ReUp EDUCATION

THE FORGOTTEN STUDENTS

UNDERSTANDING THE STUDENT COMPLETION CRISIS IN HIGHER ED AND NEW APPROACHES TO SOLVING IT

By Nitzan Pelman and Geoff Watson

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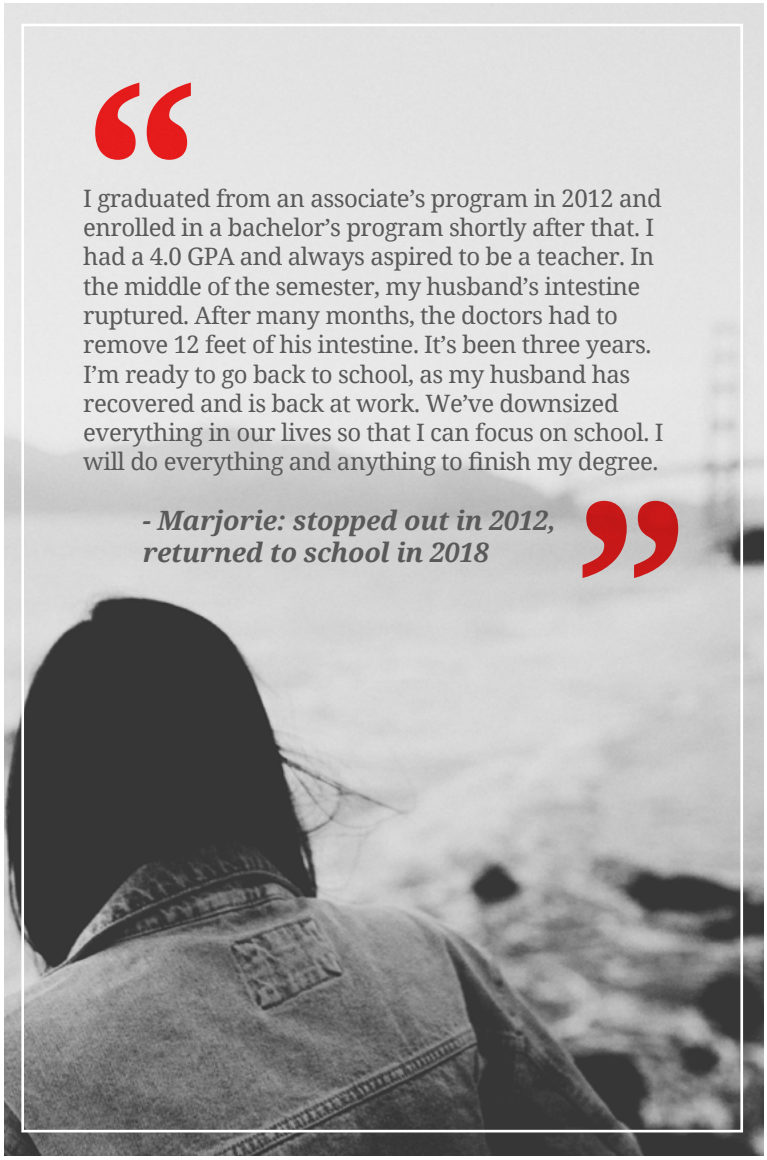
The Forgotten Students: The Completion Crisis in Higher Education

Each year, over a million students drop out of college or university—some 31 million Americans in the last two decades. To put this in perspective, colleges grant approximately 2.2 million degrees per year [1]—31 million dropouts is akin to not graduating any students for 14 full years. In fact, only 48.3% of first-time, full-time students at public universities graduate within six years, prompting academic leaders, like Arizona State University President Michael Crow, to dub this a "completion crisis."

Why are students, who are often eager to participate in higher education, dropping out before completing their degrees? Upon arrival, they often face unforeseen and seemingly insurmountable hurdles that they can't always navigate or overcome. From family needs and responsibilities, medical and financial issues, to a lack of a sense of belonging, the end result is too often the same: Students drop out of school and do not return. Contrary to some commonly held beliefs, many of these students are academically strong, yet the education system at large spends little-to-no time trying to get them back. These are the Forgotten Students.

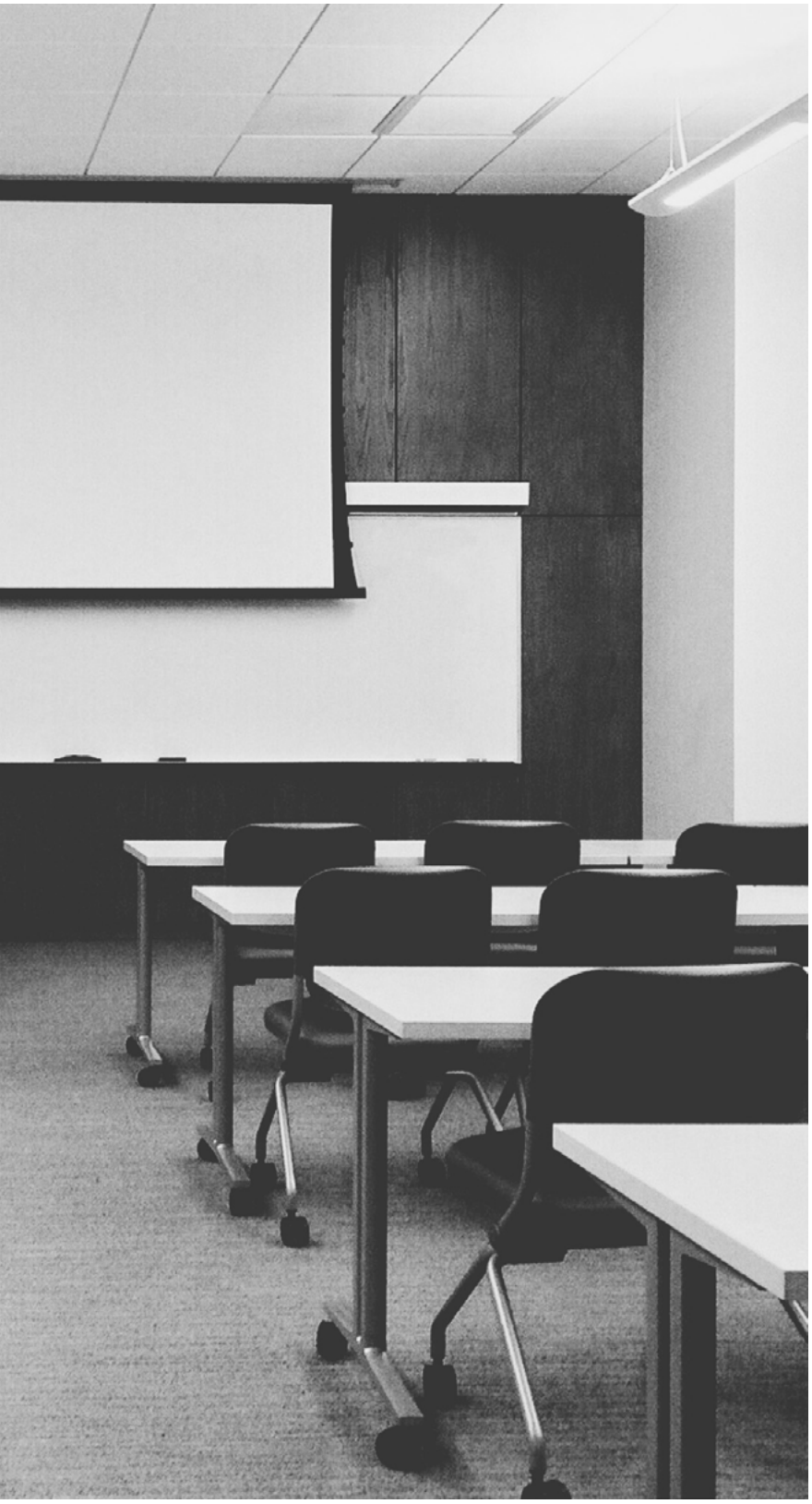
The data is clear: These individuals will be at a disadvantage for the rest of their lives. For instance, noncompleters have more debt (per credit earned) than those who graduate, but without the increased earning potential of a degree [2]. In fact, people who never earned a degree represent nearly one-half of all defaulters. Students who drop out are also disproportionately from low socioeconomic backgrounds and are the first to attend college in their families [3]. As such, they are stuck in a vicious cycle: They have lower paying jobs and thus don't have the means to pay off their debts. The social and economic impact is massive—the loss of human potential even bigger.



[1] "Undergraduate Degree Earners Report, 2014-15," NSC Research Center, 2016.

[2] "Federal Student Loan Debt Burden of Noncompleters," Christina Chang Wei and Laura Horn, 2013.

[3] "Who Are Student Loan Defaulters?" Ben Miller, 2017.



Most universities and colleges have identified the "outcome" of this crisis—low retention and graduation rates—and have set goals to address these metrics in their strategic plans. However, most of the time, budget, and resources are focused on the "front end" of the problem—specifically, on supporting and retaining the students who are enrolled in college. This makes sense as a starting point—try to prevent the bucket from leaking. However, these efforts are ultimately insufficient to specifically address the completion crisis. Students will continue to "stop out," and there is a moral imperative not to give up on them. Is it time for us to agree that we need to focus attention, resources, and creativity on bringing students back and providing the support to enable them to earn their degrees?

At ReUp Education, we are solely focused on helping the stopout population. We want to shine a light on the Forgotten Students and help stimulate a conversation about how to bring them back. With support, millions of these students can complete their degrees. In fact, 89% of students who have left school with "some college, no degree" express interest in returning. Therefore, new and innovative approaches to reenrollment and retention are essential to ensuring success for returning students.

The following white paper attempts to further define this crisis, specifically in the context of identifying how to approach the Forgotten Students—a unique population, often comprised disproportionately of underrepresented groups—to reenroll, complete their degrees, and realize their potential.

IN FACT, 89% OF STUDENTS WHO HAVE LEFT SCHOOL WITH "SOME COLLEGE, NO DEGREE" EXPRESS INTEREST IN RETURNING

A Rose by Any Other Name

There are many different ways that colleges, administrators, and counselors refer to this population of students: dropouts, stopouts, optouts, non-returnees, non-persisters, noncompleters, etc. While "dropouts" technically never return to complete their degrees, "stopouts" return after an absence of a semester or more.

For our purposes, we will use the term "stopouts" most often in discussing this population. Why is that? It's our belief that the majority of students with "some college, no degree" have the potential to finish their degrees with proper guidance, encouragement, financial support, and learning environment.

The Completion Report Card: Most Colleges Receive a Failing Grade

The Educational Policy Institute evaluated the graduation rates of 1,669 colleges and universities [4]. As author Neal Raisman, Ph.D., notes, "Most colleges grade students on an A to F scale with A being excellent or superior and F representing a failing grade." If the institutions were graded using the same A through F scale on which they grade students, the breakdown of the schools studied would be:

GRADE	GRADUATION %	NUMBER
A	90-100%	43
B	80-89%	101
C	70-79%	165
D	60-69%	259
F	0-59%	1,132

"The 1,669 schools in total would be earning an average grade of D or F (51.5 percent) if this were a college classroom. So the 1,669 schools would be failing in their graduation rates, losing large sums of revenue, and thus failing their promises to their enrolled students."

A separate study conducted by Third Way concludes that "a typical four-year public college graduates only 48.3% of first-time, full-time students within six years of enrollment. … At only 80 schools (15% of four-year public colleges) did more than two-thirds of first-time, full-time students manage to earn a degree within six years. The graduation rates of the remaining 455 schools are so low that if they were high schools instead of colleges, they would be flagged as dropout factories and be required by federal law to intervene to improve their completion rates." [5]

THE 1,669 SCHOOLS IN TOTAL WOULD BE EARNING AN AVERAGE GRADE OF D OR F

[4] "The Cost of College Attrition at Four-Year Colleges & Universities: An Analysis of 1669 US Institutions," Neal A. Raisman, 2013.

[5] "What Free Won't Fix: Too Many Public Colleges Are Dropout Factories," Tamara Hiler and Lanae Erickson Hatalsky, 2016.

The Impact of the Completion Crisis

There are several different dimensions in trying to quantify the impact of the completion crisis in America. We'll take a look at the impact on the students themselves from an employment and earnings perspective, the financial impact on the institutions who are losing these students, and the "social opportunity cost."

- **The College Earnings Premium and Professional Mobility:** There is a massive wage premium for college graduates. On average, those with a bachelor's degree earn a premium of roughly $30,000 each year relative to those with just a high school diploma. Over a lifetime of work, a college graduate with a bachelor's degree would earn more than $1 million more than an individual with just a high school diploma.[6]

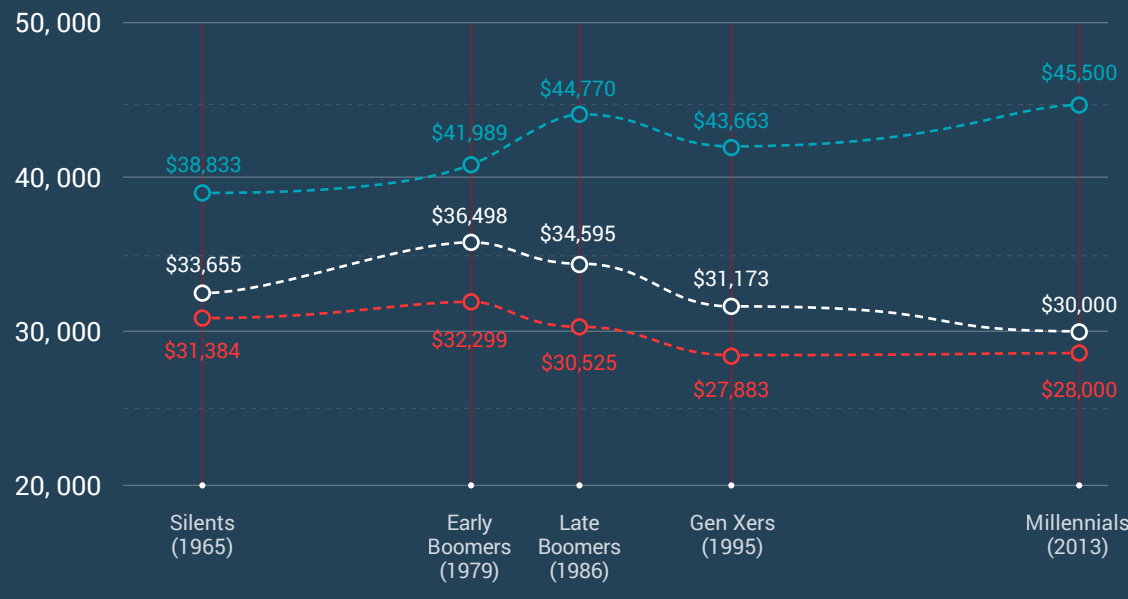
And, according to Pew Research,[7] the income disparity among young adults with and without a college degree has been increasing, reaching an all-time high with millennials (see chart below):

[6] "It's Not Just the Money: The Benefits of College Education to Individuals and Society," Philip Trostel, 2015.

[7] "The Rising Cost of Not Going to College," Pew Research Center, 2014.

RISING EARNINGS DISPARITY BETWEEN YOUNG ADULTS WITH AND WITHOUT A COLLEGE DEGREE

Median annual earnings among full-time workers ages 25 to 32, in 2012, dollars



Notes: Median annual earnings are based on earnings and work status during the calendar year prior to interview and limited to 25- to 32-year-old who worked full time during the previous calendar year and reported positive earnings. «Full time» refers to those who usually worked at least 35 hours a week last year.

Source: Pew Research Center tabulations of the 2013, 1995, 1986, 1979 and 1965 March Current Population Survey (CPS) Integrated Public Use Micro Samples

Perhaps even more important, with a continued movement towards a "knowledge economy," people without a college degree are increasingly left out of the economy. This is reflected in their attitudes towards work and their self-image. For example, millennial college graduates are more likely than their peers who only have high school diplomas to say their jobs are careers or stepping stones to careers (86% vs. 57%). In contrast, millennials with high school diplomas are about three times as likely as college graduates to say their work is "just a job to get by" (42% vs. 14%).

College graduates are significantly more likely than those without any college experience to say that their education has been "very useful" in preparing them for work and a career (46% vs. 31%). And these better educated young adults are more likely to say they have the necessary education and training to advance in their careers (63% vs. 41%).

- **Lost Tuition to Universities:** The cost of the completion crisis to universities is massive. The Educational Policy Institute's analysis of 1,669 colleges and universities, found that they collectively lost revenue due to attrition in an amount close to $16.5 billion in a single academic year. The largest single school lost $102,533,338, while the average school lost $9,910,811. The publicly assisted colleges and universities averaged a $13,267,214 loss from attrition; the average private college or university lost revenue of $8,331,593.

The reality is that these numbers are likely understated because they do not include the money that is invested in enrolling students to begin with, nor do they include the costs (e.g., coaching, academic advising, student success) associated with supporting students.

- **Social Opportunity Cost:** Lumina Foundation's "It's Not Just the Money" paper presents evidence that the investment in college education pays off not only for individuals but also for society at large. "The typically emphasized financial payoff is only a small part of the story. It is not an overstatement to call the effect on earnings just the tip of the college-payoff iceberg. There are more benefits to college education beneath the surface than above it." Lumina's research details many social benefits derived from earning a degree, including:

    - The likelihood of reporting health to be very good or excellent is 44% greater.
    - The incidence of obesity and heavy drinking are significantly lower.
    - The incidence of a disability making it difficult to live independently is 3.6 times lower.
    - Life expectancy at age 25 is seven years longer (for those having at least some college compared to those never having gone to college).
    - Probability of being in prison or jail is 4.9 times lower.

In addition to the benefits to the degree holder, Lumina catalogs several benefits to the rest of society from those with bachelor's degrees (compared to high school graduates who never attended college), including:

- Lifetime taxes are, conservatively, $273,000 (215%) greater, contributing more toward government services and social programs.
- Lifetime government expenditures are about $81,000 (39%) lower. College graduates rely less on other taxpayers.
- Voting and political involvement are significantly higher.
- Crime is significantly lower.
- Total philanthropic contributions are 4.7 times higher.
- Participation in school, community service, civic and religious organizations is 1.9 times higher. Leadership in these organizations is 3.2 times greater.

As Lumina notes, "these long lists represent just the (imperfectly) measurable benefits of college attainment. There are numerous vitally important effects that are almost impossible to quantify such as the positive influences on innovation, arts, culture, diversity, tolerance, and compassion."

The Forgotten Students: Debunking Common Myths

The Forgotten Students are often stigmatized for leaving school and are gravely misunderstood by their own universities and society at large. Here are a few of the most common misconceptions these students face:

- **Stopout students are typically weak students who struggle academically:** This is perhaps the biggest myth—that students who don't complete their degrees are not strong academically. The data simply does not support this assertion. Civitas has published findings which show that more than 40% of students who have stopped out have GPAs of 3.0 or higher—this is from a cross-university aggregated data set. Similarly, University of South Florida reports that one-third of students who stop out have a GPA of 3.0. Thus, we need to dig deeper and truly understand both why these students left school in the first place and, importantly, what could motivate them to return.

- **Students who leave school aren't interested in finishing their education:** There is a bit of an "out of sight, out of mind" approach to students who have stopped out. More than 89% of students who stop out report that they have considered reenrolling. Even more promising, 4 million of them have at least two years' worth of credits, providing a good baseline for reentry into college. However, students often face barriers to reentry that keep them from reapplying. For example, 60% of stopout students are adult learners. These students face life challenges like family responsibilities, financial trouble, and health issues that they need help addressing before they can return.

- **Stopout students are primarily motivated to return to school for "extrinsic" reasons:** The most common narrative is that when stopout students consider returning to school, it's prompted by an external need related to things like improving their earning potential, searching for career advancement, or changing jobs. While these are certainly all valid reasons to complete a degree, the data tells a different story. ReUp Education has found that only 39% of stopout students are motivated by extrinsic factors, while 61% are driven by intrinsic factors, such as the personal goal of earning a degree, overcoming challenges they've faced, and/or a desire to complete something they started. More often than not, students want to prove something to themselves—that they are capable of finishing a degree, which is very self-empowering. Again, in engaging with stopout students, it's critical to understand their diversity and be able to communicate with them in a way that resonates with their personal motivations and circumstances.

The misperceptions of the stopout population are exacerbated by universities not having the time, budget, or resources to understand these students or collect meaningful data, which can provide a more holistic picture.

"I took my final exam when I was 20 years old and a week later, I gave birth to my first daughter. For the last 12 years, I've been working a large retail store in a small town. I don't want to be in retain for the rest of my life. I'm 32 years old now and just went back to school. I want to be a role model for my two daughters and I'm eager to do something new. I have 2 As and 2 Bs in this first semester back. There is nothing that can stop me from finishing my degree."

-Jessice: stopped out in 2005; returned to school in 2017

Why is bringing stopout students back so hard?

There are many reasons why bringing stopout students back is so challenging, including:

- **Locating them:** Students can be hard to find, and university information is often old or incomplete. ReUp estimates that 25-40% of contact information on students who have stopped out is out-of-date.
- **Contacting them:** Reengaging with students who have left the institution can be sensitive and the initial approach is critical to building a positive relationship. Knowing the right time, the right medium, and the right message are of paramount importance.
- **Understanding them:** All stopout students have their own unique stories. It's vital to fill in the gaps since they left school and understand why they went in the first place, why they stopped out, and their mindsets, goals, and barriers related to coming back.
- **Guiding them:** Oftentimes students want to go back to school, but don't know how to start the process. Questions like, "How much will it cost to graduate?" and, "How long will it take to complete my degree?" are not straightforward and institutions sometimes take weeks to answer them. This lack of clarity is further disincentive to return and can require a "reentry Sherpa" to help guide students.
- **Supporting them throughout:** This is a unique population of students, and each individual requires a personalized reentry plan with the right mix of support, resources, and guidance. Returning to education often involves supporting students by helping them shift from a fixed mindset to a growth mindset. This is work that cannot be accomplished overnight but needs to be cultivated by professionals who can empathize and help catalyze lasting behavior change.

A new approach to the completion crisis—bringing the Forgotten Students back.

ReUp Education wants to engage the educational community in a new approach to addressing the Forgotten Students. There is no "one size fits all" solution to such an endemic issue and we're only looking at the problem from a certain angle—how to bring students who have stopped out back to school—but we hope to further the conversation and stimulate thinking.

1. DON'T TREAT STOPOUT STUDENTS AS A SINGLE, MONOLITHIC GROUP:

Students who stop out have different reasons for leaving school and, similarly, varied motivations for considering a return. It's critical to understand these circumstances and be able to speak to each student in a nuanced way, then offer the appropriate personalized path forward. The Bill & Melinda Gates Foundation has funded research from Marakon into a robust segmentation model of all U.S. postsecondary students, based on two core dimensions: 1) students' internal perspectives—beliefs about themselves, their goals in school, their feelings of social belonging, and their self-regulatory skills; and 2) students' external barriers—external pressures and challenges that inhibit a student's ability to succeed in school (e.g., financial constraints). They then define specific segments, like the "Return on Investment Sceptics" (which represents 5% of students, but 25% of noncompleters) or the "No Clear Path to Career" (which represents 16% of students, but 28% of noncompleters). This is an incredibly helpful framework to understand noncompletion and build specific communications, academic pathways, and student success strategies customized to each group.

The next step is to apply the segmentation approach to the stopout population. As an example, ReUp has created 18 different personas that describe different stopout archetypes. With these personas, ReUp is able to communicate with students in a much more relevant and targeted way through the entire reentry lifecycle.

2. BLEND HUMANITY AND TECHNOLOGY:

One of the challenges facing institutions is a lack of resources devoted to students who have stopped out. The majority of an institution's resources are focused on the "front end" of the completion challenge, including enrollment and persistence. It makes perfect sense to try and retain the students who are currently at the school. That said, it leaves very little time, money, staff, or strategic focus to allocate to bringing students back. As such, for most institutions it is impractical to maintain dedicated staff focused on the stopout population.

One solution to this obstacle is leveraging technology to engage stopout students throughout the reentry lifecycle. For example, ReUp has developed a platform that enables us to engage with students "where they are" at different points in the reentry process, whether via phone, email, SMS, or social channels. Much of the engagement is automated, so our specialized reentry coaches only step in to have deeper level conversations with students at key points. On average, ReUp has 49 interactions with a stopout student from initial outreach to reenrollment, with the majority of those interactions enabled through technology. Importantly, the tech-enabled interactions are still personalized, as they leverage ReUp's understanding of students' motivations and goals. This kind of "personalization at scale" also enables coaches to focus on the deeper conversations with students.

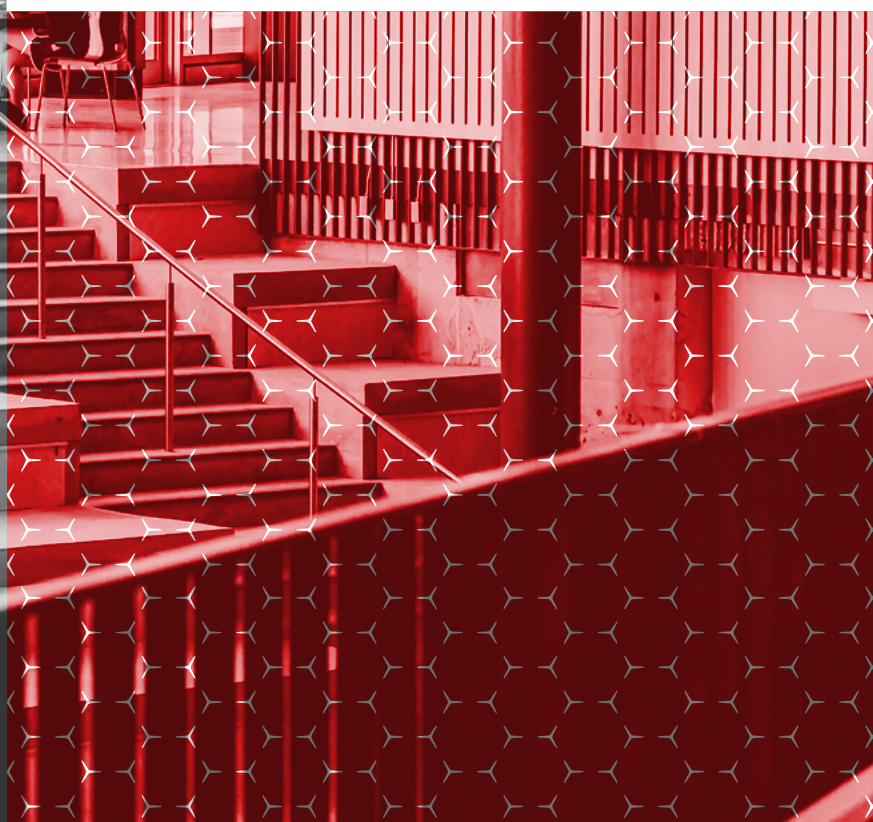
On the coaching side, it's critical to hire coaches who can truly empathize with this population of students. As an example, ReUp's coaches all have "second chance" stories themselves—90% are first-generation college students and 50% are people of color. Being able to share authentic experiences of overcoming significant life challenges and having the tools to support students is critical to not just bringing stopouts back but also to helping guide them to graduation.

FOR MOST INSTITUTIONS IT IS IMPRACTICAL TO MAINTAIN DEDICATED STAFF FOCUSED ON THE STOPOUT POPULATION

3. APPLY DATA AND PREDICTIVE ANALYTICS TO THE STOPOUT POPULATION:

While most predictive models are focused on retention, it's critical to begin collecting data on stopout students, who are often overlooked or treated as a homogenous group. The information should combine demographics, academic data, and psychographic data that provides a holistic view of students and their motivations. As an example, a 23-year-old, single working parent with 90 credits who stopped out five years ago because of issues balancing work and school, but who is intrinsically motivated to earn her degree is very different from a 19-year-old student who left school six months ago with a 3.0 GPA, suffering from health issues related to academic stress and lack of community support. Based on this data and a differentiated understanding of student needs, institutions can begin customizing automated messaging and outreach, engagement frequency, coach-student interventions, and, ultimately, a personalized reentry plan for each student.

Over time, by collecting and accumulating data along key parameters, schools can start to measure likelihood of engagement, reentry, and, ultimately, completion. Interestingly, this data is not just useful in determining which stopout students should be prioritized, but it is also invaluable in informing the "front end" of enrollment and retention strategies that universities are already employing.



4. IDENTIFY AND ELIMINATE REENTRY BARRIERS:

Many institutions are not fully aware of how hard it is to actually reenroll as a stopout student. These students face a lack of knowledge and know-how, such as difficulty determining how many credits they have earned toward their degrees, which credits will be accepted, how long it will take to graduate, and how much degree completion will cost, to name a few. To exacerbate this problem, even if you are simply returning to the university you previously attended, schools often have lengthy applications, which demotivates these students. Sometimes, students can go through more than 15 steps to reenroll in school. Practices like this often make students feel unwanted or, even worse, punished by their own institutions. We encourage schools to consider thinking of stopout students differently—not as a failed population but more like a "quasi alum" who is part of the school's family. Schools should analyze their reentry processes and eliminate as much friction as possible. Making the reenrollment process as painless as possible removes the shame that is often felt by students who have stopped out, regardless of the reason they left.

Another key issue students face is financial. It is no surprise that three out of four students who have dropped out of college are in delinquency or default status on their student loans. Surprisingly, the amount of debt owed is often not as high as people think, though some universities do not differentiate based on the amount of money a student actually owes. To help address the financial barriers, several innovative schools have launched "microgrants" or "completion grants" to encourage students to return to school and finish their degrees. For example, Morgan State University [8] launched a program called the "Reclamation Initiative," which offers aid to students who have stopped out for a semester and meet certain parameters. The university invites these students to return to the institution by applying for the grant.

The state of Florida has launched and funded an innovative program called "Complete Florida" to help the state's more than 2.8 million adults who have earned some college credit but have not earned a degree. Part of the Complete Florida initiative offers scholarships to returning students.

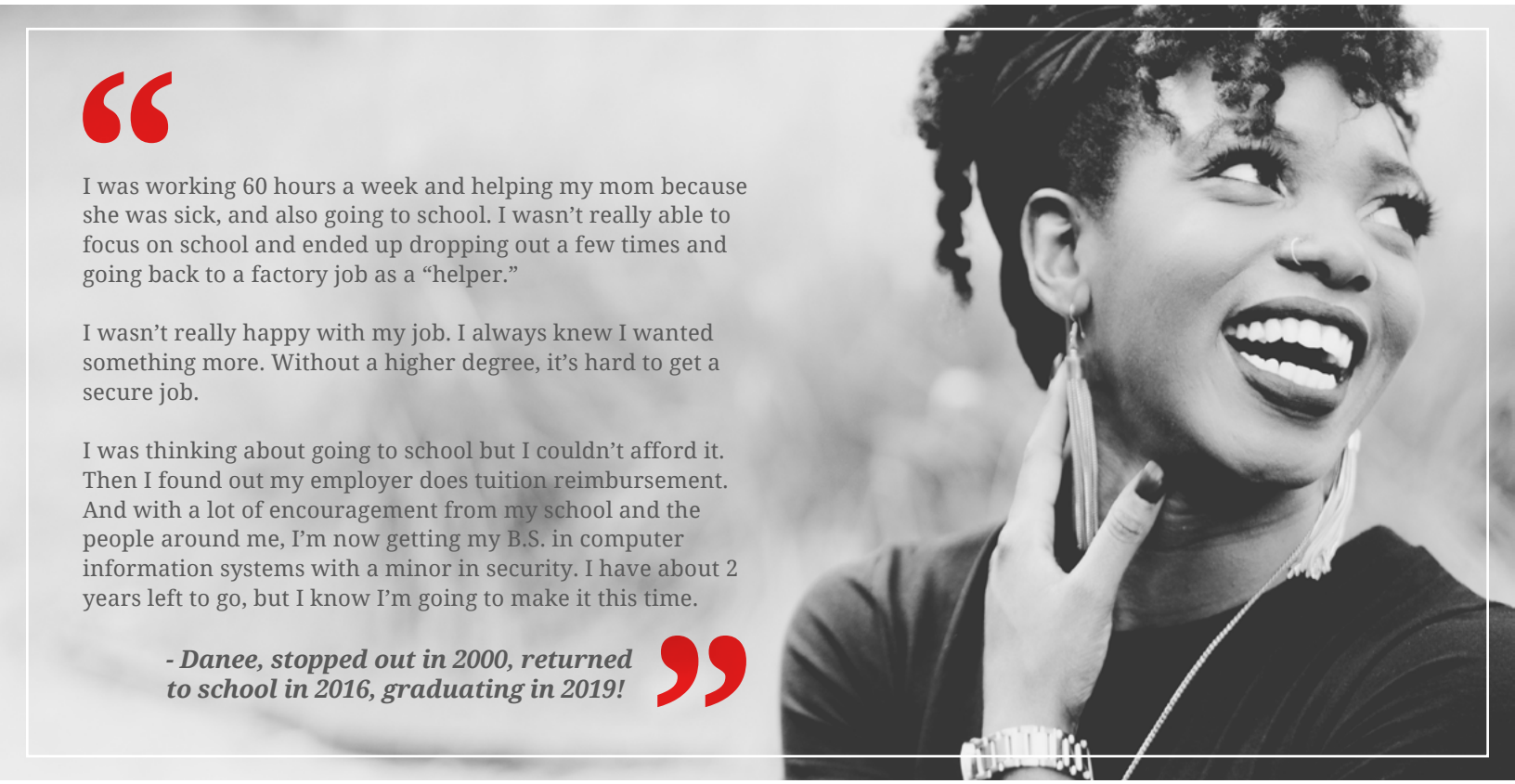
5. OFFER ALTERNATIVE CREDIT PATHS:

Many stopped out students do not fit the "traditional profile" of living on-campus, attending school full time, and having sufficient resources to complete their degrees. Rather, three-quarters of current students commute to class, 40% attend part time, a third are 25 or older, and most have jobs. When these students stop out, it is often related to external job and family obligations that conflict with school. In order to attract them to return, universities need to offer students academic pathways that fit into their lives. Innovative schools are getting creative in providing alternative credit options to stopout students, including online courses, accelerated degree programs, or credits for demonstrated professional experience. The University of Memphis has created a highly successful degree completion program called "Finish Line," implemented by the Division of Academic Innovation and Support Services. To qualify for Finish Line, students must have stopped out for at least one semester and have earned 90 or more credit hours toward their bachelor's degrees. In turn, the University of Memphis provides a variety of high quality, alternative course options, including its online program (U of M Global) and MOOCs offered through the ACE Alternative Credit Project. Similarly, the University of Utah has a "Return to the U" program, which offers stopped out students an array of flexible courses at the main and branch campuses, as well as hybrid and online options.

[8] "Enrollment, Retention and Graduation Numbers All Up At Morgan," Morgan State University, 2014

Conclusion

The completion crisis is having a profound impact on our education system, society at large, and, most importantly, on the Forgotten Students who are being left behind or cast aside. It is time to stop accepting the status quo—that 50% of students will never finish their degrees. Universities should continue improving the educational offerings, pathways, and student support services for all students, especially those at risk of stopping out. We must also recognize that students will leave, but it does not mean we should give up on them. With the right approach—mixing humanity and technology—we can engage these individuals with respect and openness, help them overcome internal and external barriers, and, ultimately, empower them to reach their full potential.



“I was working 60 hours a week and helping my mom because she was sick, and also going to school. I wasn’t really able to focus on school and ended up dropping out a few times and going back to a factory job as a “helper.”

I wasn’t really happy with my job. I always knew I wanted something more. Without a higher degree, it’s hard to get a secure job.

I was thinking about going to school but I couldn’t afford it. Then I found out my employer does tuition reimbursement. And with a lot of encouragement from my school and the people around me, I’m now getting my B.S. in computer information systems with a minor in security. I have about 2 years left to go, but I know I’m going to make it this time.

- Danee, stopped out in 2000, returned to school in 2016, graduating in 2019!”

Author Biographies

Nitzan Pelman,
CEO ReUp Education

Founded by Nitzan in 2015, ReUp Education partners with universities to re-enroll and support students who have dropped out of college. In 2017, ReUp brought back 3,500 students to college. ReUp Education is a part of the Entangled Ventures network.

In 2007, Nitzan founded the New York region of Citizen Schools and served as its first Executive Director for six years. Over her tenure, she tripled the size by growing the organization's client base, had a staff of 100 and a budget of $5.1 million. Students in the program graduated from high school at a 20% higher rate than their peers.

Nitzan was highlighted as a leader with The Limited's «What Leading Looks Like» campaign and was profiled on their website. Prior to her work at Citizen Schools, Nitzan was an Assistant Director at the Department of Education in New York City. She also served as the first Development Director at Teach for America New York. Nitzan holds a Masters in Public Administration from New York University and a BA from Stern College for Women.

Geoff Watson,
President, Entangled Velocity

Geoff Watson is the President of Entangled Velocity and an adviser to ReUp. Geoff is a mission-driven leader who has a passion for building and scaling technology and education businesses. Most recently, Geoff was President of Practice, a learning technology company, which was acquired by Instructure (NYSE: INST). Previously, Geoff advised UC Berkeley on digital education strategy and helped spinout the Center for Executive Education. Earlier in his career, Geoff was President of Intrax, an international education company that created life-changing experiences for over 50,000 students annually from 80+ countries. Geoff has an MBA from Wharton and B.A. from Dartmouth College.

Is your institution thinking about the «completion crisis» or exploring strategies for helping bring stopout students back? **ReUp** would love to connect with you - to answer questions, share data and best practices, or hear how you think about the challenge. **ReUp** is the only organization focused solely on engaging stopout students and guiding them to re-entry, and ultimately towards earning a degree. In the past year, **ReUp** has helped our partner institutions bring back over 3000 students. Feel free to contact **ReUp CEO** Nitzan Pelman (nitzan@reupeducation.com) or Geoff Watson (geoff@reupeducation.com).

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