus theoretical degrees should have different coding. One should be able to tell through the coding the difference between an MBA and PhD in Business Management or the difference between an MD and a PhD in Medicine. As a short-term solution for graduate data collection, the task force suggests focusing only on the first four digits of the CIP code. Using the first four digits will reduce the minor variations in the coding and allow for easier navigation by both institutions and students.

The use of CIP codes as they are currently assigned in the reporting of G/P student data has the potential to be meaningful for students, but comes with two issues that must first be addressed. The first issue is the consistency in the way in which the codes are used. The codes that are selected for a program are determined by institutional preference and interpretation. Due to differences in either interpretation or preference, it is possible to have programs at two institutions that are very similar but are assigned different CIP codes. This variation makes it difficult for students to compare like programs and would likely cause confusion or frustration for those who had to use the codes to compare schools.

The second issue is the timeliness of CIP code availability. Often when new fields of study emerge, institutions are required to select a code that is similar to the new program offering, but may not match the content that is going to be delivered. This process leads to variations in coding and, again, would make it very difficult for students to compare emerging fields of study when searching for schools using CIP codes.

² White House, July 24, 2012, <https://www.whitehouse.gov/the-press-office/2012/07/24/fact-sheet-administration-releases-final-version-financial-aid-shopping->

Recommendation #4: Additional consumer testing should be conducted to better understand and address the needs of prospective G/P students as they are applying for programs.

Additional consumer testing should be conducted to identify the type(s) of information prospective and current G/P students would like to receive from their institution, particularly as it relates to financial aid. Currently, institutions provide information required under statutory and regulatory guidance and what they believe a student should know about the financial aid process and financial aid in general. The findings and recommendations in [“No Clear Winner: Consumer Testing of Financial Aid Award Letters” \(NASFAA, 2013\)](#) suggest undergraduate students are provided with information they really do not understand in order to make an informed decision, which could hold true for G/P students as well. Additional consumer testing will be beneficial for G/P students as the data obtained would provide policy makers, institutions, and financial aid administrators with a better understanding of student needs.

The task force recommends consumer testing on two items:

- 1) A national program-level “fact card,” similar to the AAMC’s “Debt Fact Card,” using data currently available through ED systems.** This “fact card” could contain averages of federal loan debt and average CDRs at the program level using the first four digits of the CIP code. The task force suggests that averages could be broken down by sector and that it also include both the national average amount of debt for that specific program of study and the national average total educational debt for students graduating from the program. Based on Recommendation #3 of this report, the proposed “fact card” may need to be published in draft formats for the first few years while schools and programs review their CIP code and Credential Level set up.
- 2) Information outside of the traditional federal student loan debt data points.** This includes consumer testing to learn more about other types of information students would like to receive, including information about private loans, job placement rates, and/or fellowship or scholarship opportunities. This information will also allow G/P programs to better counsel students and provide them with the tools and resources needed to make an informed decision when considering a G/P degree.

Recommendation #5: NASFAA should work with the National Center for Education Statistics (NCES) to organize training for the G/P community on how to utilize the National Postsecondary Student Aid Study (NPSAS).

The purpose of the NPSAS is to provide the public with a collection of data on financial aid from the federal government, states, postsecondary institutions, employers, and private agencies based on a nationally representative survey of students. The data from NPSAS are currently available using an interactive public website with various tools to query and report survey data in the aggregate. The survey data collected are extensive, and policy makers and researchers value it for its insight.

While access to the information is user-friendly, those in the G/P community may not be as familiar with the kinds of data collected. Those who do not use the data on a frequent basis may find interpreting NPSAS data challenging. By assisting the G/P community in learning what NPSAS is and how they may use its data, financial aid administrators will be better informed on how G/P students finance their education and more able to counsel their students effectively. The training should take into consideration the financial aid administrator’s level of knowledge and comfort with understanding the data.

By training the G/P community to use this existing resource, financial aid administrators can answer various questions about the financing behaviors and borrowing habits of G/P students nationally. This includes understanding how G/P students are financing their education by field of study, employer reimbursement, and fellowships. Trained financial aid administrators can use NPSAS data to compare how their G/P students are financing their education against NPSAS national benchmarks. Furthermore, institutions can better inform G/P students on how their efforts to finance their education compare to national trends.

Additionally, NCES provides free on-site training on surveys like NPSAS, thereby alleviating any financial hindrance G/P institutions may encounter if interested in participating in this training.

Recommendation #6: NPSAS Survey Directors should partner with financial aid administrators from G/P institutions to look for ways to link together student populations in similar program structures.

When querying NPSAS data, variables used may result in a small population. In those cases privacy concerns outweigh the use of the information, so NPSAS masks the output, leaving the user with no information. In most cases, this issue can be overcome by increasing the sample size of G/P students, particularly with those fields of study that traditionally do not have a large enrollment. NPSAS would need to identify those fields of study commonly masked due to low counts and increase their sample size accordingly. In doing so, this would increase the count overall and allow for more reliable data. The next survey collection for NPSAS is in the year 2020.

The task force acknowledges the possibility still exists that smaller programs will not have a sufficient sample size to avoid masking the results. Linking students by a common identity (such as fellowships) would overcome the challenge by increasing the population size, thereby providing the G/P community with useful information.

Recommendation #7: NCES should increase the population of G/P students surveyed in NPSAS.

As mentioned in recommendation #6, when querying NPSAS data some variables used may result in a small sample size and masked output. Many of these masked outputs are found at the G/P level, specifically the program-level due to the small population of G/P students surveyed using NPSAS.

In an effort to make this dataset more usable to the G/P community, the task force strongly encourages NCES to consider increasing the sample of G/P students in future NPSAS surveys.

Conclusion

There is a dire need for better data to help accurately counsel and inform current and prospective students of graduate and professional programs. The recommendations offered in this report would improve available resources to help both financial aid offices in their work and students in their decision-making.

The task force strongly recommends enhancing the reporting capabilities of the National Student Loan Data system to provide students program-level indebtedness statistics. Increased transparency will help students make informed decisions when choosing a graduate or professional program and help financial aid administrators benchmark their institutions nationally.



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