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to solve social problems

A Market for Success: How a Robust Service Provider Market Can Help Community Colleges Deliver Success

Presented and Moderated by: Jeff Kutash, *Managing Director, FSG*;
Kate Tallant, *Senior Consultant, FSG*

In Conversation with: Dr. Rob Johnstone, *Senior Research Fellow, The RP Group*;
Dr. Karen Stout, *President, Montgomery County Community College*;
Dr. William Trueheart, *President and CEO, Achieving the Dream*

April 16, 2012, 11:30am – 1:00pm PT / 2:30 – 4:00pm ET

Agenda for Today's Webinar

Opening Remarks and Overview of Key Findings from FSG's Report, *A Market for Success*

Jeff Kutash and Kate Tallant, FSG

Panel Discussion on the Implications of the Findings

Dr. Rob Johnstone, Senior Research Fellow, The RP Group

Dr. Karen Stout, President, Montgomery County Community College

Dr. William Trueheart, President and CEO, Achieving the Dream

Moderated by Jeff Kutash, FSG

Audience Q&A

Closing Comments

Jeff Kutash, FSG

Overview of FSG

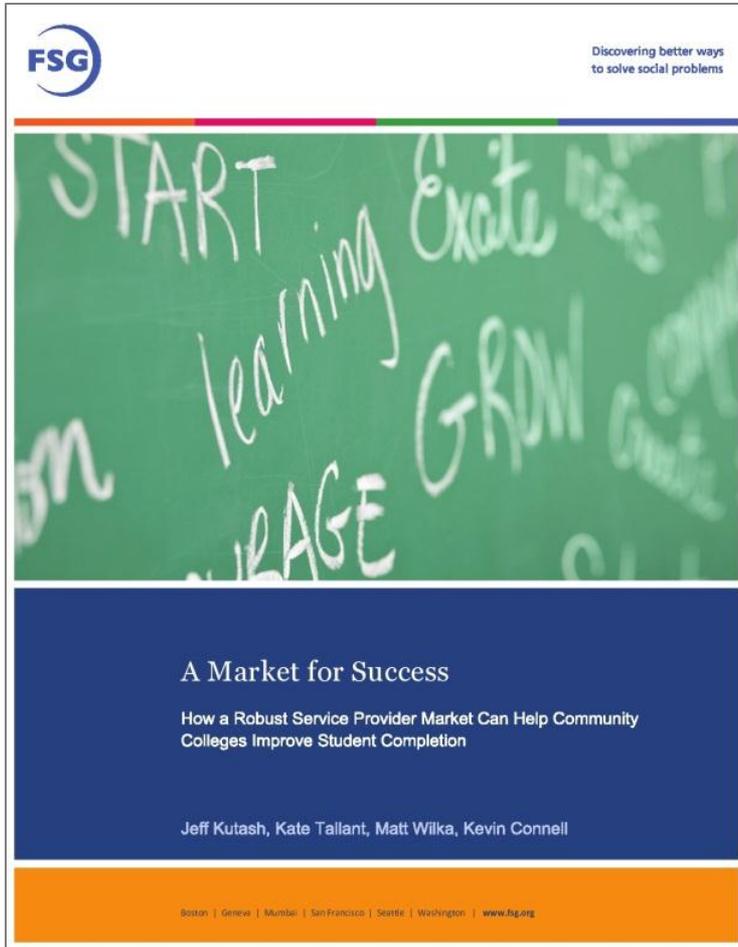


- **FSG is a nonprofit consulting firm specializing in strategy, evaluation and research**, founded in 2000 as Foundation Strategy Group and celebrating a decade of global social impact
- Partner with **foundations, corporations, nonprofits, and governments** to develop more effective solutions to the world's most challenging issues
 - Advised **over 400 clients** in every region of the world
 - Issue areas include **education & youth, global development, global health, US health, community, and environment**
- Recognized **thought leader in philanthropy and corporate social responsibility** with multiple articles published in *HBR*, *SSIR*, *Chronicle of Philanthropy*, and *the American Journal of Evaluation*
- Staff of **100 full-time professionals** with offices in Boston, Seattle, San Francisco, Washington DC, Geneva, and Mumbai, India
 - **Passion and knowledge** to solve social problems
 - Combination of **on-the-ground experience and world-class consulting skills**



As a nonprofit, FSG is driven by the same passion that drives our clients: a passion for greater social impact

About This Research



Purpose of this research

- **Intended to inform** community college leaders, funders, providers, and other stakeholders about the need, demand for, and supply of service providers that can support community colleges to improve student completion

Approach

- **Based on a survey** of 385 community college leaders (35% response rate) as well as 33 **interviews** with community college leaders, service providers, and field experts

FSG gratefully acknowledges the support of the Bill & Melinda Gates Foundation in the development of this report

Community Colleges are Increasingly Recognized for their Critical Role in Society, and Are Now Being Called on to Do More

Community colleges are an increasingly important part of the U.S. higher education system

- In 2008, nearly 1,200 community colleges across the country educated 12.4 million credit and noncredit seeking students – 44% of all U.S. undergraduates¹
- Community colleges have achieved notable success in extending college access to millions of first-time college goers, low-income young adults, and students who juggle school with work and life commitments

While they have done remarkable work in increasing access, they must now focus on *success*

- Today, only 40% of community college students either graduate or transfer to a four-year institution within three years²
- For students, this low rate of success closes off opportunity for the best and most rapidly growing jobs – economists project that through 2018 63% of all new jobs will require more than a high school diploma³

Community colleges have been and continue to be resource challenged

- Community colleges receive just 27% of federal, state, and local revenues for public degree-granting institutions, and budgets are being cut across the country
- Community colleges face capacity challenges in improving success on their own (e.g., part time or adjunct faculty comprise nearly 70% of all community college faculty)

Colleges are under-resourced and would benefit from help to succeed

Notes: (1) AACC 2011 Fast Facts, (2) <http://www.aacc.nche.edu/Publications/Briefs/Pages/rb11162010.aspx> (3) Carnavale, Smith, and Strohl, "Help Wanted: Projections of jobs an education requirements through 2018"

Source: FSG interviews, survey, and research analysis

A Robust Service Market Could Help Community Colleges Meet the Challenge of Shifting from Access to Success

The Needs of Community Colleges

Five capacities present the most critical needs for improving student success

- **Strong leadership:** leadership preparation, ongoing training, and integration throughout the institution
- **Faculty development:** specifically around improving the quality of instruction
- **Use of data:** using data to drive improvement in the classroom and organization
- **Student learning and supports:** areas such as developmental effectiveness that particularly affect the experience of high-needs students
- **Organizational effectiveness:** strategic planning and change management to drive and sustain improvement



Across these capacities, there is broad agreement that support from external providers is critical in four key areas

- Long-term planning on how to **re-design institutions to drive completion** (e.g., development of multiple, distinct student pathways, strategic planning and organizational change)
- **Use of data** (e.g., student learning outcomes assessments, college readiness assessments, and institutional evaluation and data coaching)
- **Developmental education** support and acceleration
- **Faculty development** to improve the quality of instruction in the classroom

Need exists in other areas as well, but demand for services is more variable as colleges seek to address issues on their own

The Current Market Is Under-Developed, with Depressed Demand and Challenges to Increasing the Supply and Scale of Quality Providers

Characteristics of Today's Service Market

Colleges primarily look internally to fill their needs for multiple reasons

Barriers to Increasing Demand:

- Colleges **struggle to afford** services given tightened budgets
- **Internal resistance** exists to engaging external providers (e.g., boards and faculty may be entrenched, organizational barriers may prevent change, culture and habit may present inertia against doing things differently)
- Colleges are **not confident in the quality / cost effectiveness** of providers in the current market
- Colleges **don't feel services are tailored** to their circumstances or rooted in their needs

Supply of services is underdeveloped and providers do not operate at scale

Barriers to Improving Supply:

- **Depressed demand and funding** prevents new entrants and scaling of existing organizations
- There is a **lack of understanding and consensus** around what community colleges need and HOW to best address those needs
- A **lack of incentives** hinders innovation and competition to supply better services
- While some providers are effective, overall **quality varies greatly** and there is a lack of quality assurance

Survey Respondents Report “Great Need” for a Number of Services, But Few are Rated “Very Effective”

Community College Need for vs. Effectiveness of Services



- Need:**
- Colleges report a critical need for services across the board
 - The need for services is particularly high for dev ed support, faculty development, and student outcomes / college readiness assessments
- Effectiveness:**
- Few services are rated “very effective”
 - The least effective services are org change, student pathways, and leadership development
- Availability:**
- Overall, availability of services is relatively high
 - However, key gaps exist for data use, dev ed support, and student pathways

◊ = More Available ◆ = Less Available

Note: “More Available” = 80% or more rated as available; “Less Available” = less than 80% available

A Healthy Market Requires Effective Providers Operating at Scale, Demand for Services, and Funding to Engage Providers



➔ Effective Providers at Scale

- The current market is **highly fragmented** – many providers are available, but few deliver integrated, customized solutions that are cost-effective
- While some providers are effective, overall **quality varies greatly**

➔ Demand For and Capacity To Benefit From Services

- Colleges often **look internally to fill their needs**
- Colleges have difficulty **identifying and selecting** quality providers as well as acting on their recommendations

➔ Funding to Engage Providers

- There is **willingness to pay** for services that are proven to demonstrate positive outcomes
- However, colleges face significant budget constraints and **affordability is the greatest barrier** to engaging a provider
- Lack of funding makes it difficult for providers to **enter the market or scale**

Building a Market that Accelerates Completion Will Require the Field to Take Actions that Stimulate Demand for *and* Improve Supply of Services

Summary of Recommendations for Building a Robust Service Market that Increases Completion

Levers to Identify High Potential Markets

- Develop markets in states with *funding and other policies* that reward completion
- Develop markets in states and regions with *high numbers of community colleges and community college students*

Levers to Improve Demand

- Improve *institutional capacity* to make effective use of services
- Increase *awareness of providers* and their demonstrated effectiveness in improving completion

Levers to Improve Supply

- Provide *additional, high-quality services* in the areas of greatest need
- Create a public system for *quality assurance* and communication of effectiveness

Levers to Improve Funding and Conditions

- Provide incentives to develop *low-cost, high-quality products* and services
- *Aggregate demand and supply* to make high quality services more affordable and accessible

Panel Discussion



Jeff Kutash,
FSG



Dr. Rob Johnstone,
The RP Group



Dr. Karen Stout,
Montgomery County
Community College



Dr. William Trueheart,
Achieving the Dream

Discussion Questions

- Are service providers truly needed to help community colleges increase student completion? Why?
- What challenges do community college leaders face in effectively engaging service providers? What challenges do service providers face to providing effective services to community colleges?
- What can community college leaders and service providers do to build a more robust service market that increases completion?

Thank You!

- Thank you for joining in the conversation today
- Please fill in the brief electronic survey that you'll receive after today's event to share your feedback with us
- For more information on FSG or to download a copy of the report, *A Market for Success*, visit www.fsg.org or contact us at info@fsg.org