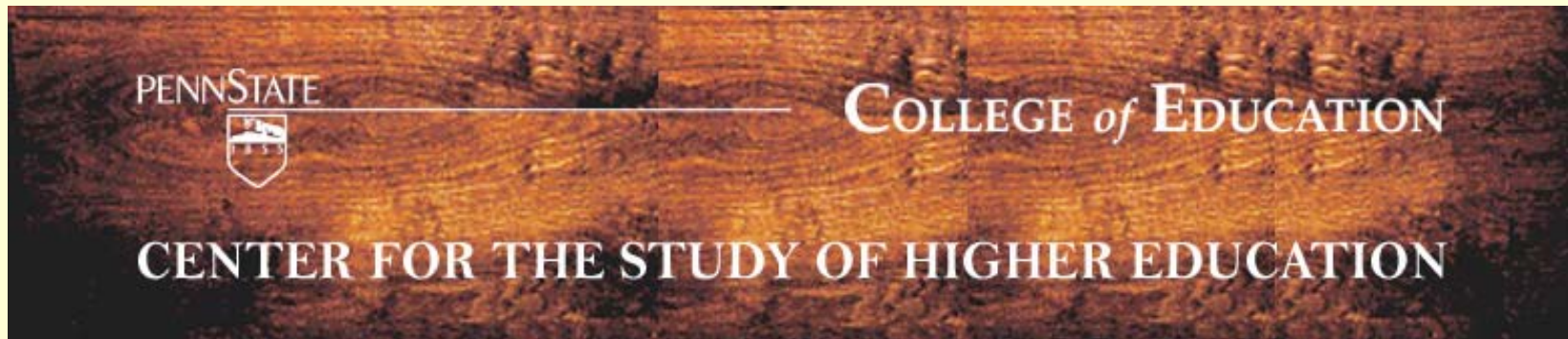


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Moving On: State Policies to Address Academic Brain Drain in the South

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The Issue of Brain Drain

- Out-migration of educated young residents
- Loss of human capital and future tax revenue
- Where is brain drain an issue?

Brain Drain in the South

- History of low level of educational attainment
- Arkansas, Kentucky, and West Virginia have the fewest college graduates among all 50 states
- “leavers” and “stayers”
- Current and future ability of the South to compete economically
- How does a state get residents to remain in state for college and how do you retain them after completion of the baccalaureate degree?

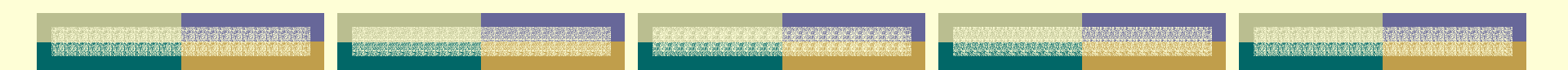


National Policy Responses to Improve the Retention of Educated Residents

- Loan forgiveness programs
- Tax credits
- Honors colleges and programs
- Merit scholarship programs

Policy Responses in the South

State	Loan Forgiveness	Tax Credits	Honors Colleges	Merit Aid
Alabama	✓	No	✓	No
Arkansas	✓	No	✓	✓
Florida	✓	No	✓	✓
Georgia	✓	No	✓	✓
Kentucky	✓	No	✓	✓
Louisiana	✓	No	✓	✓
Mississippi	✓	No	✓	✓
North Carolina	✓	✓	✓	No
South Carolina	✓	No	✓	✓
Tennessee	✓	No	✓	✓
Virginia	✓	No	✓	No
West Virginia	✓	No	✓	✓



Honors Programs and the Fight against Brain Drain

- Since 1994, the number of honors colleges and programs has more than doubled at public and private institutions across the country.
- Greatest surge has occurred at public flagship institutions and regional state colleges.
- Southeastern and southwestern states are most likely to have honors programs to enhance their competitiveness
- Use of rigorous academic programs, special privileges and smaller classes to attract quality students

Merit Scholarships Programs as a Response to Brain Drain

- Most reward academic achievement regardless of financial need
- Of the existing 13 merit programs, nine are located in the southeastern region of the United States
- First program, the Arkansas Academic Challenge Scholarship, instituted in 1991, had both merit and need components
- Georgia's Helping Outstanding Pupils Educationally (HOPE) program, first awarded in the fall of 1994, rewards only academic talent as there is no means test.
- Georgia's program serves as the template for most states.

The Impact of Broad-based Merit Aid

- Does it increase high school academic achievement?
 - More students have qualified for the awards
 - Effect on high school curriculum
- College destination
 - Students are more likely to remain in state for college
 - Increases the likelihood of attending a four-year institution
- College performance
- Income and Race Effects
 - Poor and minority students receive a disproportionately smaller share of merit awards
- Potential and actual cutbacks in state need-based aid

Implications of Brain Drain Policy Initiatives in the South

- Increased spending on merit programs has occurred simultaneously with decreasing state appropriations for need-based aid
- Honors colleges: do they keep higher ability students at home or drain public resources away from the students who most need them?
- Merit aid, infra-marginal students, and marginal academic ability
 - Low minimum GPAs
 - Variation in required standardized test scores
- No evidence that any of these policy responses help retain students in state after the receipt of the baccalaureate degree