

# CWID DATA NOTE

## The Correlates of Credit Loss

by Matt S. Gianì

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### Introduction

Despite the longstanding centrality of student transfer in the United States' postsecondary system<sup>1</sup> and the presence of state-level policies regulating transfer in the majority of states<sup>2</sup>, the loss of credits during transfer remains a significant issue. The most current research using national data has estimated that between 40-65% of transfer students lose at least some credits at the time of transfer, and between 15-40% lose all or nearly all of their credits when transferring<sup>3</sup>. Yet the field knows little about the most significant drivers of credit loss. This data note highlights key findings from a study that sheds new light on these drivers by drawing on data from cohorts of students who transferred into public 4-year colleges in Hawaii and North Carolina<sup>4</sup>. Both states were part of the *Credit When It's Due* (CWID) initiative<sup>5</sup>, and the data collected through CWID was used for this current study. This research was supported by the Bill and Melinda Gates Foundation through a grant entitled *Bridging Reverse Transfer Research to a Broader Transfer Agenda*.

### Hawaii and North Carolina Postsecondary Contexts

The University of Hawaii (UH) System consists of three 4-year colleges and seven 2-year colleges governed by a single Board of Regents, which establishes transfer policy for the entire system. The unified nature of the UH System has provided opportunities for innovative approaches to facilitating transfer, including an automated and centralized system for determining credit transferability and applicability known as the Student Transcript Academic Resource (STAR) system. North Carolina's postsecondary environment consists of two systems: the University of North Carolina (UNC) system oversees public 4-year colleges, and the North Carolina Community College System (NCCCS) governs 2-year colleges. Although the system is not unified, legislative mandates led to the Comprehensive Articulation Agreement (CAA) that established common transfer and articulation policies for all public 2-year and 4-year colleges, such as a general education core curriculum and automatic admission with junior status to any UNC institution for students who earn an associate's degree at a NC community college.

### Limited Credit Loss and Uneven Distribution in Both States

In both Hawaii and North Carolina, roughly three-quarters of transfers into public 4-year colleges lost no credits at the time of transfer. The average credit loss rate<sup>6</sup> was much lower than national averages: 3.9% for Hawaii, and 7.2%. However, credit loss was substantial for a select portion of students as well – roughly one in 20 students in both states lost between 33-40% of their credits.

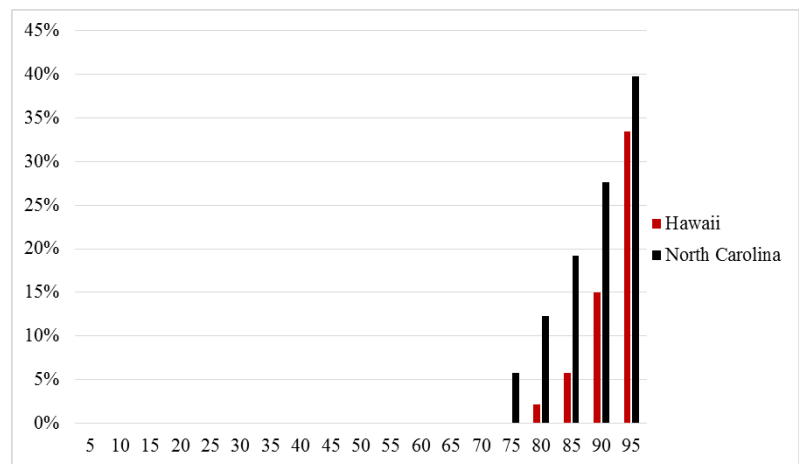


Figure 1: Distribution of Credit Loss by Percentile

### Mixed Findings on Pre-Transfer Attainment and Credit Loss

In Hawaii, students who earned any credential prior to transfer, including short-term certificates and the occupationally oriented associate of applied science (AAS) degree, experienced significantly less credit loss than their peers who had not received an award. In contrast, in North Carolina, students with no credential had the lowest credit loss rate. Students who earned academic associate's degrees (AA and AS) before transfer experienced slightly more credit loss than students who transferred without a credential, and students who earned occupational credentials (certificate and AAS) lost roughly twice as many credits as the no credential group. These findings suggest very different relationships between pre-transfer credential attainment and credit loss by state, raising concerns that studies combining data across states, such as analyses using national datasets, may mask understanding of factors that contribute to credit loss.

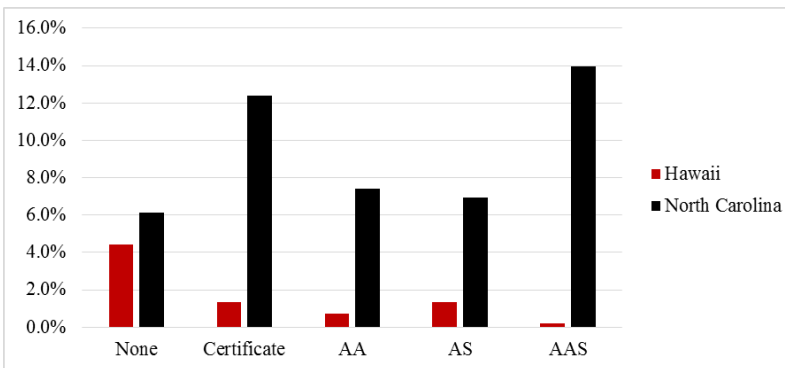


Figure 2: Credit Loss by Credential Earned Pre-Transfer

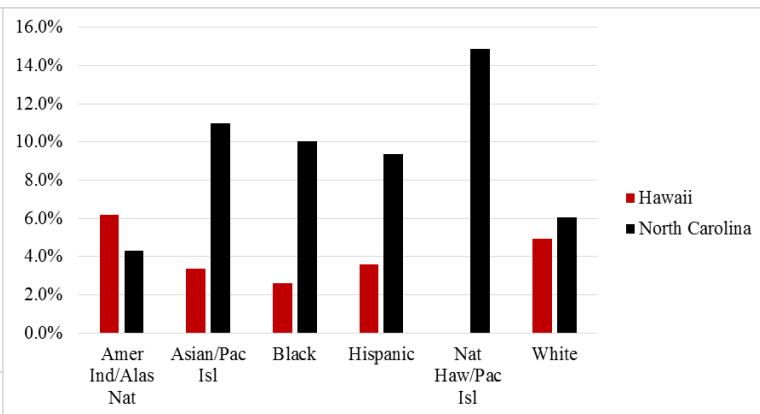


Figure 4: Credit Loss by Race/Ethnicity

## Credits Lost by Pre-Transfer Credits Earned

In both states, the more credits students earned prior to transfer, the greater the extent of credit loss they experienced, on average; however, the pattern of credit loss differed by state. In Hawaii, the increase in credit loss was much more gradual across credit ranges than in North Carolina where we see a sharp jump in the magnitude of credit loss between students with 61-75 credits and students with 76-90 credits. Since associate’s degrees conferred on a semester basis generally require between 60-75 credits, students with more than 75 credits are likely to have earned credits in excess of degree requirements, which are therefore less likely to transfer. One anomalous finding is that North Carolina students with 1-15 credits at the time of transfer experienced two to three times more credit loss compared to the four groups of students with 16-75 credits.

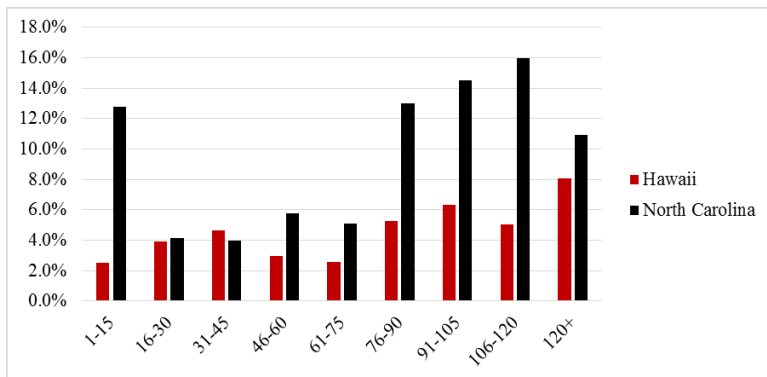


Figure 3: Credit Loss by Number of Credits Earned Prior to Transfer

## Racial/Ethnic Disparities in Credit Loss

In Hawaii, White students were the racial group with the highest rate of credit loss, apart from American Indian/Alaskan Native students who comprised <1% of the sample. However, in North Carolina, whose student population is more diverse and reflective of the demographic composition of the United States as a whole, racial/ethnic disparities are evident in credit loss. In this state, White students lost 6% of their credits, on average, whereas most other subgroups lost between 9-15%.<sup>7</sup> Given the dearth of literature on the relationship between students’ demographic backgrounds and credit loss, future research should attend to potential disparities between student groups in the number and type of credits that the students are accumulating and the likelihood of transferring these credits to other higher education institutions.

## Even in Coordinated Higher Education Systems, Institutions Play a Key Role

Hawaii and North Carolina are both examples of relatively coordinated higher education systems in terms of transfer – both 2-year and 4-year institutions in the UH system are regulated by a single governing board, and the CAA in North Carolina instituted common transfer and articulation policies for all public colleges in the state despite 2-year and 4-year colleges being regulated by different systems. This is one possible explanation as to why rates of credit loss are lower in these states than the national averages. However, regression models containing 4-year institution fixed effects found significant variation between institutions in the magnitude of credit loss students were predicted to experience, including in models controlling for students’ demographic and academic characteristics<sup>8</sup>. This finding highlights the importance of examining the course articulation and transfer policies and practices colleges are employing, even for institutions within the same system.

## Summary

We know the “traditional” college student is no longer the norm – vertical transfer, lateral transfer, and student swirl are increasingly prevalent patterns in the US postsecondary system. Given this new normal, it is critical to ensure that the policies and practices regulating credit transfer and articulation are working efficiently to prevent students’ loss of time, money, and momentum towards the degree. Although some national studies of credit loss have been produced, these analyses mask important differences between states that could influence credit loss, such as their higher education governance systems, transfer and articulation policy, and student characteristics. This data dote has investigated credit loss both within and between states to understand how their contexts relate to credit loss. Hawaii and North Carolina reveal a complex picture that may be influenced by state governance and policy contexts, as a relatively small proportion of students in both states experienced limited credit loss but the incidence of credit loss was not distributed evenly among institutions or student groups. Future research should continue to investigate policies and practices that facilitate credit transfer within state and institutional contexts to identify and ameliorate credit loss.

## Endnotes

<sup>1</sup> Cohen, A. M., & Brawer, F. B. (2004). *The American community college* (4<sup>th</sup> Ed.). San Francisco, CA: Jossey-Bass.

<sup>2</sup> Kintzer F. C., & Wattenbarger, J. L. (1985). *The articulation/transfer phenomenon: Patterns and directions*. Washington, DC: American Association of Community and Junior Colleges.

Millard, M. (2014). *Students on the move: How states are responding to increasing mobility among postsecondary students*. Denver, CO: Education Commission of the States.

<sup>3</sup> Monaghan, D. B., & Attewell, P. (2015). The community college route to the bachelor's degree. *Educational Evaluation and Policy Analysis*, 37(1), 70-91.

Simone, S. A. (2014). *Transferability of postsecondary credit following student transfer or coenrollment: Statistical Analysis Report*. Washington, DC: National Center for Education Statistics.

<sup>4</sup> Giani, M. S. (2017). *How credit loss varies according to student and institutional characteristics: An analysis of transfers to public 4-year institutions in Hawaii and North Carolina*. Seattle, WA: University of Washington Community College Research Initiatives. Retrieved from <http://ccri.uw.edu/>.

<sup>5</sup> A comprehensive report of the implementation and outcomes of the CWID initiative may be found at: <http://ccri.uw.edu/wp-content/uploads/2017/01/Comprehensive-RPT-7.17.17.pdf>.

<sup>6</sup> The credit loss rate was calculated by dividing the number of credits accepted by the receiving baccalaureate institution by the number of credits students earned prior to transfer. Both the credits accepted and credits earned pre-transfer variables were provided by the study states in their data submissions for the CWID project.

<sup>7</sup> The only exception was American Indian/Alaskan Native students who comprised less than 1% of the sample.

<sup>8</sup> These findings are contained in the full report referenced in endnote #5.

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**About the Authors:** Matt Giani is a Principal in Giani Consulting and Evaluation, LLC; a Research Scientist with the Office of Strategy and Policy at the University of Texas at Austin; and co-PI for *Bridging Reverse Transfer Research to a Broader Transfer Research Agenda*. His research interests include stratification and social mobility in higher education, high school to college transitions, and the use of quantitative methods in educational policy research. Matt was part of the research team studying the implementation and outcomes for *Credit When It's Due (CWID)* as a research assistant professor for the Office of Community College Research and Leadership at the University of Illinois at Urbana-Champaign.

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