

## Lumina's Leader Sets Lofty Goals for Fund's Role in Policy Debates

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Soon after Jamie P. Merisotis took over the Lumina Foundation for Education last year, he began talking about a "big goal."

America must increase the proportion of its population with degrees or credentials to 60 percent by 2025, in order to remain globally competitive and meet the nation's growing demand for college-educated workers, he said. The United States, he warned, is falling behind, and the foundation would make reversing the trend the core of its work.

"Certainly our rallying cry as a nation should not be 'Beat Finland!,' as one of my Lumina colleagues likes to joke," Mr. Merisotis said in a speech last March, two months after he became Lumina's president.

But, he added, "we should ask ourselves why other countries are doing a much better job than we are in educating their people, and why we are satisfied with an attainment level that we reached 40 years ago and that other countries have pushed well beyond."

Mr. Merisotis, who turns 45 this week, has set out to make Lumina a catalyst in reaching the benchmark he laid out, which would require the nation to produce 16 million more college graduates than it is on track to do. About 39 percent of Americans now hold at least two-year degrees.

To reach his lofty goal, the former higher-education-policy analyst is shifting the Indianapolis-based foundation's work to focus more squarely on public policy and expand beyond its historical role in grant making. Mr. Merisotis sees government action as key to creating widespread change in higher education and an arena where the \$1-billion philanthropy can better extend its influence as it nears its 10th anniversary.

Under Mr. Merisotis's leadership, Lumina has begun working with groups of faculty members, students, business leaders, and others in three states to help them draft common sets of expectations for what students need to know to earn degrees in certain disciplines. The foundation also has awarded money to 11 states to help them develop policies to make

their higher-education systems more productive, and it announced grants to minority-serving institutions that identify practices that could serve as “models of success” to help more students from low-income families and underrepresented minority groups.

Mr. Merisotis has convened meetings of academics, policy analysts, government officials, and business leaders to discuss key ideas — such as how the United States might borrow ideas from Europe to better align standards and measure student achievement — as a way to bring new voices to the debate and to spur action.

He has gained the ear of the White House. In a detailed memo to the Obama transition team late last year, Mr. Merisotis expressed his concern about “dangerous stagnation” in the nation’s degree-attainment rates and urged the incoming administration to “make human-capital development a cornerstone of U.S. economic policy.”

Since then he has had several conversations about Lumina’s “big goal,” and policy issues, with members of the White House economic and domestic-policy councils. Robert M. Shireman, deputy under secretary of education, says Mr. Merisotis was among the experts the Education Department consulted when it sought to determine the right goals for education and the best numbers to use in measuring progress toward them.

When President Obama told Congress in February that he wanted America to attain the world’s highest proportion of college graduates by 2020, Mr. Merisotis was excited. He doesn’t take any credit for the president’s embracing a goal similar to Lumina’s, but he had been told ahead of time that the ambitious proposal might be included in Mr. Obama’s speech. The president’s remarks have accelerated his own efforts at Lumina, he says.

“When we started the journey of our big goal, we knew that it would be seen as audacious,” Mr. Merisotis said a day later. “After hearing President Obama’s commitment in his speech last night and talking to his transition team, as well as many other groups and organizations across the country for the last few months, we see the positive energy and drive to move America in this direction.”

#### An Unconventional Choice

Mr. Merisotis was a somewhat unconventional choice to lead Lumina, which since its founding, in 2000, has become one of America’s top 50 foundations in terms of assets, awarding about \$50-million in grants each year. He is one of the youngest leaders of a large

foundation and one of the few whose professional backgrounds are not in academe, business, or philanthropy. At the time Lumina selected him, he was president of the Institute for Higher Education Policy, a Washington-based nonpartisan group he formed in 1993.

In fact, Mr. Merisotis says the foundation's interest in him initially came as a surprise. It took him about 30 minutes into a call from Lumina's search firm to realize they were considering him for the president's job and weren't just picking his brain about other potential candidates.

In conversations and in meetings, Mr. Merisotis is unassuming. He is diplomatic and quick — even eager — to share the spotlight. He views being a good listener as a “chief characteristic of success in philanthropy.”

Last June he convened policy analysts and higher-education officials from around the world to discuss international models for improving student success. He wanted creative thinkers from various vantage points to brainstorm how America might reach Lumina's ambitious goal, and he wasn't shy about asking for advice. “In the United States we need external benchmarks on our progress,” he told the roomful of leaders, “and we clearly need new ideas.”

When Lumina was looking for a new president two years ago, its board had decided that it wanted the foundation to expand its work in public policy. Mr. Merisotis's long history in that field attracted Lumina's attention. Before he founded the Institute for Higher Education Policy, he was executive director of the National Commission on Responsibilities for Financing Postsecondary Education, a bipartisan commission created by Congress to recommend changes to federal student aid.

Mr. Merisotis had developed a reputation among many higher-education analysts, lawmakers, and others in the nation's capital as a data-driven straight shooter devoted to expanding college access, particularly among groups that are underrepresented in higher education. His peers describe him as a clear-thinking pragmatist who has a nuanced understanding of how Washington works.

Sarita E. Brown, president of Excelencia in Education, a Washington-based group that seeks to improve education among Hispanic populations, says she was thrilled when Lumina picked someone who was so familiar with the on-the-ground analysis being done in higher

education. Because he can talk details of practice with grant recipients, she says, “it is sort of like dealing with a master teacher.”

Issues of access and affordability have a personal resonance for Mr. Merisotis, who grew up in a working-class, Greek-American family in Connecticut. Neither of his parents attended college, and he financed his education at Bates College — where he earned a degree in political science — with Pell Grants, scholarships, student loans, a work-study job, and other employment, including a newspaper-delivery route.

He considered a career in journalism but says he decided that “I didn’t want to just witness social change, I wanted to be a part of it.”

One of his role models is a fellow Bates alumnus, Benjamin Elijah Mays, a longtime president of Morehouse College, who was a mentor to Martin Luther King Jr. “He led a life of purpose,” Mr. Merisotis says of Mr. Mays, whom he met once, when he was in college. “His philosophy was that we’re all responsible for our future, but, in being responsible for our future, we have a responsibility to others.”

Mr. Merisotis and his wife, Colleen T. O’Brien (who was director of the Pell Institute for the Study of Opportunity in Higher Education, in Washington, until last year), named their son, Benjamin, after Mr. Mays. They also have a daughter, Elizabeth.

#### Lumina Evolves

Mr. Merisotis has taken the leadership of Lumina at a time when it seeks to cement its reputation as both an agent of change and a reputable source of programming and research. The foundation’s narrow mission, to improve student access and success, also has given it considerable prominence and influence in higher education, particularly since several large charities — including the Atlantic Philanthropies and the Pew Charitable Trusts — have mostly abandoned grants to postsecondary education over the past decade.

Since its beginning, Lumina has struggled to shake skepticism about its independence, given its origins in the student-loan industry: The foundation was formed with proceeds from the sale of assets of USA Group, a nonprofit student-loan-guarantee agency, to Sallie Mae, the nation’s largest student lender. Martha D. Lamkin, founding president and Mr. Merisotis’s immediate predecessor, was an executive vice president at USA Group, and many of Lumina’s first board members had ties to USA Group or Sallie Mae.

John M. Mutz, who is chairman of Lumina's board, says Mr. Merisotis will help Lumina make a clean break from its industry ties. "He has a reputation for evenhandedness, and he is not aligned with any particular philosophy," Mr. Mutz says.

What's more, he and higher-education analysts say, Mr. Merisotis has drawn talent that will bolster Lumina's knowledge of policy. They cite the hiring of James L. Applegate — who helped improve statewide college-going and graduation rates as vice president for academic affairs at the Kentucky Council on Postsecondary Education — as Lumina's senior vice president for program development.

Despite the changes, Lumina hasn't won over all of its early critics. Barmak Nassirian, an associate executive director of the American Association of Collegiate Registrars and Admissions Officers, says that, for all of its focus on access, the foundation still has failed to take an unflinching look at two key entities that serve as barriers to affordability: lenders that make large profits on the gap between college costs and what families can pay, and poor-quality, trade-oriented institutions that charge students high tuition without delivering an education that adequately prepares them for jobs.

Lumina does some fine work, Mr. Nassirian says, but he considers its overall impact "rather banal."

#### Forging Collaboration

Mr. Merisotis, though, sees his foundation serving as a leader in solving central challenges facing the nation on higher education.

Lumina can help remove a number of stumbling blocks for many students, he says, such as remedial education. A big obstacle to improving college readiness has been finger-pointing among sectors over who is to blame for deficiencies in students' preparation, he argues. Lumina can bring together those sectors to forge solutions, he says, working with states and institutions to craft policies that would reward students who succeed in remedial courses and provide incentives for the best faculty members to teach them.

Mr. Merisotis also has deepened Lumina's relationships with other philanthropies. He and officials of the Bill & Melinda Gates Foundation and the Ford Foundation are discussing, for instance, how the groups might collaborate to help the nation meet President Obama's 2020 goal for higher education.

Hilary Pennington, director of the Gates foundation's postsecondary-education program, says bringing together different types of foundations — those like Lumina, which have narrowly focused missions, and like Gates, which operate under a broader umbrella — to take on mutual problems is critical if the nation is to make progress on complex goals. The Gates foundation, too, has set an ambitious agenda for college completion: It announced in November that it would spend several hundred million dollars over the next five years to double, by 2025, the number of low-income young people who complete college degrees or certificate programs by age 26.

Ms. Pennington praises Mr. Merisotis. "He brings an unusual combination of great vision and great intellect with a practicality and deep, deep knowledge of how things work," she says. The two share similar backgrounds and operating styles, adds Ms. Pennington, who was a founder of Jobs for the Future, a nonprofit group that helps states revamp their education and work-force systems. "We both have a bias toward action."

#### Caveats on the Way

The paths toward big goals like those that Lumina, Gates, and President Obama have set are fraught with pitfalls, some higher-education officials say.

Clifford Adelman, a senior associate at the Institute for Higher Education Policy, says President Obama's proposal to put the United States atop college-completion rankings by 2020 is unrealistic given demographic realities. America's population growth is projected to be among the highest of developed countries, with the biggest jumps expected among minority groups who have long been underrepresented in higher education. At the same time, traditional college-age populations are set to fall in members of the European Union, Japan, and elsewhere. That means it will be much easier for those countries to maintain or improve the proportion of their residents with degrees.

Another question is what is being counted. If the president or Lumina is just tabulating degrees earned, without some measure of their quality, it will be hard to tell whether much educational progress is being made, Mr. Adelman says.

But Mr. Merisotis has taken the issue seriously: "There have been good discussions, and Jamie's certainly encouraged them," Mr. Adelman says. The two men are working together on the question of what the United States may be able to learn from the Bologna Process, Europe's decade-long effort to harmonize degree cycles and university systems.

Lumina has financed some of Mr. Adelman's work on the topic, and the researcher praises Mr. Merisotis for his willingness to look beyond U.S. borders for ideas. "I wouldn't say you get that level of intellectual vision from many leaders of foundations in the higher-education world," Mr. Adelman says. "Countries that learn from other countries advance, and Jamie knows that."

For his part, Mr. Merisotis emphasizes that finding a way to ensure that degrees and credentials are of high quality is central to Lumina's goal. He says the focus on a specific measure of college attainment has been powerful in gaining traction for his priorities among lawmakers and others.

"This orientation toward outcomes really helps to shape the conversation," he says. "We have an enormous leadership opportunity."