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THE MERITS OF THE NATIONAL MERIT SCHOLARS PROGRAM: QUESTIONS AND CONCERNS

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ABSTRACT

After passage of Proposition 209, the University of California began searching for race-neutral admissions criteria that would allow it to minimize drops in enrollment of underrepresented minorities. Concern for underrepresented minorities led to several changes in admissions policies, most notably the introduction of comprehensive or holistic review for freshmen admission at all UC campuses. These efforts to identify criteria that would support UC's efforts to maintain a racially and ethnically diverse student body have led to another unexpected development. The Board of Admissions and Relations with Schools (BOARS), UC's faculty committee charged with overseeing admissions policies, has begun to do more than try to find admissions criteria that can help maintain racial and ethnic diversity. The committee has begun to question all criteria, including criteria that have long been regarded as reflecting high academic achievement. The first criterion that BOARS has questioned is related to the National Merit Scholarship Program. On March 1, 2005, Professor Michael Brown, chair of BOARS, wrote to campus admissions committees asking them to reconsider any preferences they might be giving to National Merit Scholars because BOARS had questions and concerns about the "merits of the National Merit Scholars Program." This paper describes the questions and concerns that prompted this inquiry.

Introduction

After passage of Proposition 209, the University of California began searching for race-neutral admissions criteria that would allow it to minimize drops in enrollment of underrepresented minorities. Concern for underrepresented minorities led to several changes in admissions policies. UC changed its policies to enable high school students to become UC-eligible on the basis of their rank in high school. UC established a "dual admissions" program that allowed ineligible students to be admitted to a community

college with the guarantee that, if they did well academically, they would be admitted to a specific UC campus. UC reduced the weight given to SAT scores. Most important, UC began to review all applicants comprehensively or “holistically” and to assess a student’s academic achievement in light of the challenges he/she faced and the opportunities he/she enjoyed.

These efforts to identify criteria that would support UC’s efforts to maintain a racially and ethnically diverse student body have led to another unexpected development. UC’s Board of Admissions and Relations with Schools (BOARS), the faculty committee charged with overseeing admissions policies, has begun to do more than try to find admissions criteria that can help maintain racial and ethnic diversity. The committee has begun to question all criteria, including criteria that have long been regarded as reflecting high academic achievement. The first criterion that BOARS has questioned is related to the National Merit Scholarship Program. National Merit Scholars have traditionally been regarded as the top students in the nation. They are heavily recruited by universities and given preferential treatment in admissions and housing. They are awarded merit scholarships regardless of their financial need. The number of National Merit Scholars at a university affects that university’s rankings. National Merit Scholarship winners have routinely been given a great deal of preference in admissions by UC campuses.

Several UC campuses give National Merit Scholars preference in admissions and also award them merit scholarships. In 2003-2004, UC campuses awarded \$1.4 million to 1,155 National Merit Scholars. On March 1, 2005, however, Professor Michael Brown, chair of BOARS, wrote to campus admissions committees asking them to review and reconsider any preferences they might be giving to National Merit Scholars because BOARS had questions and concerns about the “merits of the National Merit Scholars Program.” In his letter, Professor Brown wrote: “BOARS’s review of the NMSP’s selection procedures was prompted by a letter by former Associate President Patrick Hayashi, who served as a trustee of the College Board from 2000 to 2004” (Michael T. Brown to Robert Coe, et al., March 1, 2005). This paper describes the questions and concerns that prompted BOARS’s inquiry.

Background

Many selective universities, especially those who wish to gain greater status in the hierarchy of American higher education, seek to increase their number of National Merit Scholars. Besides the financial benefits awarded to students named National Merit Scholars, the program has become increasingly influential in admissions decisions at top universities and colleges. Yet arguably there are significant problems with how these Scholars are selected. There are questions about whether these selection procedures are educationally sound and whether they treat all students fairly.

It is difficult to answer these questions because neither the College Board nor the NMSP has been willing to disclose the percent of National Merit Scholars who are Black, Hispanic, or American Indian. Nor have they been willing to disclose the percentage of poor students or non-native speakers of English who win National Merit Scholarships. Thus far neither the National Merit Scholars Program (NMSP), nor the College Board, has provided any information regarding the background of students who become National Merit Scholars. Nor have they provided any evidence that shows that selection

procedures are fair and conform to basic standards regarding responsible use of standardized tests.

Initial Concerns

I oversaw outreach, admissions, and financial aid at Berkeley from 1988 through 1999. During that period, Berkeley began participating in the National Merit Scholars Program. Each year Berkeley admitted and enrolled hundreds of National Merit Scholars. However, not one was Black, Hispanic, or American Indian. At the same time, the Berkeley campus ran its own merit scholarship program, the Regents and Chancellors Scholars Program. This program was extremely competitive. A faculty committee selected the students on the basis of their grades, test scores, extracurricular activities, their personal statement, and an interview by a team of faculty. In contrast to the National Merit Scholars, the students selected by Berkeley's program were diverse in terms of race, ethnicity, income, and language background – not as diverse as the student body as a whole, but diverse nevertheless. Once enrolled at Berkeley, the Regents and Chancellors Scholars did extremely well. In contrast, as a group, the National Merit Scholars did nothing to distinguish themselves academically or otherwise from other students.

This puzzled and disturbed me, so I began looking into the National Merit Scholarship program. I found that the program defines merit, in the first instance, exclusively in terms of how well a student does on the PSAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT). The more I looked into the program, the more I became convinced that this is an illegitimate way of defining merit, one that does great harm to underrepresented minorities, poor students, and non-native speakers of English.

How Does the National Merit Scholars Program select award recipients?

The NMSP is an academic competition for recognition and scholarships that began in 1955. In 1972, the NMSP and the College Board joined forces. The College Board changed the name of the PSAT to the PSAT/National Merit Scholarship Qualifying Test (PSAT/NMSQT). Thereafter, high school seniors entered the competition for a National Merit Scholarship by taking the PSAT/NMSQT in October of their junior year; this test serves as an initial screen of over 3 million high school juniors each year. Of those students, only 16,000 are chosen to continue in the competition, and only some 8,200 Merit Scholarship awards are eventually given out.

Three types of Merit Scholarship awards are offered. Every Finalist competes for one of 2,500 National Merit \$2500 Scholarships awarded on a state representational basis. In addition, some 300 corporations and business organizations underwrite about 1,100 corporate-sponsored scholarships for Finalists who meet their specified criteria, such as children of the grantor's employees or residents of communities where sponsor plants or offices are located. Also, about 200 colleges and universities agree to finance some 4,600 college-sponsored Merit Scholarship awards for Finalists who choose to attend the sponsoring institution. In total, approximately \$33.9 million in scholarships are awarded under the program.

How the PSAT/NMSQT is organized and how the NMSP then selects its students is extremely important. The PSAT/NMSQT has three sections, two of which assess verbal skills, and one of which assesses math skills. Only students who take the PSAT/NMSQT in October of their junior year may qualify for a National Merit Scholarship.

The NMSP takes the scores of these students and sets a simple cut-off score to yield a pool of approximately 50,000 high school juniors from which National Merit Scholars will be selected. As I discuss below, the use of a simple cut-off score is of questionable legitimacy. I believe that the most damage is done at this step – when the cut-off score is used to sort students. I estimate that 99.7 percent of Black, Hispanic, and American Indian students and nearly all poor students from these groups are summarily eliminated at this point. These students, even if they have overcome great hardship or have earned stellar grades, are not given further consideration.

I emphasize that these are my estimates. Even though students who take the PSAT/NMSQT are asked to state their racial/ethnic background, neither the College Board nor the NMSP has released data on the race, ethnicity, and socioeconomic characteristics of the 50,000 students who make the first cut as compared to those of those who are rejected.

Who wins and who loses?

When the data are made available, I anticipate that one will find that the vast majority of NMSP semifinalists and finalists are affluent white and Asian American students who have had the good fortune to attend well-endowed high schools. I believe that very few African American, Hispanic students, or American Indian students, particularly those who are poor or non-native speakers of English, are selected to be National Merit Scholars.

I estimate that the *percent* of National Merit Scholars who are Black, Hispanic, or American Indian is close to zero and that the absolute number of poor students from these groups is also close to zero. If the precise figures are ever released and if my estimates are correct, then educators would be forced to question the wisdom and morality of the College Board sponsoring and universities participating in a "merit" scholarship program that effectively locks out Black, Hispanic, and American Indian students, and disadvantaged students generally.

I believe educators would then ask how a national merit scholarship program should be designed if one did not currently exist. I do not know the answer, but one thing is clear. It would not be designed like the NMSP. Put another way, if policy makers wished to design a scholarship program that denies underrepresented minorities any real chance, they would be hard-pressed to come up with a more effective scheme than that employed by the NMSP. Needless to say, this was not the intent of the NMSP. It is, however, the effect.

How should merit be defined?

I believe that educators would not support a definition of merit based, in the first instance, solely on how well a student does on a standardized test. The NMSP uses raw

PSAT/NMSQT scores to sort very young students into two groups, those with merit and those without. A student who has perfect grades but falls but one point below the PSAT cut-off score is deemed to be without merit. This is not a definition of merit that the educational policy makers should endorse. This way of sorting students does great harm to the vast majority of PSAT/NMSQT takers. It is educationally, psychometrically, and socially indefensible.

Any definition of merit should be based in large measure on a student's grades. In contrast to test scores, grades reflect what a student actually achieved in school. They are also more powerful predictors of future academic success than test scores.

Most important, educators should insist that merit always be defined in much more complex terms than those used by the College Board and the NMSP. At the very least, we should insist that any definition of merit, used as the basis for a national scholarship competition, take into account a student's classroom achievements in light of the opportunities he/she enjoyed and the obstacles he/she faced.

What are the consequences of winning or losing?

Winners get great benefits. Universities recruit them aggressively. At some universities, they get preferential housing, preferential course enrollment opportunities, and access to special programs.

They also get advantageous aid packages. Universities that work with the NMSP are required to award National Merit Scholars "merit" stipends regardless of need. This, in effect, means that many affluent students receive aid that they do not need and that would otherwise go to poor students. In other words, universities that participate in the NMSP essentially agree to take money that could be used for poor students and give it to rich ones.

Is this a proper use of the PSAT/NMSQT?

The College Board has stated that there are three basic principles governing responsible use of standardized tests.

1. Validity. The College Board has stated that a test should never be used for purposes for which it has not been validated. The importance of this principle is plain. Test agencies should ensure that their tests first do no harm. The best way to ensure this is to insist that tests be used for their intended and validated purposes. College Board vice president, James Montoya recently wrote to the chair of the University of California's faculty admissions committee saying that the validity of the PSAT/NMSQT has "historically rested on its relationship with the SAT." BOARS rejected this explanation as unpersuasive. A test cannot be validated indirectly; a test cannot be validated by proxy through its association with an entirely different test. The NMSP uses the PSAT/NMSQT in a particular way to categorize students as "meritorious" or "non-meritorious." It is the NMSP's particular use of the PSAT/NMSQT for its particular purpose that must be validated. This requirement is fully explained in The Use of Tests as Part of High-Stakes Decision-Making for Students: A Resource Guide for Educators and Policy-Makers issued by the U.S. Department of Education, Office for Civil Rights.

There is a simple validity study that the College Board could conduct to assess whether the procedures used by the NMSP are sound. This study would compare the college grades of those students who made the cut set by the NMSP with an equal number of students who barely missed the cut.

The validity study could compare the top 50,000 “meritorious” students with the next 50,000 “non-meritorious” students. These students could be easily divided into those with higher and those with lower grades. This procedure would create four groups: Group A – “meritorious” students with higher grades; Group B – “meritorious” students with lower grades; Group C – “non-meritorious” students with higher grades; and Group D – “non-meritorious” students with lower grades. The grades these groups of students earned in their first year at college could then be compared. Through this simple analysis, policy makers could begin to assess whether the PSAT/NMSQT does truly distinguish between “meritorious” and “non-meritorious” students.

There is no reason why the College Board could not conduct this validity study. The College Board has administered the PSAT/NMSQT to over a hundred million students and could easily gain access to the college records of an ample number of these students from its member organizations.

I suspect that the College Board has avoided doing this study because it knows what it would reveal. The study would most likely find that there is no significant difference between the academic performance of the “meritorious” and “non-meritorious” students and, thus, both the College Board and the NMSP would be forced to admit that the method used for dividing the students is unsound.

If the study did find a difference, it would most likely find that students in Group C – “non-meritorious” students with higher grades – outperformed students in Group B – “meritorious” students with lower grades. Such a finding, which would be consistent with the College Board’s own research on standardized admissions tests, would leave the College Board and the NMSP with the inconvenient and embarrassing result that the PSAT/NMSQT is used to select the wrong students and reject more deserving ones. Unless and until the College Board undertakes rigorous validity studies, the College Board has no justification for allowing the PSAT/NMSQT to be used by the NMSP.

2. Cut-off Scores. The College Board has stated that simple cut-off scores should not be used to sort students. The reason for this principle is straightforward. A student’s fate should not be decided on the basis of whether he or she answered a single question correctly or incorrectly. Such a mechanism would result in momentous decisions being made on miniscule, statistically insignificant differences in scores.

The College Board is not alone in opposing the use of simple cut-off scores. A joint committee of the American Educational Research Association, the American Psychological Association, and the National Council on Measurement in Education – the three leading organizations in the area of educational testing – issued Standards for Educational and Psychological Testing (Joint Standards, 1999). These Joint Standards, which are regarded as the definitive technical authority on educational testing issues, state that a high stakes decision “should not be made on the basis of a single test score.”

Yet, this is exactly the procedure the College Board legitimizes and sanctions when it endorses and markets the NMSP. It is also important to note that the NMSP does not use any educational basis for setting its cut-off scores. It simply decides how many students it wants and uses a cut-off score to meet its quota. This is a clear example of a program using the PSAT/NMSQT to sort students without regard to anything other than raw numbers and administrative convenience.

3. Use of Multiple Sources of Information. The College Board has stated that scores from its tests should always be used in conjunction with other pertinent information, notably high school grades. There are several important reasons for this principle. First, it acknowledges that test scores are not the best predictors of college performance. Second, it recognizes that high test scores, in and of themselves, do not constitute high achievement. High academic achievement is best reflected in how a student performs in the classroom. Test scores can help corroborate that a student's high grades reflect academic mastery and potential, but they cannot be used as surrogates for academic achievement. The College Board has apparently chosen to turn a blind eye to NMSP's procedures that violate the College Board's own principle.

The College Board has long stated that it supports these three principles. However, the College Board continues to support and market the NMSP, a program that violates the principles that the College Board purports to endorse.

The PSAT/NMSQT was not developed to define and assess "merit" and has never been validated for that purpose. Educators should call on the College Board to insist that the PSAT/NMSQT be used for its intended purpose – as a practice test that allows students to diagnose their strengths and weaknesses. The College Board's partnership with the NMSP has turned the PSAT from a practice test into a very high stakes test. High stakes tests are powerful instruments, and if misused, they can do great harm. They can be used to unfairly label and categorize students in ways that do lasting damage. Educational leaders should insist that all tests such as the PSAT/NMSQT, which is administered to students throughout the nation, be used responsibly.

More important, educators should insist that the College Board act in accordance with its own principles. The College Board has long argued that its tests should be used responsibly. It has stated that standardized tests should never be used for purposes for which they have not been validated. It has stated that simple cut-off scores should not be used. It has also stated that its tests should be used in conjunction with other important information, most notably grades, because grades rather than test scores are the most powerful predictors of future academic performance. The College Board endorses NMSP practices that violate these basic principles. Educators should question this apparent inconsistency.

Is the NMSP fair to non-native speakers of English?

The PSAT consists of two verbal sections and one math section. This double weighting of verbal skills was an effort to reduce gender bias in the selection of National Merit Scholars. I fear that this effort, however well intentioned, has caused other inequities, namely that non-native speakers have been put at an unfair disadvantage.

Teachers encounter many non-native speakers who excel in school, earn top grades, and who are mastering English at a phenomenal rate, but who, nevertheless, fall below the cut-off score set by the NMSP. It is unfortunate that the NMSP program essentially deems the vast majority of these students non-meritorious, solely on the basis of whether they fall above or below the PSAT/NMSQT cut-off score.

Can the National Merit Scholars Program be changed?

The NMSP is based on the following premise:

It is educationally desirable to divide fifteen and sixteen year old high school students into those who are meritorious and those who are not. It is educationally justifiable to make that division on the basis of whether they score above or below an arbitrarily set cut-off score on a two-hour examination that has never been validated for that use, and that students take at the beginning of their junior year. It is socially responsible to confer substantial and enduring benefits on those who fall above the cut-off point at the expense of those who fall below. It is ethically defensible to be indifferent to the racial, ethnic, and socioeconomic consequences of these actions.

At the very least, any program that purports to judge the merit of very young students must take into account what they actually achieved in the classroom and also what advantages they had and what hardships they overcame. To reflect these principles and values, the NMSP would have to make extensive and expensive changes in its selection procedures.

The College Board often points to the NMSP's sponsorship of National Achievement Scholarships as evidence of its commitment to diversity. The selection of Achievement Scholars parallels those of the National Merit Scholars but Achievement Scholarships are reserved for Black students. I believe educators should question whether the College Board should endorse a separate but equal approach to educational opportunity. This nation, long ago, rejected such separate but equal arrangements on the grounds that separate programs are inherently unequal and do great damage to the nation's efforts to build one, indivisible democracy. I have no doubt that the NMSP established this program for the best of reasons. However, I believe that this separate scholarship program has served to deflect public notice of the fundamental flaws in the way the NMSP treats disadvantaged and underrepresented students and has provided a convenient justification for continued College Board support of the NMSP.

In addition, some have argued that the fault lies not with the PSAT/NMSQT but with America's educational system. Because of the savage inequalities inherent in our educational system, there is an achievement gap between white and Asian American students, on the one hand, and underrepresented minorities on the other. The PSAT/NMSQT, however, is being used to falsely widen and legitimize that gap. If grades rather than test scores were assessed and if the socioeconomic circumstances of students were considered, there would be many more underrepresented minorities and poor students who would be judged to have merit.

How to bring about change

The most influential player that could drive change in the way the NMSP is operated is the College Board. The College Board is a membership organization composed of over 4,500 schools, colleges, and universities. Its tests have a serious impact on millions of students each year. Because the College Board affects the nation's universities, colleges, schools and students in such profound and lasting ways, it has a responsibility to ensure that its tests are used responsibly. This responsibility is especially weighty in this instance because the College Board gives the NMSP its seal of approval in a way that it gives no other program. Because of the fundamental flaws in the way the NMSP selects scholarship recipients, I have encouraged the College Board to terminate its relationship with the NMSP (see Hayashi to College Board Trustees, October 27, 2004). College Board trustees have balked at this recommendation on the grounds that such drastic action would be bad for College Board business. The partnership with the NMSP gives the College Board a substantial competitive advantage over the ACT. This, however, is not a business decision. It is an educational and ethical decision with business consequences.

Moreover, forthright action would be good for the College Board's financial well-being. If the College Board owned up to the moral implications of its support of the NMSP and terminated its relationship with the NMSP, then the College Board might partially allay the great suspicion and distrust its programs evoke among many underrepresented minority students and disadvantaged students.

College Board officials might argue that the partnership with the NMSP is justified because it generates revenue that the College Board uses to sponsor programs aimed at increasing opportunities for underrepresented minorities and disadvantaged students. This argument, however, is based on the premise that it is permissible to hurt students so that we can get the funds to help them. I am confident that, upon reflection, College Board officers and Trustees will summarily reject this transparently self-serving position.

It is critical that the College Board act now. The board is in the process of launching the new SAT I. If it wants the support of minority and disadvantaged communities, it must earn it. The board cannot earn that respect if it continues to endorse the NMSP and market it to PSAT/NMSQT takers while knowing full well that an underrepresented minority student, particularly a student from a low-income background, has no real chance of being named a National Merit Scholar.

I wish to make clear that, while I am critical of the College Board's endorsement of the NMSP, I support the PSAT. The College Board's efforts in Florida, for example, show how the PSAT can be used to open opportunities and inspire students. However, I am opposed to the College Board's partnership with NMSP because the College Board is allowing the PSAT/NMSQT to be used to deny opportunity and discourage students.

Some College Board officers might argue that the NMSP is an independent organization and that the College Board should respect its right to set its own policies. The NMSP does design and operate its own program. However, the College Board endorses it and gives it national reach and impact. The College Board bundles the NMSP together with the PSAT and markets it to a captive and unsuspecting audience of very young students. Without the College Board, the NMSP would not have nearly the prestige, acceptance, and impact that it does. It might exist, but it would harm far fewer students.

When the College Board changed the name of the PSAT to the PSAT/NMSQT, it assumed the responsibility of ensuring that the test was used responsibly. It is time for the College Board to fulfill that weighty obligation.

What steps can universities take?

If the College Board does not initiate change in the NMSP, universities should take independent action.

Universities should do nothing that fosters and perpetuates unequal educational opportunities for disadvantaged students. Everyone involved in admissions knows well that application of all, or nearly all, academic criteria – grades, test scores, class rank – will have a disproportionately negative impact on underrepresented minorities, poor students and non-native speakers of English. Because of the inequalities inherent in our schools and our society, there are large achievement gaps between advantaged and disadvantaged students. It is the responsibility of policy makers to acknowledge these gaps and to work to close them.

At the same time, it is the responsibility of universities to do nothing that legitimizes and widens these gaps on false grounds. As educators, we have an ethical responsibility to make sure that the criteria we endorse to evaluate and classify students are legitimate, that they are educationally and psychometrically sound. When we decide which criteria to endorse, we have an ethical responsibility to select those academic criteria and procedures that allow institutions to fulfill their academic goals and that have the least amount of adverse disparate impact on disadvantaged students.

Educators would do well to follow the example set by Professor Michael Brown, chair of BOARS, who wrote saying that BOARS had identified several concerns about how National Merit Scholars are selected. He cautioned UC campuses that these selection procedures appeared to violate fundamental principles governing responsible use of standardized tests in a manner that unfairly hurt disadvantaged students and underrepresented minorities. In addition to asking campuses to review their admission policies, he also asked them to reconsider any special treatment they gave to National Merit Scholars in recruitment and in the awarding of scholarships.

The importance of taking action

I realize that some may argue that neither the College Board nor universities need take action, and that, while some students may unfairly benefit from the NMSP, no student is injured. I disagree. I have spoken to many students who described their bewilderment as they watched classmates who had earned lower grades in less demanding courses being honored at high school assemblies and feted by local newspapers simply because they had been named National Merit Scholars. I have listened to students describe the discouragement they felt as they witnessed universities from around the country recruit their classmates by offering them substantial financial and other inducements. I have heard students describe the hurt they felt when, despite outstanding achievements inside and outside of the classroom, they were considered undeserving of special recognition or attention. Worst of all, I have heard students say that they began to

devalue their accomplishments and doubt their ability because they had been judged to be without merit. It is these students that educators should honor and protect.

The U.S. Supreme Court, in *Grutter v. Bollinger*, counseled that the future of our democracy depends on providing educational opportunities to young people of all races and ethnicities. The Court stated:

In order to cultivate a set of leaders with legitimacy in the eyes of the citizenry, it is necessary that the path to leadership be visibly open to talented and qualified individuals of every race and ethnicity.

The NMSP uses the PSAT/ NMSQT to send the opposite message.

I believe that when the College Board and universities support the National Merit Scholarship Program they enable it to advance a false definition of merit, one that harms especially underrepresented minorities, poor students, and non-native speakers of English. Their continued endorsement of the NMSP encourages unsound practices that confer significant and enduring benefits on the privileged at the expense of the disadvantaged. Their continued support of the NMSP compromises fundamental efforts to work toward a system of American education that is both excellent and just.