Securing America’s Future
Facts about Private Higher Education
AUGUST 2016
This packet of information is provided to dispel false stereotypes regarding liberal arts education at private colleges and universities. These graphs and figures support the major themes of CIC's Securing America's Future campaign:

- Private colleges are more affordable than many people think;
- A liberal arts education prepares students for personal and professional success; and
- Diverse students enroll and excel at private colleges.
Affordability

Private colleges and universities help students and their families keep the cost of enrollment low and the return on investment high.
More Private College Students Are from Low-Income Families

Student Enrollment by Family Income Level at Four-Year Institutions in 2012

Private colleges enroll students from all economic backgrounds. In fact, smaller private colleges enroll a higher proportion of students from households with incomes of less than $40,000 than do public institutions.

Source: U.S. Department of Education, National Postsecondary Student Aid Study (NPSAS), 2012. Tabulation prepared by the Pell Institute and PennAHEAD, 2015, for Indicators of Higher Education Equity in the United States: 45 Year Trend Report. Note: Totals may not add to 100 percent due to rounding.
Private colleges and universities provide institutional grants to students that are, on average, three times larger than what public colleges and universities provide.

Students at Private Colleges Pay Less than Actual Cost

On average, the amount that students pay at private colleges is less than 60 percent of the actual cost of tuition and fees.

Students with lower family incomes pay a much lower percentage of actual costs.

Average Student Loan Debt for Private College Graduates Has Remained Stable since 2006–2007

While tuition has risen, students' indebtedness at private nonprofit colleges has not. In fact, the average debt accrued by a graduate of a private college is the same in 2014 as it was seven years earlier. At public institutions, there was a steady increase of students' indebtedness over the same time period.

The average loan debt of graduates of four-year private colleges is about $19,300—comparable to the price of a modest automobile.

Source: The College Board, Trends in Student Aid 2015. All totals are expressed in 2014 dollars. Note: Chart represents all students who have received bachelor's degrees.
More than a third of baccalaureate graduates of private colleges have either **no student debt** or less than **$10,000** of debt.

Only 15 Percent of Student Loans Go to Students at CIC Colleges and Universities

Total Federal Student Loan Disbursements by Sector
2014–2015 ($ billions)

Of the total $95.2 billion of federal student loans dispersed in 2014–2015, only $14.1 billion (15%) went to CIC colleges and universities.

Approximately 40 percent of all loans are for graduate and professional education.

Private College Borrowers Have the Lowest Student Loan Default Rates

Students at private colleges are less likely to default on their loans than are students at public and for-profit institutions.

Success

A liberal arts education prepares students for personal and professional success.
Private College Students Graduate at Higher Rates

Students who enroll at private colleges graduate at higher rates than do those who enroll at other types of institutions.

Note: Percentages are for entering cohort of 2007.
Students Who Graduate from Private Colleges Do So More Quickly Than Students at Public Institutions

Percentage of Graduates Earning a Bachelor's Degree in 48 Months or Fewer

- Public Nondoctoral: 56%
- Public Doctoral: 61%
- Private Nondoctoral: 78%
- Private Doctoral: 85%

Students who graduate from smaller private institutions have a shorter time-to-degree (four years or fewer) than do students at public institutions.

Students of Color Are More Likely to Graduate On-Time from Private Colleges

Students of color at private colleges and universities complete their degrees more quickly than do students of color at public institutions.

Low-Income Students Graduate Earlier at Private Institutions

Low-income students are more likely to graduate in four years from private colleges than from public institutions.

In fact, low-income students who graduate from private colleges do so at nearly triple the rate as their counterparts at public nondoctoral institutions (13 percent versus 36 percent).

First-generation students are more likely to graduate in four years from private colleges than from public institutions.

The four-year graduation rate of first-generation students at private nondoctoral colleges is twice as high as the rate at public nondoctoral institutions. In fact, first-generation students are more likely to graduate in four years at private colleges than they are in six years at public nondoctoral institutions.

Private College Graduates Earn Higher Average Starting Annual Salaries Than Public Institution Peers

Recent graduates of private colleges start out earning, on average, about $4,200 more than public university graduates.

Earnings Gap Closes for Liberal Arts Majors Over Time

Source: D. Humphreys and P. Kelly, How Liberal Arts and Sciences Majors Fare in Employment, Association of American Colleges and Universities, 2014, AAC&U. Note: “Professional and Preprofessional” include majors not typically associated with the liberal arts.
Earnings Increase with Work Experience and Additional Education

Median Earnings by Major, 2010–2011

Recent College Graduate (Age 22-26) | Experienced College Graduate (Age 30-54) | Graduate Degree Holder (Age 30-54)

Nursing | Elementary Education | Chemistry | Political Science & Government | Anthropology & Archeology | Architecture

Students Who Start STEM Degrees at Private Colleges Are More Likely to Finish STEM Degrees

STEM Students at Private Colleges Are More Likely to Graduate on Time

Percentage of Students Who Completed Bachelor's Degrees in STEM Fields within Four Years

- Public nondoctoral: 34%
- Public doctoral: 52%
- Private nondoctoral: 80%
- Private doctoral: 81%

Private College Graduates Earn STEM PhDs at Higher Rates Than Public College Graduates

Although small and mid-sized private colleges awarded only 17 percent of the total number of bachelor’s degrees in STEM fields from 2001 to 2005, 20 percent of all doctoral degree recipients in STEM fields from 2006 to 2010 earned their bachelor’s degrees from these institutions.

Source: Percentage of bachelor’s degrees based on IPEDS 2001–2005 data; percentage of PhD degrees based on data from the National Science Foundation. Analysis by the Council of Independent Colleges.
Private Colleges and Public Institutions Enroll Similarly Diverse Students

Private colleges and universities serve more than "traditional" college-age students. Over one-quarter of students at independent colleges and universities are 25 or older, and more than one-quarter attend part-time.

Executive Summaries of Research Reports and Briefs
(Prepared for Securing America's Future)

Note: All publications are available for download as PDF documents from the CIC website at www.cic.edu/ResearchFuture.

I. Strengthening the STEM Pipeline: The Contributions of Small and Mid-Sized Independent Colleges (March 2014)


III. Independent Colleges and Student Engagement: Descriptive Analysis by Institutional Type (June 2015)


V. Cost-Effectiveness of Undergraduate Education at Private Nondothorcal Colleges and Universities: Implications for Students and Public Policy (September 2015)

VI. Strategic Change and Innovation in Independent Colleges: Nine Mission-Driven Campuses (April 2016)

VII. Changes in Faculty Composition at Independent Colleges (June 2016)

VIII. Research Brief #1: Competency-Based Education (April 2015)

IX. Research Brief #2: Interdisciplinary Undergraduate Education (May 2015)

X. Research Brief #3: Career Preparation and the Liberal Arts (July 2015)

XI. Research Brief #4: Living-Learning Communities and Independent Higher Education (October 2015)

XII. Research Brief #5: High-Tech or High-Touch? Online Learning and Independent Higher Education (February 2016)
Strengthening the STEM Pipeline:
The Contributions of Small and Mid-Sized Independent Colleges

EXECUTIVE SUMMARY

Science, technology, engineering, and mathematics (STEM) expertise is necessary to sustain American competitiveness in the global economy. Many assume that research universities, especially public institutions, are the backbone of American efforts to prepare undergraduate students in STEM fields and that these institutions are fulfilling this responsibility. This report demonstrates that many small and mid-sized independent colleges are preparing postsecondary students for a career and/or graduate study in STEM fields, and they are doing so in a more efficient way than larger institutions, contrary to public assumptions about the importance of scale.

Report findings suggest that, as a sector, small and mid-sized private institutions perform better than public institutions in students’ persistence and undergraduate degree completion rates in STEM fields and they substantially outperform public non-doctoral institutions. Small and mid-sized private colleges also perform better on the time-to-degree metric, as an overwhelming proportion (80 percent) of bachelor’s degree recipients in STEM fields earned their degrees in four years or less at these institutions, compared with 34 percent at public four-year non-doctoral institutions and 52 percent at public four-year doctoral institutions. Study results also suggest that STEM graduates of small and mid-sized private colleges are more likely to plan to attend graduate school and just as likely to enroll immediately in a graduate program as their peers who graduated from larger public universities.

The productivity and efficiency of small and mid-sized independent colleges and universities are further demonstrated by comparisons between specific private colleges and larger research universities. Report findings indicate that in many individual academic disciplines, small and mid-sized colleges produce as many or more science majors who obtain PhDs than large research universities. For example, the number of students graduating from Allegheny College (Meadville, PA; 1,849 undergraduate enrollment) who later received doctorates in chemistry between 2006 and 2010 was 25, an output comparable to that of two nearby research universities. During the same period, 30 graduates of the University of Pittsburgh (17,413 undergraduate enrollment) and 25 graduates of Carnegie Mellon University (5,484 undergraduate enrollment) obtained doctorates in chemistry. Moreover, a higher percentage of students who attained a baccalaureate degree in chemistry from Allegheny College between 2001 and 2005 subsequently completed a PhD in the discipline (36 percent) than did graduates from the University of Pittsburgh (13 percent) or Carnegie Mellon University (24 percent).

Report findings suggest similar results in the biological sciences. For example, one out of every four graduates in biological sciences from Swarthmore College (Swarthmore, PA; 1,500 undergraduate enrollment), Haverford College (Haverford, PA; 1,163 undergraduate enrollment), Grinnell College (Grinnell, IA; 1,524 undergraduate enrollment), and Oberlin College (Oberlin, OH; 2,907 undergraduate enrollment) went on to complete a PhD, a rate higher than that of the large public research universities in their respective states: Pennsylvania State University (16 percent; 35,002 undergraduate enrollment), the University of Iowa (13 percent; 20,233 undergraduate enrollment), Iowa State
University (10 percent; 22,230 undergraduate enrollment), and Ohio State University (8 percent; 37,605 undergraduate enrollment). Additional results in computer science, physics, and mathematics and statistics confirm that a number of smaller private colleges produce a higher percentage of science majors who pursue PhDs in STEM fields than many large research universities produce.

At a time when federal and state officials have made a priority of increasing the number of Americans with advanced degrees in STEM fields and when state and federal spending is under increasing pressure, the educational effectiveness and contributions of small and mid-sized independent colleges and universities in meeting these national goals must not be overlooked. Indeed, the most cost-effective strategy for increasing the supply of STEM workers for the U.S. economy is to reduce college student attrition in STEM fields. In order to reap the full benefits of a strong STEM workforce through higher education, policy makers should assist the sector of education in which colleges and universities have demonstrated that they can prepare many people for STEM careers effectively and efficiently—namely, small and mid-sized private colleges.
Expanding Access and Opportunity
How Small and Mid-Sized Independent Colleges Serve First-Generation and Low-Income Students

Executive Summary

Upward mobility remains an elusive dream for many Americans, and social and economic advancement are often unattainable for working class families. Given the unique role American colleges and universities historically have played in facilitating social mobility, the White House and other prominent policy makers have called attention to the issue of educational access for low-income and first-generation students. Indeed, the current disparity in higher education access and success in the United States prevents many first-generation and low-income students from realizing the benefits of social mobility into the middle class. Moreover, when a nation fails to educate wide swaths of its population, its competitiveness on the global stage is diminished.

If the United States is to succeed as a nation in reducing educational disparity, restoring social mobility, and retaining national competitiveness, it must make every effort to ensure that low-income and first-generation students have access to higher education and the support systems they need to obtain a college degree. This objective will require understanding the characteristics and challenges unique to low-income and first-generation student populations, as well as the types of educational environments best suited to serve these students.

Not only do first-generation and low-income students experience hurdles in accessing higher education, they also tend to be less engaged in their college experience and less likely to persist to degree than other students. With public resources scarce, policy makers and funders must direct support to those institutions that are most effective in admitting, retaining, and graduating first-generation and low-income students. Often overlooked in strategies to promote college attainment of underrepresented students are small and mid-sized independent colleges and universities.

This report demonstrates that students of all academic and social backgrounds attend smaller private colleges. Moreover, these institutions provide educational opportunity to students with varying degrees of academic preparation, not just those who have had access to the best high schools and socioeconomic support.
structures. First-generation and low-income students receive an excellent education at smaller private colleges, which provide a more personalized, rigorous, and engaged college experience than larger public universities provide—and at a fraction of the cost to society.

**Key findings include:**

**Access to Higher Education**
- Small and mid-sized private colleges and universities enroll a higher proportion of first-generation and low-income students than public and private doctoral universities.
- A higher proportion of first-generation and low-income students graduate with no student loan debt from smaller private colleges than from public doctoral universities.

**College Experiences**
- At a point so critical to student persistence and success—the first year of college—first-generation and low-income students at smaller private colleges are more likely to be taught by a faculty member and to experience classroom environments more conducive to learning than at any other institutional type.
- First-generation and low-income students at these institutions are more likely than their peers at public doctoral and nondoc toral universities to report meeting with an academic advisor in their first year and having informal meetings and discussing academic matters with faculty members outside of the classroom by their junior year.
- Over half of all first-generation and low-income freshmen at smaller private colleges report that they regularly take essay exams, and more than three-quarters report regularly having to write papers for their college courses—larger proportions than at public doctoral and nondoc toral universities.
- In their junior year, first-generation and low-income students who attended private non-doctoral colleges are nearly three times as likely as their peers in public universities to report becoming involved in community service or volunteer work as a class exercise.
- First-generation and low-income students who attend smaller private colleges are more likely to participate in a range of extracurricular activities such as athletics, school clubs, and fine arts performances, which have been found to strengthen student success, retention, and persistence.

**College Outcomes**
- First-generation and low-income students who attend smaller private colleges are far more likely to graduate—and to do so on time—than their peers at larger public universities.
- The overwhelming majority of first-generation and low-income students at smaller private colleges express satisfaction with the quality of their undergraduate education six years after matriculation and are more likely to be satisfied than their peers from public doctoral and non-doctoral universities.
- First-generation and low-income graduates of smaller private colleges tend to stay more civically-engaged through voting and volunteering in their communities.

**Recommendations**

As we strive as a nation to reduce educational disparity, restore social mobility, and retain national competitiveness, a number of practical steps can be taken to move us closer to achieving these goals:

- At the local level, student advisors, such as high school guidance counselors, should encourage first-generation and low-income students to consider enrollment at the institutions where they are most likely to flourish, namely smaller private colleges. Early in the college search process, first-generation and low-income students and their parents should be made aware of the affordability, accessibility, quality, and effectiveness of these institutions.
• At the state level, policymakers should view smaller private colleges as part of a larger postsecondary ecosystem in which constituent institutions may use different means and methods but ultimately contribute to the same public purposes. Consequently, state initiatives to increase access and opportunity for underrepresented populations should include smaller private colleges in both their design and execution, as these institutions have demonstrated tremendous success in these areas.

• At the federal level, policymakers should recognize the private nondoctoral sector as a highly effective vehicle for expanding opportunity to and fostering the social mobility of first-generation and low-income students. Smaller private colleges should be viewed as priority partners in accomplishing the federal government's graduation goals as set forth by the White House College Completion Agenda.

Working in tandem with small and mid-sized private colleges, local, state, and federal officials can create conditions that ensure these providers of educational opportunity and success can maximize their contributions to achieving national college completion priorities and to restoring the social mobility essential to securing America's future.
Executive Summary

Critics of traditional, residential, liberal arts colleges and universities contend that this form of higher education is outdated, too costly, and no longer educationally relevant for 21st century students. Economies of scale, large classes taught by contingent faculty members and graduate students, and increasing reliance on technology and online learning, so the argument goes, are the only cost-effective means of meeting the educational challenges of the future. Building on a half-century of research, this report draws recent evidence from the National Survey of Student Engagement (NSSE) to demonstrate that students at private colleges and universities are engaged in their education much more than students at public institutions. Areas of distinction in the private institution undergraduate experience include a more academically challenging education, better relations with faculty members, more substantial interactions with others on campus, and the consistent perception that students have learned and grown more, in comparison with public institutions.

This report, prepared for the Council of Independent Colleges (CIC), draws on the most current NSSE data, from 2013 and 2014, that include more than 540,000 first-year and senior students enrolled at more than 900 four-year colleges and universities. Findings are presented with comparisons across four institutional types: (1) baccalaureate and master’s level private institutions (CIC’s predominant membership profile), (2) baccalaureate and master’s level public institutions, (3) doctoral private institutions, and (4) doctoral public institutions. Included in the analysis are measures from the updated NSSE that includes ten new Engagement Indicators, six High-Impact Practices, the Perceived Gains scale, and a Satisfaction scale.

Many findings demonstrate the value and utility of the education offered by small and mid-sized private colleges and universities, especially when compared with public institutions:

- **Academically Challenging Experiences**: Private college students are more likely to experience courses that emphasize higher-order learning and reflective and integrative learning experiences as well as studying, writing, and reading.
- **Student-Faculty Interactions**: First-year and senior students at private colleges are more likely to interact with faculty members about their academic performance, course topics outside of class, co- and extra-curricular activities, and career plans after graduation.
- **Effective Teaching Practices**: Students at small, independent colleges report greater satisfaction with course organization, course lectures, and feedback on course assignments.
- **High-Impact Practices**: Private college students experienced more educational practices that result in greater gains in student learning and higher levels of persistence, including service learning, research conducted with a faculty member, internships and field experiences, study abroad, and culminating senior experiences. Moreover, students at private colleges are more likely than their peers at public institutions to participate in two or more High-Impact Practices.
- **Supportive Learning Environment**: Students enrolled at private colleges are more likely to report that their institutions provided support that helped them succeed and that they attended events that addressed important social, economic, or political issues.
- **Emphasis on Values and Ethics**: Both first-year students and seniors who enrolled at private colleges are more likely to perceive that they made greater strides in developing or clarifying a personal code of values and ethics.

In sum, findings from this study affirm the effectiveness of independent colleges and universities for undergraduate student learning. Students at private institutions are more likely to be engaged in educationally effective experiences than their peers at public institutions. These findings update and reaffirm what has been previously demonstrated: that the traditional, residential, liberal arts college provides a more effective learning environment for today’s students.
Mission-Driven Innovation:
An Empirical Study of Adaptation and Change among Independent Colleges

Executive Summary

The challenges that independent colleges face have been well documented. Economic pressures, government disinvestment, student vocationalism, institutional costs, and market competition are all on the rise, and strategic flexibility is constrained. Together, these challenges arguably narrow the line independent colleges must walk to maintain their fiscal health and ensure their viability for the future.

This complex environment has prompted innumerable commentaries in popular and professional venues, yet there has been little systematic attention to the experiences of independent colleges "on the ground." That is, there have been published accounts of experiences on individual campuses and many reports on financing and degree trends in the various sectors of higher education, but there has been much less insight into perceptions and actions across the range of independent colleges. Is the reality on these campuses as pessimistic and pinched as the public view would suggest? Is a hunkered-down, defensive stance indeed the "new normal?" Or might energetic adaptation and innovation be more the norm?

As part of the Council of Independent Colleges’ Project on the Future of Independent Higher Education, this study addressed such issues via a survey of the presidents of all CIC member institutions. Specifically, the study sought answers to four important research questions:

1. What are the challenges independent colleges face as they seek to adapt and prosper?
2. What innovations are these colleges undertaking?
3. What factors are driving or associated with innovation efforts on these campuses?
4. What are the perceived effects of these innovations?

Taken as a whole, the survey findings suggest three themes: mission-centered adaptability, support for innovation, and presidential optimism. Leaders of the nation’s independent colleges perceive significant
challenges, but they are engaged in varied and aggressive change efforts on multiple fronts. Every responding president reported pursuing some form of (1) cost containment and reduction (two-thirds doing so "aggressively") and (2) revenue enhancement and diversification to improve financial health, with 92 percent of respondents pursuing both. Indeed, one-third (33 percent) reported pursuing both "aggressively." Moreover, the survey results indicate activism rather than retreat across the independent college sector. Certainly, some institutions are relatively quiet, but numerous others are changing across the board. Key drivers of innovation include market forces, economic pressures, prospective students and families, and competition from other institutions.

The typical CIC president, at any one time, appears to oversee a campus undertaking multiple initiatives, in varied stages of implementation and institutionalization. Campuses of modest size and rather straightforward missions have undertaken in recent years an average of 15 substantive innovations, which range from revenue enhancement and diversification efforts to fiscal initiatives and innovations to adaptations in academic operations. Indeed, many independent colleges are meeting their challenges by aggressively pursuing significant and wide-ranging innovations. The image of the hidebound college steadfastly resisting reform is nowhere to be seen.

The major findings of the study include the following:

- The most frequent cost-focused measures taken by independent college presidents included leaving open faculty positions unfilled (64 percent), freezing salaries (61 percent), reducing other staff (61 percent), restructuring or closing academic programs (57 percent each), and outsourcing operations (49 percent).
- Popular strategies for revenue enhancement and diversification included opening new undergraduate programs (83 percent) and graduate programs (74 percent), making changes to campus approaches to fundraising (70 percent), and expanding online courses and programs (65 percent).
- College presidents also indicated a wide range of other initiatives and innovations, including changes to admissions strategy (77 percent) and financial aid practices (71 percent), expansion of athletic programs and facilities (62 percent), increased international-student recruitment (58 percent), and resource-allocation system reform (47 percent).

Responding presidents predominantly viewed these innovations as congruent with institutional mission. In fact, only 3 percent of these presidents perceived that the recent innovations were constraining their institutions’ missions. About one-third (34 percent) perceived mission expansion, and almost two-thirds (63 percent) of the presidents perceived that the innovations were helping preserve their institutions’ missions. As one president remarked, recent changes on campus "expanded our understanding of our mission." Thus, presidents expressed widespread confidence in the mission-centeredness of their chosen reforms.

Importantly, presidents report largely favorable acceptance of those innovations. Although faculty members appear somewhat less strongly supportive than others, presidents perceive favorable support among all campus constituencies and especially among their governing boards and administrative cabinets.

Finally, although leaders are realistic about the dangers and risks ahead, their prevailing mood appears strikingly optimistic. Although it is unsurprising that presidents would have positive views of their leadership, 64 percent of respondents were either very satisfied (17 percent) or somewhat satisfied (47 percent) with campus innovations. Sitting at the presidents’ desks, respondents characterized the prospects for effective, mission-driven change as quite positive on their campuses.
The Cost-Effectiveness of Undergraduate Education at Private Nondocntural Colleges and Universities
Implications for Students and Public Policy

Executive Summary

The diverse U.S. higher education sector includes more than 700 private nonprofit colleges and universities that focus primarily on baccalaureate education. These are commonly termed private nondocntural (PND) colleges, and they enroll close to 1.6 million students across the country, granting nearly 150,000 degrees annually. In sheer numerical terms they represent a significant resource in support of the nation's current college completion agenda. Less well known is that these colleges "punch above their weight" by producing bachelor's degrees, including degrees in science, technology, engineering, and mathematics (STEM) and health fields, more effectively and at much lower taxpayer cost than comparable public institutions. At a time when more college degrees are needed but public resources are tightly constrained, this cost-effectiveness is worth policymakers' attention.

This study examines key aspects of the cost-effectiveness of PND colleges as providers of baccalaureate degrees and explores how states might feasibly make better use of these colleges to produce more degrees efficiently. The study looks at degree production and cost in the PND sector relative to other higher education sectors, focusing on the most comparable public institutions. PND colleges and universities have a 22 percentage point edge over comparable public institutions in four-year graduation rates and a nearly 12 point advantage in six-year graduation rates, and they hold a significant advantage for all subgroups. Moreover, PND colleges retain students initially interested in STEM and health to degrees in those majors at rates (41 percent) approaching twice the rates of public doctoral and nondoncolural institutions (24 and 23 percent, respectively).

The study compares costs of PND degrees to degrees from comparable public institutions from several perspectives: those of taxpayers, of students and families, and of society as a whole. Using federal Integrated Postsecondary Education Data System data spanning 2005–2012, the study shows that PND degrees are less
costly for society overall by an estimated 9 percent. This difference rises to nearly 30 percent when the additional social opportunity cost of the longer average time students spend in public institutions is taken into account. The advantage of PND degrees in terms of comparative costs to taxpayers is substantially greater since the public bears a larger share of the costs of education in public institutions. We estimate costs (over the period 2005–2012 and excluding capital costs) to state governments of each PND degree at $7,200 (mostly from state student aid grants), compared to $46,401 for a bachelor’s degree from our matched sample of public colleges. The public sector degree is 6.4 times as costly to state taxpayers. Adding in costs to the federal government, which are very similar across sectors, the total average cost to taxpayers of a PND degree is $27,585, versus $67,126 for a public sector degree.

Students and their families do pay more in out-of-pocket costs and loans for bachelor’s degrees from PND schools relative to comparable public institutions, as would be expected. We estimate that, on average, students and families pay $62,566 for a PND degree, after all aid grants are considered, versus $23,253 for a degree from a comparable public institution (with the latter figure averaged over state residents and out-of-state students). For the 28 percent of public sector students in the out-of-state category, the total estimated personal cost per degree is close to the PND cost, at $57,428. PND students borrow more for their undergraduate education, $25,506 on average compared to $20,619 for students at comparable public institutions, but they also are more likely to graduate and less likely to default on their loans (by 21 percent).

In order to explore the realistic possibilities for cost savings to states and direct benefit to individual citizens from redirecting some future students from public to PND colleges, we selected five states and simulated the effects of plausible increases ($1,000 and $2,000) in annual state student aid grants to aid-eligible students who choose a private college. Representing a range of contextual conditions, the five states are California, Georgia, Kansas, Pennsylvania, and Virginia. All have long-standing student aid programs in place for which private college students are eligible.

We find that these modest grant increases could shift significant but not dramatically large numbers of students from public to private colleges. Such a shift could, in principle, save states on operating appropriations to public institutions and on student aid grants in states where these grants currently go primarily to public college students. The most expansive assumptions of student response to the grants yield estimates of students diverted to the private sector on the order of 1,000 per year and net annual state operating savings as large as $10–12 million (with considerable variation by state). There is the potential for additional savings through reduced capital expenditures in states that are likely to see increased demand; we estimate a one-time savings of $100–300 million in Georgia and Virginia and $20–60 million in Kansas. In states where the PND colleges have higher graduation rates than their public counterparts—as is the case nationally—the shift also should increase degree productivity modestly and could increase retention in STEM and health fields, although we lack state level data to estimate the latter.

These capital cost savings estimates, in addition to the evidence presented here about differences in graduation and STEM retention rates, might well make the idea of diverting some enrollment growth to private institutions particularly attractive to policy makers in states facing significant enrollment increases.

In sum, the findings of this study demonstrate that private nondoctoral colleges and universities are not only more efficient producers of baccalaureate degrees than their public counterparts, but they consume substantially fewer taxpayer resources in the process. As policy makers seek to make wise investments in higher education in the context of constrained resources, the PND sector merits particular consideration.
As part of the Council of Independent Colleges' Project on the Future of Independent Higher Education, this study advances understanding of four questions with answers that illuminate the path of this essential sector of American higher education:

1. What are the challenges independent colleges face as they seek to adapt and prosper?
2. What innovations are these colleges undertaking?
3. What factors are driving or are associated with innovation efforts on these campuses?
4. What are the effects of these innovations?

These same questions were addressed in an earlier survey analysis published by CIC in July 2015 as Mission-Driven Innovation: An Empirical Study of Adaptation and Change among Independent Colleges. This report follows up on that analysis, focusing now on innovative actions implemented at nine CIC member institutions especially active in adaptation and change. Each of these colleges was chosen for further analysis because of its high level of innovative activity in cost containment and reduction, in revenue enhancement and diversification, or in both arenas. Together the case analyses provide a rich resource with applicability for leaders of other colleges and universities seeking to align innovation and mission.

The nine distinctive institutions profiled here show substantial variation in the challenges they faced, in the ways they organized to address those challenges, and in their eventual substantive choices. Yet six overarching themes emerged that characterize change efforts across the cases. All of the colleges studied exhibited:

1. A Bias for Action. Each of the case-study institutions was selected for analysis based on its adoption of numerous innovations in recent years, relative to peer institutions.
2. A Drive to Connect Locally, Regionally, and Beyond. Each of the colleges assertively engaged with its external stakeholders, its campus constituencies, its supporters, and its current and potential markets.

3. Realistic Self-Assessment and Adaptation. In choosing innovations, each institution paid close attention to what was feasible and likely to prove successful.

4. Structuring for Innovation. Leaders at each of the colleges thoughtfully created organizational processes and forms fitting the particular changes being pursued.

5. Assertive Leadership within Shared Governance Traditions. Leaders of the institutions regularly cited their efforts to tie chosen innovations to their colleges' historical roots and traditions.

6. Alignment of Mission and Innovation. Leaders uniformly emphasized the importance of preserving or expanding their colleges' missions, rather than forsaking or compromising those missions.

Currently, the conventional wisdom for independent four-year colleges points toward a decline in coming years. That narrative, however, may presume heedless emulation of familiar models in those institutions. In the 1980s and 1990s, astute four-year colleges disrupted an earlier, widely accepted narrative of decline. They survived and, in fact, many institutions in the sector have subsequently prospered. Evolving contexts and emerging challenges do not necessarily compel mission abandonment or collapse. There is no reason for contemporary colleges to accept passively the dominant storyline today. The cases profiled here present useful examples of energetic, and in some cases bold, changes undertaken by independent colleges and universities to adapt and ensure future financial health and viability.
The composition of college and university faculties has changed dramatically since the turn of the 21st century. Today, the majority of new faculty members in higher education are hired as contingent faculty members, defined in this report as full- or part-time faculty members who are not tenured, on the tenure track, or in multi-term contracts. Smaller private colleges and universities have been part of the trend toward hiring an increasing percentage of contingent faculty members, yet the use of part-time contingent faculty is less pronounced in the private college sector than elsewhere. Indeed, a focus on general trends related to contingent faculty—even within the independent college sector—can mask important differences by institutional type, academic discipline, program type, and whether an institution emphasizes undergraduate or graduate instruction.

This report provides empirical evidence about specific trends in faculty staffing, roles, and responsibilities at smaller private liberal arts institutions in the United States, with a focus on the more than 600 four-year colleges and universities that are members of the Council of Independent Colleges. It also addresses how the changing composition of the faculty at such institutions may affect institutional missions, shared governance, strategic planning, institutional decision making, and teaching and learning both inside and outside of the classroom. The analysis draws upon three data sources: comparative data from the U.S. Department of Education, a survey of CIC institutional research (IR) officers, and a survey of CIC chief academic officers (CAOs) about faculty roles and composition.

In 2000, nearly two-thirds (64.8 percent) of faculty members at CIC member institutions had full-time appointments, a slightly higher percentage on average than public or other private institutions (62.9 percent and 63.3 percent, respectively). By 2012, however, the average percentage of full-time faculty members at CIC member institutions had declined to 51.6 percent, with a similar decline at other types of four-year institutions.
These trends reflect the common challenges faced by American higher education to manage growth and address fiscal constraints.

The use of contingent faculty members varies significantly by institutional mission and academic profile, even among independent colleges and universities. CIC member institutions that offer more adult, professional, and graduate degree programs are more likely to utilize contingent faculty members than institutions that serve a larger proportion of traditional undergraduate students. The use of contingent faculty also varies by field, even within the core liberal arts disciplines. Survey respondents reported significant increases in full-time faculty numbers in a wide variety of fields over the past decade, including nursing, biology, psychology, business, chemistry, the arts, and mathematics. Patterns in growth or decline in the number of full-time faculty members were more prevalent in the humanities and social sciences—such as English, foreign languages, history, and religion—than in the sciences or in professional fields such as nursing. Education is a field that experienced relatively similar levels of growth (42.5 percent of institutions) and decline (38.1 percent) in full-time faculty members.

Whatever the independent institution’s academic profile, contingent faculty members are more likely to be hired to teach in adult, online, and graduate programs, and especially to teach in growth areas such as the health sciences. But most traditional on-campus undergraduate programs remain staffed by full-time, tenure-line, or long-term contract faculty members. As a result, the classroom learning experience for the traditional on-campus student may not have changed very much despite contingent faculty trends. The survey of CIC chief academic officers details the responsibilities and kinds of work that various types of faculty members engage in relative to teaching and learning, shared governance, and aspects of student development. The most important finding is that tenure-track and long-term contract faculty members face different expectations than contingent faculty members from the moment they are interviewed for their positions:

- Tenure-track and long-term contract faculty are far more likely to be hired using a faculty search committee. Although nearly all institutions in the survey (94 percent) explicitly consider mission fit when hiring tenure-track/long-term faculty members, fewer than half consider mission fit when hiring part-time or course-contract faculty. In part, this is because contingent faculty members are more likely to teach in programs, such as online offerings or in satellite locations, that CAOs consider less central to institutional mission.

A focus on general trends related to contingent faculty—even within the independent college sector—can mask important differences by institutional type, academic discipline, and program type.

- Tenure-track and long-term contract faculty members are far more likely to receive a formal orientation to the institution than contingent faculty members, with orientations for tenure-track faculty at 93 percent of CIC member institutions and for course-contract faculty at 60 percent of institutions.
- Workloads are not evenly distributed across types of faculty appointments. The average faculty workload for full-time tenure-track/long-term contract faculty members at CIC institutions is 60–70 percent teaching, 10–20 percent research, and 10–20 percent service. The average workload for full-time annual contract faculty is 80 percent teaching, and for part-time and course-contract faculty members it is 90–100 percent teaching.
Because contingent faculty members are more likely to teach nontraditional students, they often are hired with reduced expectations for advising students, supervising student research, engaging in student learning activities outside of the classroom, or integrating service learning.

Contingent faculty members typically receive less institutional support for teaching-oriented responsibilities than tenure-track and long-term contract faculty members, including less access to office space, support staff, institutional email accounts, computers, teaching workshops, detailed course evaluations, merit pay, or travel funds for professional development. One result is that students who may need the most support, such as nontraditional students enrolled in evening or online programs, may be taught by faculty members with the least support and narrowest expectations.

Nearly all CAOs expect full-time and long-term contract faculty members to participate in faculty governance, departmental service, and institutional service. Meanwhile, fewer than one-quarter of CAOs expect part-time and course-contract faculty to participate in these activities.

The study findings do not support the stereotype of contingent faculty members who work on the margins of institutions—at least at many smaller independent colleges and universities. But the findings do suggest there are ways that contingent faculty members are treated differently from faculty members with longer-term commitments to the institution, with the result that, at some CIC institutions, contingent faculty members are less likely to be engaged with their colleagues or to participate in student learning experiences outside the classroom. To meet this challenge, the authors offer several recommendations, including:

- **Clarity of all faculty roles.** Faculty handbooks, for example, should define different types of faculty appointments and expectations associated with these faculty positions.

- **Review faculty work periodically.** Such review can help ensure an equitable distribution of responsibilities among faculty and that faculty members are meeting the expectations associated with different appointment types.

- **Update hiring and orientation practices.** Attentive hiring and orientation can ensure that contingent faculty members are carefully vetted and understand the institution’s mission.

- **Be aware of equity concerns.** Colleges and universities should examine whether they are staffing all of their programs to ensure broad student success and equity and should be aware of which student groups are more likely than others to enroll in courses taught by full-time or contingent faculty members.

- **Maintain focus on mission centrality and fiscal necessity.** Gaps between centrality and necessity can be a challenge when institutions prioritize next steps in curriculum development.

- **Examine the impact of using contingent faculty members on both students and long-term faculty members.** Such examination can help maintain close interactions between students and professors, collegial decision making, and shared governance.

- **Provide sufficient support for contingent faculty members.** All faculty members, including those with contingent appointments, need support to thrive and meet the mandate of institutional missions.

These recommendations are offered to help institutions clarify the roles of different types of faculty appointments and to help contingent faculty members be more committed to the institution and better able to serve students. All faculty members play a vital role in the teaching and learning process and in the fulfillment of campus missions. Faculty members, especially the increasing number of contingent faculty, need to be integrated into the fabric of institutional life.
Competency-Based Education

KEY POINTS:

- Competency-based education (CBE) is an approach to pedagogy that emphasizes the mastery of skills and concepts rather than credit hours or seat time. The assessment of mastery can take several forms, including formal assessments of prior learning (such as portfolio reviews or examinations) and automated evaluations of online coursework.

- Advocates of this approach argue that CBE can reduce the time and cost of earning a traditional college degree while providing students with specific workforce skills that are valued by students, funders, and employers.

- Independent colleges and universities have been more reluctant to explore CBE than public institutions or for-profit education providers. Some independent institutions, however, have successfully adopted elements of CBE for undergraduate and graduate education.

- CBE may help address two important concerns about the future of independent higher education: maintaining high standards for student learning and containing student costs. But CBE also represents a challenge to assumptions about curricula based on credit hours, sustained student-teacher interactions, and the residential experience.
Interdisciplinary Undergraduate Education

KEY POINTS:

• During the most recent decade, interdisciplinary instruction at the undergraduate level has increased rapidly.

• Independent colleges and universities are both innovators in developing new approaches to interdisciplinary education and strong supporters of traditional liberal arts disciplines. Some observers argue that interdisciplinary approaches are better suited to the complexity of the 21st-century world and workplace.

• Significant barriers to interdisciplinarity include institutional inertia, evaluation challenges, the strong commitment of faculty members to the disciplines in which they were trained, and the role of discipline-based departments in curricula and faculty rewards.

• The size, flexibility, and commitment to teaching at smaller independent institutions can make it easier for them to introduce innovative programs in interdisciplinary education.

• Campus leaders can promote and sustain interdisciplinary initiatives by developing and supporting policies that explicitly reward faculty members and departments for interdisciplinary teaching.
Career Preparation and the Liberal Arts

KEY POINTS:

• This brief explores a central question: How does the independent sector of higher education balance expectations for job preparation with the preparation of students for full lives as educated citizens?

• The debate about the role of liberal arts institutions in preparing students for careers is not new. But several trends have made the debate more intense since 2008: a greater emphasis on the short-term economic benefits of higher education, especially as the perceived cost of postsecondary education has risen; a higher percentage of undergraduate programs in professional fields; a more widespread perception that colleges and universities do a poor job of preparing students for the workforce; and, in reaction, resurgent concerns about too much emphasis on employability.

• The debates often ignore the demonstrated success of smaller independent colleges and universities with a liberal arts focus in preparing students for careers: Graduates of such institutions are at least as likely to find jobs in the first six months, will earn about as much in their lifetimes, and will enjoy a higher level of career satisfaction than their peers who graduate from other institutions.

• Smaller institutions achieve these outcomes through undergraduate programs with a professional emphasis that incorporate substantial liberal arts content; liberal arts degree programs that integrate career preparation; experiential learning opportunities, especially internships; and innovative career preparation activities that supplement the liberal arts curriculum. Career centers play an important role.
Living-Learning Communities and Independent Higher Education

KEY POINTS:

- Living-learning communities combine curricular, co-curricular, and residential components of college life. They are a relatively new variation on the residential education that has been part of the undergraduate experience at America’s independent colleges and universities for centuries.

- Research suggests that living-learning communities have a positive impact on academic performance, intellectual development, civic engagement, and the smooth transition of first-year students into college life, among other desirable student outcomes.

- Challenges to developing and maintaining effective living-learning programs include difficulties related to assessment, faculty participation, collaboration between academic affairs and student affairs, and program costs.

- Independent colleges and universities have developed living-learning communities for a wide range of student populations—first-year students, first-generation students, upper-class students with specific academic interests, even commuters—in a variety of residential settings from traditional dorms to yurts.
High-Tech or High-Touch? Online Learning and Independent Higher Education

KEY POINTS:

- Independent colleges and universities are cautious adopters of online education for undergraduate students. These institutions seek to balance a tradition of student-focused pedagogy in face-to-face settings and faculty wariness of online courses against the promise of lower instructional costs, changing student expectations, and the potential for better student learning outcomes.

- Research shows that online learning can be at least as effective as traditional classroom instruction, but many faculty members remain skeptical about the quality of online courses. The gap between faculty members and academic leaders with regard to perceived quality represents a significant barrier to broader adoption of online education.

- Although online education may have the potential to reduce instructional costs at the undergraduate level, the evidence that it actually does remains inconclusive. The development of online courses often requires a greater investment of time and resources than the development of traditional courses. For smaller independent institutions committed to relatively low student-faculty ratios, cost savings from online education are more likely to materialize after courses are offered multiple times or when institutions share online courses.

- Barriers to the adoption of online education at independent colleges and universities include uncertain cost models, concerns about decreasing the ranks of full-time faculty members and outsourcing instruction, and the high cost of supporting and maintaining a sophisticated technology infrastructure and instructional platforms.
Education researchers, policy analysts, reformers, higher education practitioners, politicians, and journalists have offered a long list of contemporary trends that are shaping—or might shape—the future of higher education. Members of the Steering Committee for CIC’s Project on the Future of Independent Higher Education began their deliberations in 2014 with the following list of trends, which was not designed to be comprehensive but instead to serve as a prompt for discussion.

**TRENDS INTERNAL TO HIGHER EDUCATION**

- **Cost structures**
  - consumer costs
  - student debt
  - decline in public funding for higher education
  - fully-tapped revenue streams
  - pull of new business models

- **New technologies**
  - MOOCs and other forms of e-learning
  - outsourcing IT and other functions
  - intrusive tracking and accountability technologies
  - social media and private education

- **Unbundling**
  - college as “a packaged bundle of content, services, experiences, and signals that result in an education with both inherent and transferable value to the learner” (according to Michael Staton, a prominent critic of traditional higher education operations)

- **Competency-based education**
  - from experience-based to outcome-based education
  - questioning the relevance of traditional degrees

- **Assessment, accountability, and quality assurance**

- **Globalization**

- **Timidity of college leaders**
TRENDS EXTERNAL TO HIGHER EDUCATION

- Demographic shifts
  - decline in the traditional college-age population
  - changing ethnic/racial composition of the U.S. population
  - regional shifts in population

- Changing public attitudes and perceptions
  - decline in public support for the liberal arts
  - increasing focus on transparency and perceived value for all transactions (commercial, government, or non-profit)
  - changing perceptions of higher education as a common good
  - changes in journalism and other media (both mass and social media)

- Generational trends
  - changes in student values, expectations, behaviors, and preparation
  - changes in parental values, expectations, and behaviors

- Growing socio-economic inequality

- Political contention
  - gridlock on Capitol Hill and elsewhere
  - education as a political football
  - political challenges to tax-exemption and other privileges of non-profit organizations

- Government policy
  - regulations and accountability measures with direct or indirect effects on higher education

- Environmental and energy challenges

The Steering Committee itself singled out several major factors that independent colleges and universities must address in order to remain sustainable and to continue their traditional focus on student-centered education:

- **New information technologies**, especially the rapid growth of MOOCs and related innovations in e-learning;

- **Demographic shifts**, including the rise of "digital natives," decline of family income in relation to the cost of college, decline in the traditional-college-age population, changes in the ethnic and racial composition of the United States, and increase in the number of first-generation students;
• Cost structures, both for consumers who are concerned about affordability and debt and for institutions that are facing declines in public funding for higher education, fully-tapped revenue streams, and the pull of new business models that could involve unbundling and the remaking of traditional faculty roles;

• Public attitudes and perceptions, reflecting a fundamental value shift that emphasizes the responsibility of higher education to produce graduates who obtain good jobs with high earnings instead of wisdom, civic engagement, and lifelong learning;

• Regulations that focus on external assessment, accountability, and quality assurance; and

• Leadership/governance, especially the need for independent higher education to play a stronger and more persuasive role in American higher education.
What are the characteristics of success for mission-driven innovation?

1. A Bias for Action
2. A Drive to Connect Locally, Regionally, and Beyond
3. Realistic Self-Assessment and Adaptation
4. Structure for Innovation
5. Assertive Leadership within Shared Governance Traditions
6. Alignment of Mission and Innovation