

## Student Migration: Relief Valve for State Enrollment and Demographic Pressures

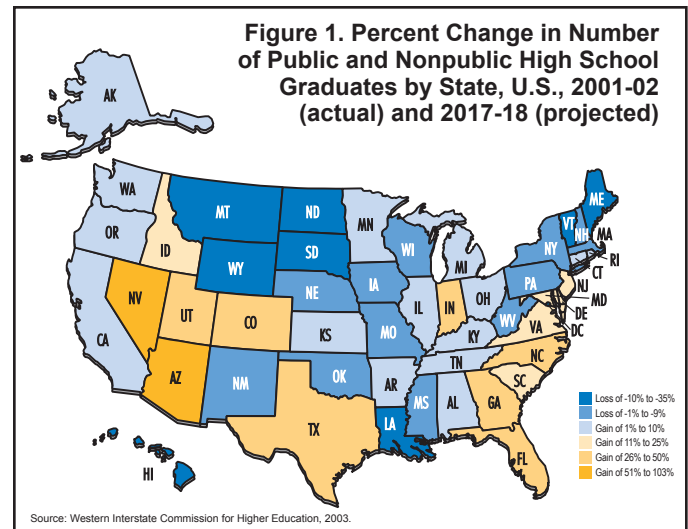
Many states confront simultaneous enrollment and fiscal pressures. Some states have or are forecasted to have too many students while others face the opposite problem. In the face of these challenges, student migration should be examined as an appropriate and viable policy tool.

Helping students migrate between states that face opposing enrollment problems makes sense. Students already migrate between states in large numbers and several regional and/or national programs exist to facilitate such migration. Such programs are growing in popularity. Research on student migration points to several factors that should play an important role in policymakers' decisions to use such programs to facilitate migration, particularly given the projected growth in states with large numbers of underrepresented students.

The pressure building in many states as a result of current and forecasted higher education predicaments is considerable. For example, states in the Western United States face a kind of Perfect Storm of stressors including: a) rapid enrollment growth (or loss), with much of the growth coming from historically underrepresented groups; b) citizen initiatives aimed at holding down government spending; c) overbuilt or underbuilt public higher education systems; and d) geographic realities that make serving citizens' educational needs more difficult.

The most recent projections of high school graduates published by WICHE (Western Interstate Commission for Higher Education) illustrate the severity of the enrollment challenges in the West.<sup>1</sup> States like California, Arizona, and Nevada are projected to see extraordinary increases in the numbers of high school graduates, with many of these coming from the fast-growing, historically underrepresented Hispanic population. Other states, like New Mexico, North Dakota, and South Dakota, expect considerably fewer high school graduates.

States in the Midwest and South face similar tests. According to WICHE projections, states as diverse as Indiana, Texas, and Georgia face considerable enrollment gains in the next decade. Many of the high school



graduates who will be knocking at higher education's door in these states will be from underrepresented groups and poor families.

How to respond to these enrollment challenges is a policy question that is made more difficult by several variables that muddy the math. Building new campuses to accommodate growth is both expensive and a gamble, since those campuses might not be needed in perpetuity. Alternatively,

in states with forecasts of fewer high school graduates, the fear may be that the state's economy will suffer as fewer college students matriculate at the state's campuses.

However, both kinds of states share some commonalities. Citizens across the country are increasingly unwilling to pay higher taxes to support existing postsecondary institutions, much less new campuses or programs designed to protect against decreasing high school graduate numbers, as evidenced by citizen-passed initiatives like the Taxpayers' Bill of Rights (TABOR) in Colorado. Other state funding responsibilities, like corrections and social services, require an increasing share of a finite pie of resources. Add to this equation the fact that many states don't have a private higher education system of any size to use in concert with their public system and the policy math gets tougher. The problems are clear, but the solutions are not. While policymakers in states facing enrollment challenges are searching for innovative strategies, these strategies cannot involve higher taxes or substantial new spending of any kind.

Against this backdrop of dramatically increasing enrollments in some states and falling student numbers in others is another reality: state borders are quite permeable, particularly for college students. That is, even as policymakers tend to think of state higher education systems as bounded systems, 20 percent of college students – 3 million annually – attend college outside their state of residence. This begs the policy question: How might student migration play a role in an appropriate response to the challenges states face now and in the future?

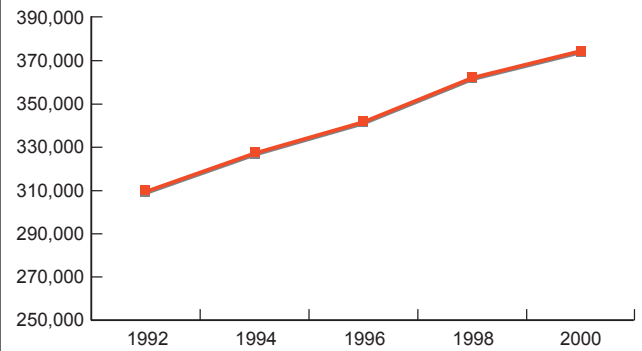
## The Realities of Student Migration

College students are a very mobile population. The National Center for Education Statistics reports that in fall 2000 approximately 23.4 percent (or 375,041) of the 1.6 million freshmen students attending degree-granting institutions in the U.S. enrolled in a college or university outside their home state. Moreover, the number of students migrating out of state has increased steadily, with 20 percent more freshmen migrating out of state in fall 2000 than in fall 1992.<sup>2</sup>

Policy-relevant data and research on these students identify several other features of this population.

- The college-age population migrates at a rate greater than that of any other population segment.<sup>3</sup>
- Net student migration rates vary greatly, from Vermont, which enrolls 72 percent of its freshmen from other states, to California, which enrolls fewer than 10 percent of its freshmen from out of state.<sup>4</sup>

**Figure 1. Freshmen Migrating Out of State to Attend Degree-Granting Postsecondary Institutions, Fall 1992 – Fall 2000**



Source: NCES, Digest of Education Statistics.

- Migration rates are positively affected by the presence of large population centers, well-funded higher education systems, and selective public and private colleges and universities.<sup>5</sup>
- Family income is a positive predictor of a student's likelihood to migrate out of state.<sup>6</sup>
- Student migrants are likely to follow in the footsteps of friends, relatives and classmates and attend out-of-state colleges they have heard about through word of mouth.<sup>7</sup>
- Student migration patterns have held consistent over time: those states with relatively higher rates of exporting or importing students have remained the same.<sup>8</sup>

## Existing Migration Policies

Just as student migration is already a reality, so too are policies designed to facilitate such migration. All four regional higher education compacts (the Midwestern Higher Education Compact (MHEC), the New England Board of Higher Education (NEBHE), the Southern Regional Education Board (SREB), and the Western Interstate Commission for Higher Education (WICHE)) administers a programs designed to share state resources and students.

These programs differ significantly in their construction and intent, however. For example, the Western Undergraduate Exchange (WUE), administered by WICHE, is the largest of these exchange programs and is designed very broadly. Any undergraduate student living within one of the 15 WICHE states is eligible to participate in the program, which allows students to enroll at 150 percent of tuition at the receiving institution, though institutions are free to institute minimum standards (e.g., ACT score, GPA) or

limit the number of seats offered or students accepted into specific degree programs. On the other hand, the Academic Common Market (ACM) program administered by SREB is structured to facilitate the sharing of higher education resources in only those cases where a state doesn't offer an equivalent undergraduate or graduate degree program. This program allows, for example, a student from Alabama to enroll in Florida State University's Ph.D. program in student personnel administration at an in-state tuition rate.

While student exchange programs administered by the regional compacts differ in structure, they all have the goals of sharing resources and facilitating greater student access. NEBHE administers the New England Regional Student Program, which is similar to the ACM program, as it allows out-of-state students to enroll in degree programs at the undergraduate or graduate levels at a reduced tuition level when their home state doesn't offer an equivalent degree program. MHEC's Midwest Student Exchange Program (MSEP) is unique among these programs, in that it allows students to enroll at either public or private at a reduced rate. WICHE also administers two other student exchange programs that allow states to share resources and serve students interested in specific professional or graduate programs, identified for their quality or not offered in the student's home state.

Beyond the programs administered by regional compacts, states have entered into numerous reciprocity agreements that allow students to migrate across borders and enroll in a public college or university at a reduced tuition rate. Typically, these programs exist for one of two reasons: a) to allow a state's residents to enroll in a degree program unavailable in their state of residence; or b) to allow a student from a contiguous county or state to enroll in a degree program near his/her home at a reduced rate. In the former case, there is often a two-way reciprocity agreement that allows residents of both states to enroll in degree programs unavailable in their home state. Table 1 provides a brief overview of the states that have entered into reciprocity agreements to facilitate student migration.<sup>9</sup>

Beyond these state-initiated agreements, there are several national exchange agreements that are institution specific. These include the National Student Exchange and the Tuition Exchange, both of which allow for students to enroll at a participating college or university at a reduced tuition rate. The Tuition Exchange program, for example, allows dependents of employees at more than 500 private colleges and universities to apply for competitive scholarships that may cover the entire cost of tuition for four years. The National Student Exchange provides students from participating public and private colleges and universities

**Table 1. Tuition Reciprocity/Exchange Agreements Across the United States**

State(s)	Conditions/Eligibility	Tuition Rate
WWAMI – Washington, Wyoming, Alaska, Montana, Idaho	Medical school only – participating states pay for “seats”	In-state of state of residence
Kentucky, Illinois, Indiana, Ohio, Tennessee and West Virginia	Resident of border counties (participating public institutions only)	In-state rate at institution
Minnesota, Wisconsin, North Dakota, South Dakota and Manitoba	Statewide	In-state at institution (in some cases, states pay net costs of migration)
Minnesota and Iowa	One Iowa community college on border	In-state tuition at institution
South Dakota and Iowa	Iowa residents at South Dakota public institutions	150 percent of in-state rate at institution
Missouri and Kansas	Architecture, dentistry, and optometry (numbers limited by statute)	In-state rate at institution
Washington	Residents of border counties at select 2- and 4-year colleges	In-state rate at institution
Wyoming	Residents of border states	150 percent of in-state rate at institution
Utah and Idaho	Utah residents attending selected Idaho colleges and universities	122 percent of in-state rate at institution
Kansas and Iowa	Students in selected degree programs	In-state rate at institution
District of Columbia, Maryland, Virginia	Participating institutions	Common negotiated rate
Texas, Louisiana, Oklahoma, Arkansas and New Mexico	Selected students in counties bordering Texas	In-state rate at institution
Michigan and Ohio	Residents of Monroe County, MI	In-state rate at the University of Toledo

with the opportunity to spend a year at another participating institution.

It is important to note that in many of the tuition reciprocity agreements described above, limited spots are available and not all state institutions participate. For example, in many cases – such as the WUE and MSEP programs – elite public institutions and those that have little trouble attracting out-of-state students at the standard rate do not participate. Moreover, public institutions in states with growing enrollments (e.g., California) may not participate or may restrict their participation to a limited number of institutions or programs because they lack space for out-of-state students.

### Policy-Relevant Questions Regarding Student Migration & Migration Policies

While a considerable number of students migrate across state borders to attend college and many states have enacted policies designed to facilitate specific types of migratory patterns, very little is known as to how these migration patterns are related to existing demographic trends and specific state needs. Moreover, how reciprocity agreements and interstate/regional programs administered by regional compacts affect student migratory patterns and attract students is not at all clear. In short, many questions remain relative to how student migration policies might help states that face current or forecasted enrollment or demographic challenges.

■ *What role does student migration play in terms of economic impact on a state?*

Some researchers have attempted to identify the economic value of student migration to students. According to the *Postsecondary Education Newsletter*, the top five and bottom five states in terms of the economic value gained from student migration enjoy wildly different values.<sup>10</sup>

The table shows that the top five states – four of which are located in the Eastern U.S. and benefit from relatively large numbers of private colleges and universities – enjoy considerable economic value from migration, while the five bottom states – all of which are in the Western U.S. – don’t gain much economic value from student migration. Higher education institutions in the top five performing states are, for whatever reason, more popular with students from other states, and these states benefit from this influx of talent as a result. The five bottom states are in a region of the country where there are fewer private universities with drawing power for students and, as a result, have a relatively small number of institutions that are attractive to students from another state who would have to pay out-of-state tuition.

**Table 2. Best and Worst Performing State, Economic Value from Student Migration**

Top Five States	Economic Value
New York	\$1.44B
Pennsylvania	\$1.36B
Massachusetts	\$1.29B
California	\$689M
Virginia	\$645M
Bottom Five States	Economic Value
Nevada	\$64M
Hawaii	\$62M
Idaho	\$61M
Wyoming	\$35M
Alaska	\$26M

Student migrants inarguably provide positive short-term economic benefits for the states in which they enroll. The money these students spend on tuition as well as living expenses may be quite significant for the regions and communities that host them. From a policy perspective, however, the more important consideration may be long-term economic impact. That is, do student migrants stay and contribute to the state economy after they graduate? A spring 2005 survey of more than 2,500 WUE students suggests that states have a good chance of keeping student migrants after they graduate. Only 17.3 percent of students responding to that survey indicated a predilection toward returning to their state of residence after graduation.

■ *What types of colleges and universities are attractive to student migrants, and can interstate/regional programs affect these patterns?*

As noted below, existing research shows that student migrants are attracted to elite institutions, including private institutions, often those near large cities. Overall, student migrants are much more likely to attend four-year institutions than two-year colleges. In fall 2000, approximately 92 percent of first-time freshmen attending college out of state attended four-year institutions. Programs like WUE have been able to attract significantly more students interested in attending out-of-state two-year institutions. In fall 2004, approximately 17 percent of WUE students were enrolled at two-year colleges. Many of these students reported having applied to both two- and four-year institutions, but ultimately chose the two-year college in which they were enrolled because of that institution’s participation in the WUE program.

Colleges and universities that would like to make themselves more attractive to prospective student migrants

would be wise to consider their method of marketing. WUE students reported guidance counselors were the most likely source of information about that student exchange program; institutional websites and admissions counselors were also popular methods of disseminating information. Colleges and universities should also consider their financial aid policies. Are out-of-state students eligible for financial aid? If not, attracting out-of-state students – particularly low-income students – may be more difficult.

■ *Do interstate/regional programs serve as catalysts for existing student migration patterns or can such programs produce unique migration patterns?*

Again, data from the WUE program are useful here. Several states that participate in WUE exhibit net student migration patterns as a result of WUE that either negate or reverse their larger student migration patterns. For example, Wyoming, which has an overall *negative* net flow of student migrants (i.e., it exports more students than it imports), enjoys a *positive* net flow of WUE students. This is primarily due to the use of WUE by Wyoming two-year colleges, which together enroll more than 55 percent of the 1,932 WUE students in Wyoming. Similarly, North Dakota enjoys an overall positive net flow of student migrants as a result of the 1,797 who use WUE to enroll in its colleges and universities. Nearly half of these students are residents of states that do not border North Dakota, making it less likely that they would have chosen to migrate without a policy that reduced their cost of attendance and created pathways to assist in their migration.

Like student migrants generally, WUE students appear to be drawn to urban centers and by particularly appealing climates and environments. Cities like Las Vegas, Honolulu, and Bozeman, MT, are attractive to student migrants. Colleges and universities situated far from oceans, mountains, or gambling meccas need not worry, however. Special focus institutions like the South Dakota School of Mines and the California Maritime Academy are popular with student migrants, as are flagship campuses like the University of North Dakota. Respondents to the WUE survey indicated that the “availability of specific degree programs” and the “quality of institution,” rather than geography, were the primary motivators in their decision to enroll in an out-of-state institution.

■ *Can interstate/regional programs play a significant role in providing historically underrepresented students with greater access to higher education?*

This is an important policy question for several reasons. First, the enrollment pressures forecasted for many states are largely the result of significantly higher birth rates and migration patterns among underrepresented

populations. Second, the WICHE projections also indicate that some regions of the country will see proportionately larger numbers of high school graduates from low-income backgrounds. Third, existing research on student migration points out quite clearly that minority students and students from low-income families are less likely than majority and middle-class students to enroll in out-of-state colleges and universities.

These facts underscore the importance of making sure that programs designed to share states’ resources and facilitate student migration are attractive to underrepresented students. The recent study of WUE students revealed that approximately 15 percent of respondents identified themselves as members of a minority group, with the largest subgroup identifying themselves as Hispanic. Also, approximately 18 percent of respondents reported being from families with incomes less than \$40,000. Minority students were overrepresented among these low-income families. These findings suggest that WUE students are more diverse than those students who have migrated out of state historically. This is the case even though many participating institutions have established fairly high minimum academic standards for WUE applicants.

## **Using Student Migration as a Relief Valve**

States interested in understanding how student migration policies and programs might help them begin solving some current and forecasted dilemmas would be wise to ask themselves a few questions as a kind of primer. These questions might be grouped under the following two headings.

■ *What is our state context, and how might student migration play a role in meeting our needs?*

No two states are alike in their higher education needs. As noted above, some states derive considerable economic benefit from student migration largely as a result of their historical context, rather than through policy or structure. States thinking about using student migration as a tool would be wise to think about their context. Specifically, what kinds of institutions are present in the state? Are these institutions likely to be attractive to students from outside the state? Are there institutions near the state’s border that might be attractive to residents and offer programs that the state could benefit from economically but are expensive to offer? What kinds of students does the state have to offer other states and, respectively, what do other states have to offer in terms of student diversity and talent?

■ *What do we know about our students’ migration habits, and what do we need to know?*

College and university students will migrate with or without policies designed to facilitate migration. But a state needs to ask itself whether its student migration pattern produces a brain drain or a benefit to the state. Student migration is value neutral: it is not necessarily a good thing or a bad thing. Value is attached only as a result of whether migration is consistent with a state's needs and objectives. Some states have made a conscious policy decision not to address a net negative flow of student migrants because such migration is consistent with their needs. Other states view such an outflow of students as necessarily problematic because they are not sure students will return.

There is evidence that states that are proactive can avert "brain drain." A recent study of Nevada's Millennium Scholarship Program found that nearly two-thirds of Millennium-eligible scholars enrolled at an in-state college or university.<sup>11</sup> Studies of merit-based scholarship programs in several states in the South indicate that these programs can be effective in retaining high-ability students, as well.<sup>12</sup>

## Conclusions

The pressure cooker in which many state policymakers find themselves shows no inclination toward cooling down. For states experiencing – or expecting – rapid growth in high school graduate numbers, and for states that will see considerably fewer high school graduates in the next decade, policies that facilitate student migration may be an efficient, politically viable policy tool. Many programs already exist – some with many qualifying conditions, others with relatively few. There is growing evidence that policymakers can influence migration patterns among college students. States and their public and private institutions may wish to investigate what options are available to them via these types of policies.

## Endnotes

<sup>1</sup> *Knocking at the College Door: Projections of High School Graduates by State, Income, and Race/Ethnicity* (Boulder, CO: Western Interstate Commission for Higher Education, 2004).

<sup>2</sup> *Digest of Education Statistics* (Washington, D.C.: National Center for Education Statistics, United States Department of Education, 2003). Available online at <<http://nces.ed.gov/programs/digest>>.

<sup>3</sup> Y. Hsing and F. G. Mixon, "A Regional Study of Net Migration Rates of College Students," *Review of Regional Studies* 26, no. 2 (1996), 197-209.

<sup>4</sup> *Digest of Education Statistics* (Washington, D.C.: National Center for Education Statistics, United States Department of Education, 2003). Available online at <<http://nces.ed.gov/programs/digest>>.

<sup>5</sup> W. F. Abbott and C. F. Schmid, C.F., "University Prestige and First-time Undergraduate Migration in the United States," *Sociology of Education*, 48 (1975), 168-185. Also see E. A. Barylka and D. Dotterweich, "Student Migration: Do Significant Factors Vary by Region?" *Education Economics* 9, no. 3 (2001), 269-280.

<sup>6</sup> R. H. Fenske, C. S. Scott, and J. F. Carmody, "Recent Trends in Studies of Student Migration," *Journal of Higher Education* 45, no. 1 (1974), 61-74.

<sup>7</sup> "A Regional Study."

<sup>8</sup> T. E. Steahr and C. F. Schmid, "College Student Migration in the United States," *The Journal of Higher Education* 43, no. 6 (1972), 441-463.

<sup>9</sup> Includes information from survey conducted by the Cornell Higher Education Research Institute, as well as research by the author.

<sup>10</sup> More information on the economic value of migration can be found in *Postsecondary Education Opportunity*, October 2002.

<sup>11</sup> "Millennium Scholarship Baseline Study" (Nevada State Treasurer's Office, March 2003). Available online at <[nevadatreasurer.gov/documents/Millennium/Baseline%20Study%202003.pdf](http://nevadatreasurer.gov/documents/Millennium/Baseline%20Study%202003.pdf)>.

<sup>12</sup> K. R. Rogers and D. E. Heller, "Moving On: State Policies to Address Academic Brain Drain in the South," paper presented at the Forum on Public Policy in Higher Education, annual conference of the Association for the Study of Higher Education, in Portland, OR, November 2003.

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