Improving the College Scorecard

Using Student Feedback to Create an Effective Disclosure

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Introduction and summary

The White House will soon unveil a final version of its "college scorecard"—an online tool giving college-bound students and their families a hype-free snapshot of reliable information about any U.S. campus: real costs, graduation rates, student debt statistics, and earning potential of graduates.

The college scorecard is a good idea and it has the potential to make college-bound students smarter consumers. The scorecard is part of a major effort by the White House and the U.S. Department of Education to understand and improve the college selection process. At a time when student loan debt has exceeded $1 trillion,[1] fewer than 60 percent of college freshmen graduate within six years,[2] and the wages of recent grads have declined by nearly 5 percent since 2007,[3] it's more important than ever that students make good decisions about where to go, what to study, and how to pay. But to help students make better decisions, the scorecard must be easy to understand and relevant to their decision-making processes.

Though policymakers are working diligently and conscientiously to design a scorecard that will help students and families, the college scorecard has not been subjected to systematic testing by actual students and parents. Unfortunately this is typical of many disclosures government agencies require in the hopes of improving consumer choice. (CAP has previously written about a similar problem with the Securities and Exchange Commission's recent revamp of disclosures that money managers must provide to prospective clients.[4]) Without consumer testing, disclosures risk being overlooked and misunderstood.

At the White House's invitation, many college admissions and financial aid experts, including some from CAP, are weighing in on the college scorecard design. These experts are making every effort to put themselves in the shoes of prospective college students and are scrutinizing the draft scorecard for potentially confusing language or missing information.

But designing an effective information sheet about college costs, debt, and graduation rates is hard without feedback from actual users. Consider one student's reaction to the draft scorecard after it had been through several rounds of experts: "What am I looking at? It looks like a bill or something but I'm not sure what it is," said Kendra, a high school student, after examining a sample college scorecard. "This is why I hate college stuff."

Kendra's comments show that even the best-intentioned policymakers can miss the mark. And if they do, students like Kendra may not give the college scorecard a second glance.

This report uses the government college scorecard project as an opportunity to explore how testing might lead to more effective disclosures. We took the college scorecard to college-bound high school students, asking them for feedback on design, content, and overall effectiveness. In the pages that follow, we discuss the findings of these focus groups, make recommendations specific to the college scorecard project, and draw some overall recommendations for improving the readability and usability of government disclosures.

Here's a summary of our recommendations.

FIGURE 1
The government scorecard

A sample look at the Obama administration's draft scorecard

General recommendations

- Congress can encourage better disclosure through the way it legislates the development of effective disclosures by delegating to an agency both the authority to design the disclosure and the responsibility to prove its effectiveness through consumer testing.
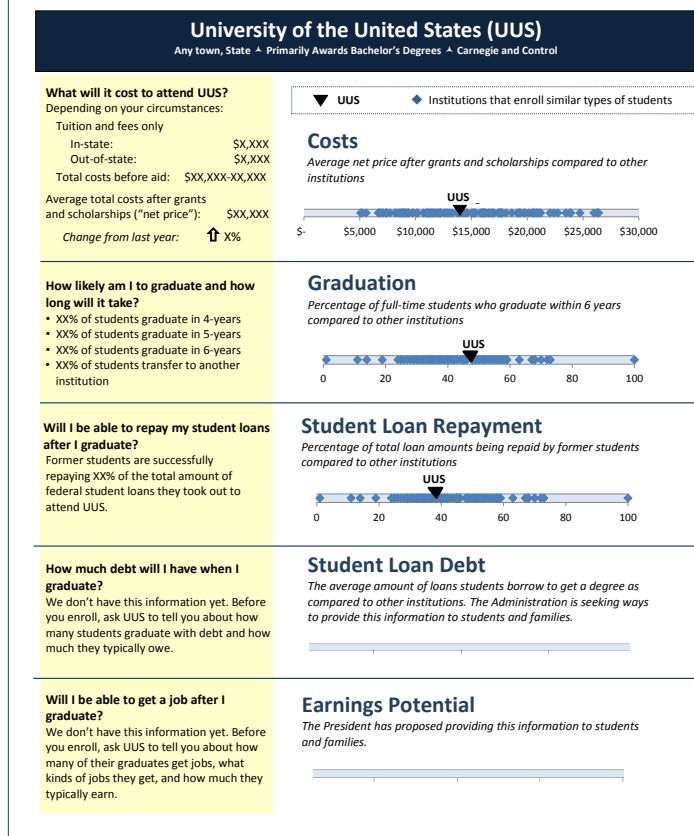
- The White House should require agencies to test their disclosures, and it should ensure that research on disclosure design and efficacy is available to the public.

- Whenever possible, agencies should use standard, commonly used terms in disclosures to promote better understanding of confusing terms and concepts.

Selected college scorecard recommendations

- The scorecard should include an introductory description, name, or logo that immediately communicates its purpose.

- The scorecard should be redesigned by professional graphic designers to improve visual hierarchy for readability.

- The government should test ways of communicating the confusing concept of "net price" and adjust the scorecard accordingly.

- The scorecard should emphasize four-year graduation rates, not six-year rates if further testing confirms that the shorter timeframe is more relevant to students' decision-making.

- The government should develop alternative measures of student debt that matter to students if further testing confirms that traditional measures such as repayment rate or default rate are not meaningful to students.

- The online version of the college scorecard should include links to other outcomes such as graduates' average salary and employment outcomes by major or department.

- In general, the government should subject the college scorecard and other college-choice communication initiatives to rigorous testing—including focus groups, cognitive interviews, and surveys of parents and students—and make changes accordingly.

The college scorecard is a key part of the Obama administration's broader commitment to providing students and families with useful data in the college decision-making process. We hope the suggestions contained in this report are helpful contributions to this important project.

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