

## From College to Life: Relevance and the Value of Higher Education

May 2018



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## Foreword

Nearly every other sector listens to consumers to drive innovation and improvements. The power of consumer insights has transformed industries like health care, transportation, hospitality, travel and tourism, and financial services. Why not bring these benefits to higher education?

Traditionally, we have measured the value and quality of colleges and universities using factors that are in institutional control, such as admissions criteria, quality of facilities, and faculty credentials.

Now, for the first time in the history of higher ed, we are learning what makes for a valuable postsecondary experience by listening to education consumers themselves: students who earned associate degrees, bachelor's degrees, postgraduate degrees, vocational or technical certificates or other credentials, as well as those who started college but did not complete. Who better to assess the quality and value of the experience than those who experienced it?

While some in the field may be wary of the term "consumer," U.S. adults make a variety of choices and major decisions about investing their resources in higher education. They are indeed consumers of our postsecondary system, which exists to fulfill their interests and aspirations while fueling the talent pipeline that drives our national economy.

Since the summer of 2016, Strada Education Network<sup>SM</sup> and Gallup have listened to more than 250,000 Americans share insights about their education paths and experiences after high school. As a result, we are generating insights that we believe will result in more people completing postsecondary programs that lead to successful careers and fulfilling lives.

By listening to consumers, the story that is emerging is showing us what it means for higher education to be valuable, and there is much to be learned from the data. For example, some associate degrees are rated higher on value than some bachelor's degrees. And it isn't necessary that everyone rush to get a STEM-related degree as value can occur in many fields and at different education levels.

Consumers are also clear that the single most important ingredient for a high-quality and valuable higher ed experience is the relevance of coursework to their careers and daily lives. For some, this confirms the obvious. Others may resist this notion of "relevance" and suggest that it points to the further "vocationalization" of higher ed or denigration of the liberal arts. Regardless of interpretation, the magnitude of these findings is such that we all need to understand them to decide how best to move forward in delivering quality and value in ways that matter most to the education consumers we exist to serve.

There is no doubt why people pursue higher ed in the first place. Our research revealed that, for 58 percent of those who attend college, their main motivation is to obtain a job or a career outcome. No other reason even comes close. In a survey of college freshman, 85 percent indicate they are pursuing higher education to obtain a good job. However, less than 30 percent report they have that job upon graduation. And, despite the overwhelming importance of relevance, this study reveals that only 26% of working Americans with college experience strongly agree that their education is relevant to their work and daily life.

Clearly there is a disconnect between what consumers want and expect from postsecondary education and what they are receiving. While these gaps are alarming, our collective wherewithal to close them is encouraging. By listening to consumers, scalable solutions quickly emerge and point to clear actions for higher ed leaders, policymakers, employers, and partner organizations.

Relevance – and its importance to the value of higher ed for consumers – holds transformational potential that must not be ignored.

Carol A. D'Omico

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Carol D'Amico is executive vice president, mission advancement and philanthropy, for Strada Education Network, a national nonprofit dedicated to improving lives by strengthening the pathways between education and employment. Prior to Strada, she previously served the U.S. Department of Education as assistant secretary for adult and vocational education, and as executive vice president and chancellor of Ivy Tech Community College of Indiana.

## Overview

Consumer insights are a vital part of Strada's nonprofit mission to advance Completion With a Purpose® for individuals across all educational pathways. These insights provide us an opportunity to transform America's higher education system and supercharge our labor force. They can help higher education better fulfill its promise of economic and social mobility so that all Americans can achieve rewarding careers and lead fulfilling lives.

To give consumers a direct voice, Strada Education Network<sup>™</sup> has committed to building the nation's largest database of consumer insights on educational experiences after high school. As a first step, Strada partnered with Gallup to launch a nationally representative survey of education consumers. Since 2016, we've heard from more than 250,000 U.S. adults from all backgrounds and educational attainment levels, representing more than 3,000 different schools and programs.

This report examines consumer perspectives on education relevance among a nationally representative sample of 110,481<sup>1</sup> adults, aged 18 to 65, who are currently employed and have taken at least some college courses.

For the purposes of this analysis, "education relevance" is defined by agreement with two key statements on our daily Strada-Gallup Education Consumer Survey:

- The courses you took are directly relevant to what you do at work.
- You learned important skills during your education program that you use in your day-to-day life.

Individuals rate their level of agreement with these items on a five-point scale, ranging from strongly disagree (1) to strongly agree (5). By adding the scores from these two questions together, we calculate a combined "relevance score" ranging from two to 10 for each person.

Key findings center on the relationship between relevance and:

- 1. Quality of education
- 2. Value of education
- 3. Quality of life
- 4. Educational pathway
- 5. Field of study

Education consumers are very clear on how essential relevance is in finding guality and value in postsecondary educational experiences. This overall importance of relevance may not be surprising to some, but the failure to deliver more of it, more consistently should concern all. Additionally, the importance of career relevance and the gaps that exist in its integration and application are emerging as a consistent theme in surveys among the general population, current college students and alumni - suggesting that lack of career relevance may be a "root cause" of multiple challenges facing higher education today.

<sup>1</sup> The total sample of respondents for which institution-level factors such as SAT/ACT math scores, student loan default rates, average co of attendance, alumni income earnings and graduation rates could be matched to survey responses is n=78,091.

# Key Findings

- Only 26% of working U.S. adults with college experience strongly agree that their education is relevant to their work and day-to-day life.
- Relevance strongly predicts value and quality. The more relevant people find their courses to be to their work and daily lives, the greater their belief that they received a high-quality education and that it was worth the cost. Compared with those who strongly disagree, consumers who strongly agree that the courses they took are relevant to their careers and lives are:
  - 63 percentage points more likely to strongly agree that their education was worth the cost.
  - 50 percentage points more likely to strongly agree that they received a high-quality education.
- Relevance is related to well-being.

Consumers who strongly agree that the courses they took are relevant to their careers and lives are 18 points more likely to be considered "thriving" in their overall well-being than are those who strongly disagree.

 Consumer ratings of relevance are more powerful predictors of quality and value than demographic characteristics of individuals, their fields of study and their levels of education. Relevance better predicts quality and value than gender, race, ethnicity, age, income, field of study and level of education (some college, two-year degree, four-year degree, or postgraduate or professional degree).

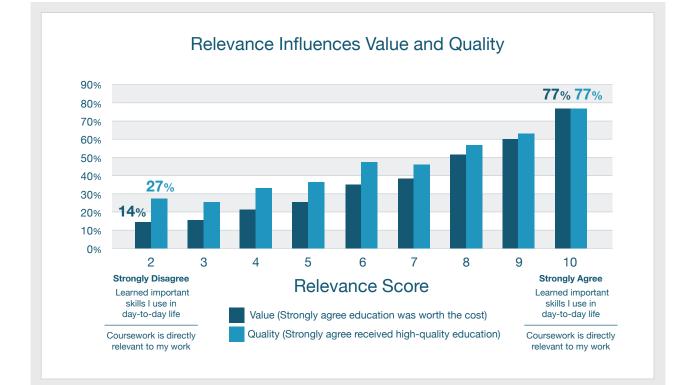
- Relevance is a better predictor of quality and value than other measures used in college rankings. Alumni ratings of relevance are two and three times more powerful at predicting quality and value than traditional college ranking inputs such as average SAT/ACT math scores, student loan default rates, average cost of attendance, alumni income earnings and graduation rates.
- Relevance to work and relevance to day-to-day life go hand in hand. Increases in one dimension of relevance are accompanied by increases in the other. There is room to improve on both dimensions, but levels of work relevance are lower overall.
- Fit matters. Both two-year and four-year degrees are valuable. While the common perception of higher education tends to focus on four-year degrees, equally high levels of relevance found among those with two-year degrees make it clear this is a powerful pathway to Completion With a Purpose especially given the lifelong learning that's all but required for workers and employers to thrive in the 21st century economy.
- **Completion matters.** Regardless of the field of study or degree type consumers pursue, those who complete their studies find greater relevance, value and quality in their education investments. A clear call to action is ensuring that more students complete their postsecondary pathway, and that includes helping consumers understand the relevance of their higher education investment and effort.



#### Relevance Is the Strongest Predictor of Consumers' Perceptions of Quality and Value

The more relevant that consumers find their courses to be in their work and daily lives, the greater their belief that they received a high-quality education and that it was worth the cost. This is true for individuals across all walks of life. Comparing the individuals with the lowest relevance scores to those with the highest in Figure 1 below, we see:

- A 63-point difference in the percentage who strongly agree that their education was worth the cost (14% vs. 77%)
- A 50-point gap in the percentage who strongly agree that they received a high-quality education (27% vs. 77%)





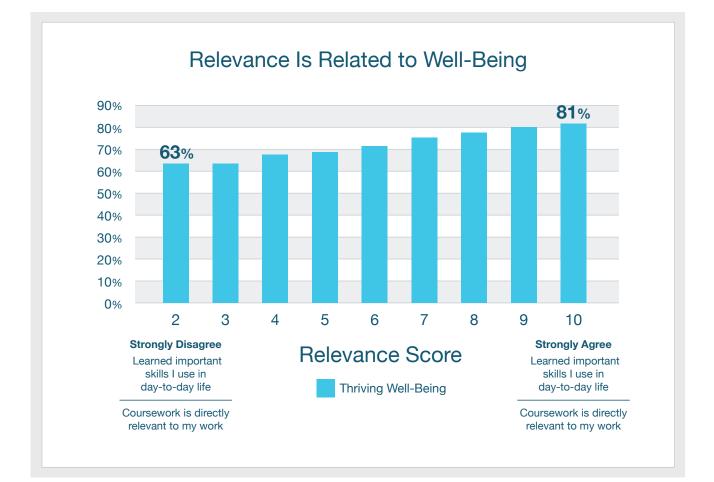
This finding becomes even more significant when we compare the predictive power of relevance with other common predictors of education quality and value. For this dimension of the analysis, we grouped education consumers by the college or university at which they enrolled (for schools with at least 20 observations) and added data from the U.S. Department of Education for the same school to create a profile that includes both information sources. Then we used regression analysis to compare how well the different items predict consumer ratings of quality and value. Figure 2 shows the R-Squared values — a statistical measure of the amount of variance each variable explains. Relevance is a significantly more effective predictor of how consumers rate the quality and value of their higher education than are commonly referenced metrics such as SAT/ACT math scores, student loan default rates, average cost of attendance, alumni income earnings and graduation rates.

Relevance is three times more powerful in predicting value and twice as powerful in predicting quality. This holds true across consumers' gender, race/ethnicity, age, income and educational attainment.



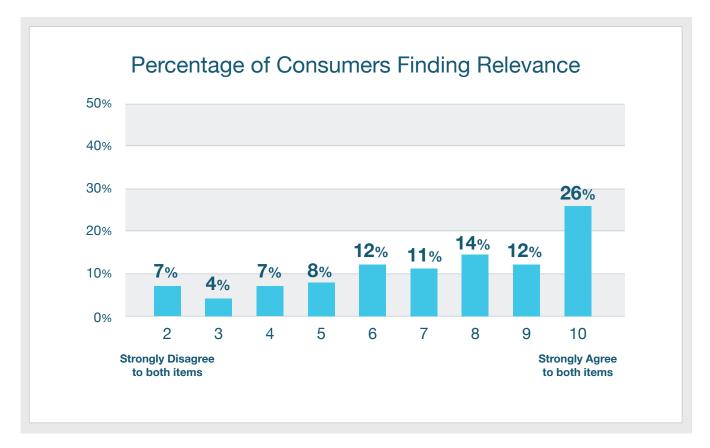
#### Relevance Is Linked to Well-Being

Relevance scores have an impact beyond purely educational outcomes — they are also tied to consumers' overall sense of well-being. Gallup classifies respondents as "thriving," "struggling" or "suffering" based on how they rate their current lives. Eighty-one percent of those with the highest relevance scores are considered to be thriving, an 18-point increase over those with the lowest relevance scores. As with quality and value, increases in educational relevance are tied to increases in well-being (see Figure 3). These implications for the importance of relevance are powerful as they demonstrate another dimension of value that higher education provides to individuals, communities and our nation.



#### The Problem: Too Few Consumers Experience Relevance

Despite the critical importance of relevance, only a quarter of education consumers (26%) strongly agree that their education is both relevant to their career and their day-to-day life (see Figure 4). Given this reality, the challenge for postsecondary education is to ensure that all students get the highest return on investment in terms of relevance, no matter their degree type or field of study.

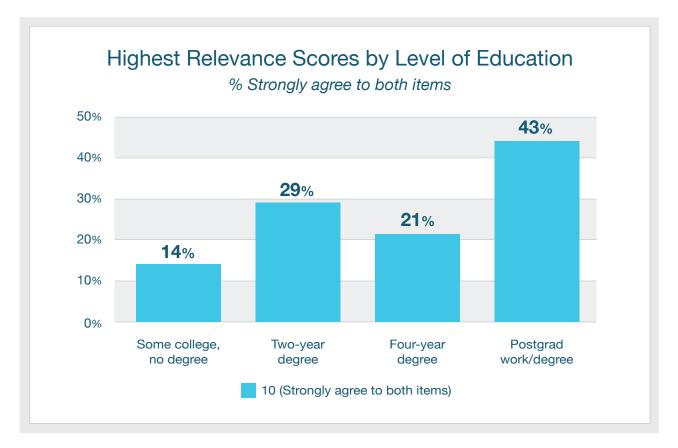




As we better understand the micro-climates where consumers can obtain varying degrees of relevance, the comparisons provide lessons learned to inform future efforts.

#### **Completion Matters**

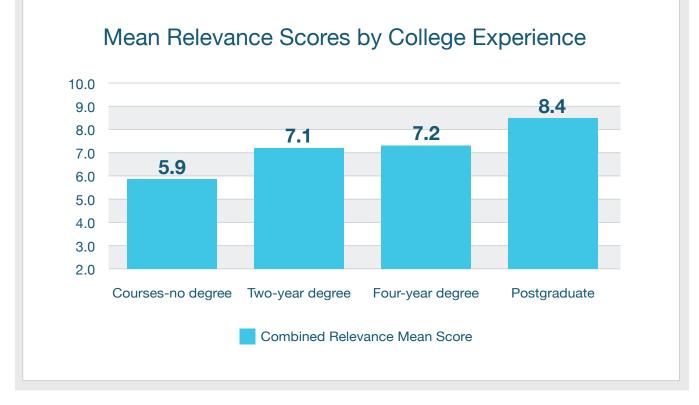
Individuals who enroll in college courses but fail to complete either a two-year or four-year degree are less likely than other graduates to strongly agree that the courses they took are relevant to their current lives. Looking at the 26% of consumers with the highest relevance scores, we see that 43% of adults with postgraduate experiences strongly agree their education is relevant to their career and day-to-day life, compared with 14% of those with some college but no degree. Selecting a pathway and completing it is strongly associated with greater relevance, which is tied to educational value, quality and personal well-being.



#### Two-Year and Four-Year Degrees

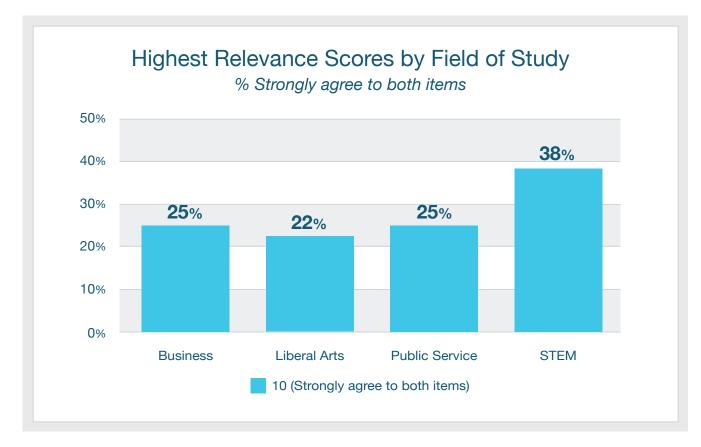
Relevance is not evenly distributed across degree types. Figure 5 shows that individuals who complete their bachelor's degree (21%) are less likely to strongly agree they received life and day-to-day relevance from their college experience than are those who complete their associate degree (29%). However, this relative advantage among those who strongly disagree is driven by two-year STEM degrees that deliver more relevance to that set of consumers than any four-year degree in any field. These insights emerge as we carefully look at the data.

Mean scores on relevance tell more of the story. While two-year degree holders are more likely than four-year degree holders to have a relevance score of 10 (29% vs. 21%, respectively), the overall groups are comparable (means of 7.1 vs. 7.2; see Figure 6). Two-year degrees have greater highs and lows when it comes to relevance compared with four-year degrees. The consumer fit with the investment and experience matters. The fact that some two-year degrees can deliver as much or more relevance as some four-year degrees shows that it is possible to increase the relevance we deliver to consumers through both educational pathways.



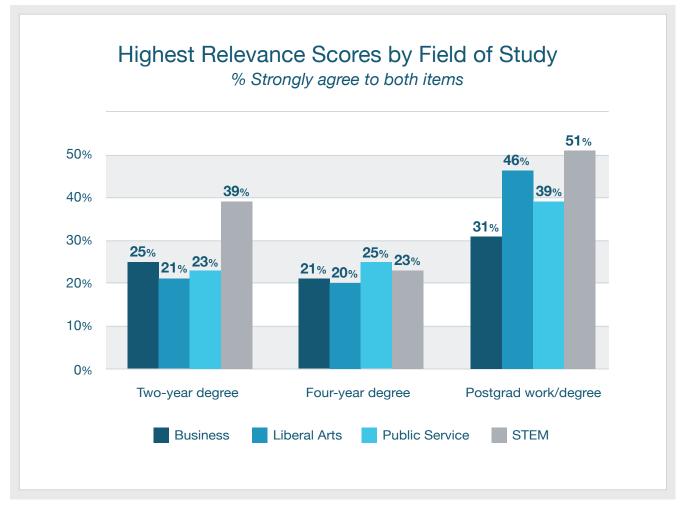
#### Relevance by Field of Study

As previously mentioned, field of study<sup>2</sup> is tied to consumers' perceptions of relevance in their postsecondary experiences. Without taking degree type or the dimensions of relevance into account, STEM outpaces other fields (see Figure 7).



<sup>&</sup>lt;sup>2</sup> For reporting and analysis, nearly 100 fields of study are categorized into four primary groups — business, liberal arts, public service and STEM (see Appendix for details).

However, when accounting for education level, the results shift somewhat. STEM majors outpace the fields of business, public service and liberal arts among two-year degree holders and those with at least some postgraduate work. But at the bachelor's degree level, public service programs provide the greatest relevance, and the results are much more even overall (see Figure 8). This strength of four-year public service degrees is a compelling consumer insight against the backdrop of highly publicized efforts to advance STEM instruction and careers. It suggests that the higher education system does not need to fixate on pushing students toward particular majors or courses of study in order to obtain relevance. Rather, the goal should be helping students find the right fit for their educational, work and personal aspirations and elevating and delivering relevance across the board.





Two Dimensions of Relevance: Work and Day-to-Day Life

#### Relevance: Work and Day-to-Day Life

There is persistent tension in higher education between learning to think and learning to do — where is the value, and what is the path forward? Is it education or training? Is it development of overarching skills and abilities, or content mastery and vocational preparation? We've looked to the consumer voice for insights to guide and inform us as we explore these questions.

To understand the relative outcomes and value of higher education in developing both important abilities and specific skills, we asked consumers to rate the following statements identified at the outset of the report:

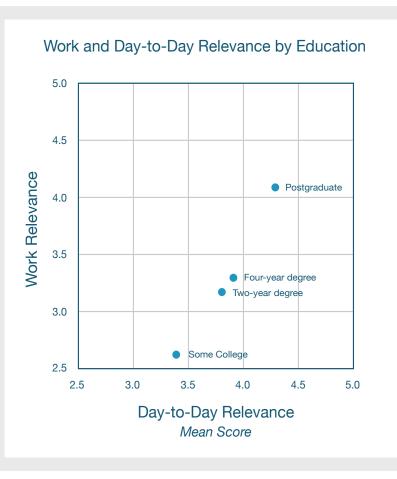
- The courses you took are directly relevant to what you do at work.
- You learned important skills during your education program that you use in your day-to-day life.

Both dimensions as measured by these items are important, and they are highly correlated with one another.

Two key themes emerge. First, consumers report higher levels of coursework relevance to their day-to-day life (mean of 3.9) than in their work (mean 3.3). There is more opportunity for higher education to improve on delivering

work relevance than on skills used in day-to-day life. Second, the two dimensions of relevance go hand in hand. Increases in one dimension of relevance are tied to increases in the other.

Of note, two-year and four-year degree programs perform similarly on day-to-day life relevance and work relevance. As expected, scores are much lower among those without a degree and much higher among those with at least some postgraduate work (see Figure 9).



#### Relevance: Work and Day-to-Day Life

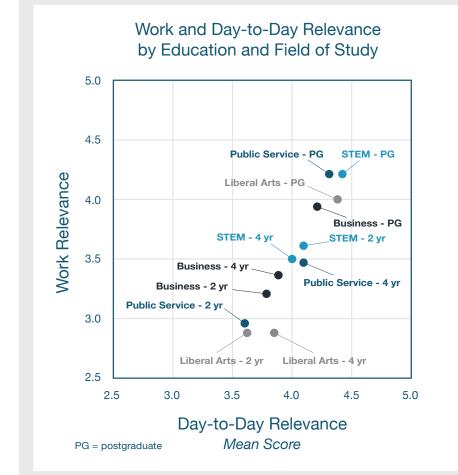
# Dimensions of Relevance at the Intersection of Degree Type and Field of Study

The aforementioned trends for the dimensions of relevance generally hold true when both degree type and field of study are accounted for (see Figure 10). Within fields of study, additional investments in education provide significant improvements in day-to-day and work relevance. The value proposition is consistent across degree types, with the exception of two-year liberal arts and STEM degrees.

Two-year STEM degrees provide exceptional relevance. These consumers find as much or more relevance in their higher education than do consumers of **all other four-year and two-year degrees** — including STEM bachelor's degree holders. (Four-year public service majors find equal levels of relevance in their prior coursework to their day-to-day lives, but in every other category, two-year STEM majors exceed their undergraduate peers.) The efficiency

and relevance of an associate degree in a STEM field of study are highly valuable for any education consumers who take this path.

Public service bachelor's degrees provide relevance equivalent to that of STEM bachelor's degrees. Some may overlook the value of this pathway in a rush to push technology programs. Consumers should fully understand the value of these opportunities as they select their pathway; the relevance value added by going from an associate to a bachelor's degree in public service is the largest among all four fields of study.



#### Scalable Solutions Are Within Reach

The increasing costs associated with pursuing higher education, combined with accelerating changes in technology and the workforce, accentuate the need to assure consumers that they will find relevant curricula, quality and value in all higher education pathways. These survey findings point to a glaring gap between the importance of relevance and the number of consumers actually experiencing it. They also provide actionable insights that can inform scalable, researchbased solutions — especially when combined with key learnings from across our research portfolio.

For example, we know from the <u>Gallup-Purdue Index</u> that college graduates who say they had the "Big Six" collegiate experiences are much more likely to strongly agree that their school prepared them well for work and life after college.

These six student experiences include:

- 1. Having at least one professor who made them excited about learning.
- 2. Having professors who cared about them as a person.
- 3. Having a mentor who encouraged them to pursue their goals and dreams.
- 4. Working on a long-term project that took a semester or more to complete.
- 5. Having a job or internship that allowed them to apply what they were learning in the classroom.
- 6. Being extremely active in extracurricular activities and organizations.

In addition, the <u>Strada-Gallup 2017 College Student</u> <u>Survey</u> found that students who have these three career-focused experiences at their institution are significantly more confident in being prepared for the workforce:

1. Speak often with faculty or staff about their career options.

- 2. Have at least one university official initiate a conversation with them about their career options.
- 3. Believe their school is committed to helping students find a rewarding career.

These are not overly complex or expensive interventions. Yet the clear majority of education consumers cite them as missing from their experience. Based on these insights and exposure to the growing number of best practices in the field, we propose a few key principles to guide our collective progress:

- Help each student identify a path connecting their education to careers. This includes improving access to work-based sources of advice when helping students determine their postsecondary path and course of study. Improved access to quality career advising is critical — especially for first-generation and minority students, who depend on these services both before and after enrollment.
- Accelerate the integration of work-based exposure and experiences into the curriculum. This can be accomplished through project-based learning, innovative work-study programs, internships and apprenticeship models. In addition, increasing employer engagement in designing and delivering curricula and in mentoring and advising students is critical, as well as encouraging and preparing faculty members to make stronger connections between coursework and real-world application.
- Leverage alumni as real-world ambassadors and mentors across all programs of study. Alumni relations must reach beyond the development and athletics offices and into career advising and collaboration with faculty. Alumni are an untapped resource for dramatically increasing employer engagement and work-based integration across the postsecondary experience.

# What Comes Next

We now know the experiences that contribute to perceptions of relevance and better understand its significance. We also know who is — and is not — experiencing relevance today. It is critical that we continue this dialogue in order to increase the number of consumers who believe their postsecondary education is relevant to their lives today, and that their institution provided them with a valuable and high-quality educational experience.

The final chapter of this series will expand on these concepts by engaging leaders in the field to identify barriers and provide specific solutions that will allow us to meet higher education consumers where they are. These practical insights will inform our collective work to transform higher education, including its reputation, customer relationships, and role in the present and future of work.

To that end, Strada is engaging esteemed partners and experts — from organizations such as Education Commission of the States, American Association of State Colleges and Universities, the U.S. Chamber of Commerce, Paul Quinn College, the Society for Human Resource Management, and others — to contribute to our exploration of relevance with a concluding chapter to this report.

We invite you to join us in listening to consumers and partnering with thought leaders to enhance higher education's relevance and value to ultimately help students succeed in education, work and life.

#### Methodology

#### Study Design

Results for the Strada-Gallup Education Consumer Survey are based on telephone surveys conducted June 29, 2016-March 4, 2018, with a random sample of 110,481<sup>1</sup> currently employed respondents aged 18 and older, living in all 50 U.S. states and the District of Columbia who have some college but no degree, an associate degree, a bachelor's degree, or postgraduate work/degree.

The Strada-Gallup Education Survey sample includes national adults with a minimum quota of 70% cellphone respondents and 30% landline respondents, with additional minimum quotas by time zone within region. Landline and cellular telephone numbers are selected using RDD methods. Landline respondents are chosen at random within each household on the basis of which member will have the next birthday.

Interviews are conducted in English and Spanish. Samples are weighted to correct for unequal selection probability and nonresponse. The data are weighted to match national demographics of gender, age, race, Hispanic ethnicity, education and region. Demographic weighting targets are based on the most recent Current Population Survey figures for the population aged 18-65 years with a U.S. bachelor's degree or higher level of education.

All reported margins of sampling error include the computed design effects for weighting.

- For results based on 22,682 of those with some college, no degree, the margin of sampling error is ±0.9 percentage points at the 95% confidence level.
- For results based on 15,868 of associate degree holders, the margin of sampling error is ±1.1 percentage points at the 95% confidence level.
- For results based on 40,635 bachelor's degree holders, the margin of sampling error is ±0.7 percentage point at the 95% confidence level.
- For results based on 31,296 of those with some postgraduate work but or degree, the margin of sampling error is ±0.8 percentage points at the 95% confidence level.
- For results based on 5,823 of those with technical, trade, vocational or business program credentials, the margin of sampling error is +/- 1.8 percentage points at the 95% confidence level.

In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of public opinion polls.

<sup>&</sup>lt;sup>1</sup>The total sample of respondents for which institution-level factors such as SAT/ACT math scores, student loan default rates, average cost of attendance, alumni income earnings and graduation rates could be matched to survey responses is n=78,091.

### Appendix

Business	Liberal Arts	Public Service
Accounting	Anthropology	Criminal Justice
Architecture/Urban Planning	Art	Early Childhood Education
Business	Classical and Modern Languages	Education
	and Literature	
Business Administration	English (Language and Literature)	Education Leadership
Economics	Ethnic/Cultural Studies	Elementary Education
Entrepreneurship	Geography	Homeland Security
Finance	History	Library Science
Healthcare Administration/Studies	Liberal Arts and Sciences, General	Music/Art Education
	Studies, and Humanities	
Hospitality/Tourism	Media/Film Studies	Physical Education/Recreation
Human Resources Management	Music	Public Policy
International Business	Other	Secondary Education
Journalism/Communication	Philosophy	Security and Protective Services
Law	Political Science	Social Work
Management	Psychology	Special Education
Marketing	Sociology	Theology/Religion
Real Estate	Theatre/Drama	
	Women's/Gender Studies	

### Appendix

#### STEM

#### STEM

Aerospace	Marine Biology
Agriculture/Natural Resources	Marine Sciences
Animal Biology (Zoology)	Materials Engineering
Astronomy and Astrophysics	Mathematics/Statistics
Atmospheric Sciences	Mechanics
Biochemistry/Biophysics	Medicine
Biological/Agricultural Engineering	Microbiology
Biology (General)	Military Sciences/Technology/Operation
Biomedical Engineering	Molecular, Cellular, and Developmental Biology
Building Trades	Neurobiology/Neuroscience
Chemical Engineering	Nursing
Chemistry	Pharmacy
Civil Engineering	Physics
Clinical Laboratory Science	Plant Biology (Botany)
Computer Science	Robotics Engineering
Computer Engineering	Technologies/Technicians
Computer/Management Information Systems	Therapy (Occupational, Physical, Speech)
Data Processing or Computer Programming	
Drafting or Design	
Earth and Planetary Sciences	
Ecology and Evolutionary Biology	
Electrical Engineering	
Electronics	
Engineering	
Engineering Science/Engineering Physics	
Environmental Science	
Environmental/Environmental Health Engineering	
Health	
Health Technology	
Industrial/Manufacturing Engineering	
Kinesiology	



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