

In his first address to Congress, President Barack Obama pledged to help the U.S. achieve the world's highest proportion of college graduates by 2020. Others such as the Lumina and Gates foundations have made similar calls. Are the goals realistic? How can they be reached? More support for less-expensive community colleges? More focus on *completion* rates, rather than enrollment? Improved productivity? Then there's that 800-pound gorilla in the room: persistent inequity in who gets in to college and who graduates. *NEJHE* asked the U.S. secretary of education and others to offer a prognosis on the degree-attainment goal.

Historic Opportunity for Action

In a single generation, we have fallen from second to 11th place in the percentage of students completing college

ARNE DUNCAN

When President Obama took office, he pledged to revitalize an economy in the midst of the deepest recession in a generation. Working with Congress, he acted quickly to enact an \$878 billion package to stimulate the economy in the American Recovery and Reinvestment Act (ARRA). More than \$100 billion of that will be for education, spanning from early childhood programs to college aid.

The ARRA's primary goal is to help the economy emerge from the current recession. But the president is pursuing other policies, both in the short and long term, to ensure economic growth. At the heart of these policies is the goal of making college affordable and accessible to millions of students who otherwise might not be able to go.

In the FY 2010 budget, the Obama administration will propose a historic increase in student aid of \$32 billion over fiscal 2008. The budget also will save \$21 billion over the next five years by cutting bank subsidies and making loans directly from the U.S. Department of Education. These changes also will make student loans easier to obtain and easier to pay back.

Of all of the changes, the shift in the Pell Grant program is the most significant. The ARRA increased the maximum size of the Pell Grant for low-income families from \$4,850 to \$5,350. The FY 2010 budget will increase it again to \$5,500. Every year thereafter, the size of the grant will increase by the Consumer Price Index, plus 1%. The changes will ensure that an additional 1.5 million students receive Pell Grants.

More importantly, the Pell Grant will become an entitlement, meaning low-income students can be assured that the award will be there for them when they go to college, whether that's in six months or six years. Low-income families need to know that this program is a federal priority over the long term.

The president also is committed to making federal student loans affordable and accessible. By changing the federal student loan program, the budget will eliminate the costs of subsidizing banks and paying other intermediaries in the student loan process. The changes will save almost \$4 billion a year for taxpayers while streamlining the process of making loans.

President Obama is relying on his higher education budget to be the engine that will drive the nation's economic recovery. Our nation's economy won't continue to grow without an educated workforce. The U.S. Department of Labor predicts that 90% of the nation's fastest growing jobs of the future will require some postsecondary education or training. Today, only one-third of Americans have a college degree. In a single generation, we have fallen from second to 11th place in the percentage of students completing college. In a speech to Congress on Feb. 24, the president challenged the country to lead the world in college completion by 2020.

But financial assistance alone will not ensure success. Students have to be prepared to meet rigorous academic programs in college. At the K-12 level, the Obama administration is promoting reforms that ensure they will succeed in college.

Under the ARRA, states will be working on four core areas of reform:

- Implementing college- and career-ready standards and assessments;
- Creating comprehensive data systems that track students throughout their education career and measure which teachers are having the best impact on student performance;
- Recruiting, preparing and rewarding outstanding teachers—paying more to teachers who work in tough schools and those who have a positive impact on their students' achievement; and
- Turning around chronically underperforming schools by encouraging states and districts to take whatever actions are needed to fix them, even shutting down some schools and re-opening them with new leadership and staff.

By making these and other changes to increase funding for higher education and driving reform throughout the education system, we will ensure that more students have access to a college education and the support they need to succeed.

Increased demand, unprecedented funding and heightened expectations have placed the nation's system of higher education at the forefront of change for a better America. This is a historic opportunity to answer the president's call to action.

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Driving American Economic Renewal

Bold actions are required, including expanding Pell Grants and education tax credits, streamlining the federal student aid process and facilitating college access for undocumented students

MURIEL A. HOWARD

Surmounting a national—indeed global—recession in the wake of war is not new to America or its leaders. Born out of one of the nation's darkest moments of the 20th century were bold initiatives to empower those who served their country as well as all who sought to enter the American middle class. The GI Bill of Rights was one such measure, as was the remarkable expansion of publicly financed postsecondary education systems throughout the U.S.

The unfolding story of the current recession will again include the need to increase the educational attainment of our nation's citizens as a core theme. The dismantling and restructuring of our domestic automakers is symbolic; the time for America to compete strictly on brawn has faded. America must instead compete on talent nurtured as part of a systematic and public policy-driven mandate to “grow” human capital. As was true after World War II, it is institutions of the knowledge economy—our colleges and universities—that will power a rejuvenated America.

Our nation's elected leaders today are demonstrating far greater foresight than their predecessors when it comes to recognizing the value inherent in our public postsecondary institutions and the central role these entities can play in a rebirth of economic vitality. Whereas the original GI Bill and the expansion of the nation's public postsecondary system needed more than a decade after the Great Depression to take root, today's leaders moved prior to the conclusion of two foreign wars and at the onset of the current recession to position colleges and universities and the millions of

students they serve as catalysts for innovation, renewal and sustained growth.

Recognition that a skilled, educated workforce will be the foundation of the new American economy was evident in the passage of the Post-9/11 GI Bill last year. The legislation will make earning a college degree possible for tens of thousands of military veterans returning from Iraq and Afghanistan, helping them translate their skills to civilian employment.

The unprecedented and far-reaching American Recovery and Reinvestment Act passed earlier this year illustrates the central role public colleges and universities will play in beating the recession. It embeds several measures to increase college access and affordability; it also more fully harnesses institutions' applied research and technology-transfer capabilities.

The one-time measures contained in the massive federal stimulus package will help jumpstart economic renewal on Main Streets across the U.S. However, what is needed to sustain this renewal is a public partnership between the federal government, the states and their public postsecondary institutions to increase our citizens' educational attainment. By calling in his February address to Congress for the U.S. to regain top standing in educational attainment by 2020, President Obama has underscored the centrality of a well-educated America to its future standing in the global economy. His words have been backed up by several bold proposals that will, if acted on by Congress, greatly expand educational opportunities, especially for traditionally underrepresented

students: those from low-income households as well as those who are first-generation college-goers, minorities, or returning adults who may have some postsecondary education but have not acquired a credential or degree.

Bold actions are required to clear a path toward prosperity for millions of Americans. These include expanding the federal Pell Grant program and making it a fully funded entitlement, increasing and making permanent a universal and straightforward American Opportunity Tax Credit, vastly streamlining the federal student aid application process, ensuring access to and increasing the efficiency of federal loan programs, enhancing the Federal Work-Study program, and facilitating college access and citizenship for undocumented students.

There may be no more effective booster shot for American economic renewal than an increased public—federal and state—investment in our nation's colleges and universities. Let us capitalize on this recession by proclaiming that we will lead the world in knowledge, skill and talent generation. We can achieve this through a federally led, state-driven strategy of promoting and funding access to American colleges that are continually striving for greater efficiency, productivity and accountability. Let us make the most of now.

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Ambitious Goal

Over the last generation, we have increased access to higher education for low-income and underprepared students—now we must ensure those students finish what they start

TERRY W. HARTLE

In its first hundred days, the Obama administration demonstrated a strong commitment to expanding access to higher education. The economic stimulus package, known as the American Recovery and Reinvestment Act (ARRA), increased funding for the Pell Grant program and over the next two years, the maximum award will grow to \$5,550 in 2010-11—the largest two-year dollar increase in the program's 35-year history.

In addition, the president's FY 2010 budget plan calls for making the Pell Grant an entitlement, revitalizing and expanding the Perkins Loan program, simplifying the Free Application for Federal Student Aid (FAFSA) and creating a new \$2.5 billion program to improve "graduation and success" in higher education. It is too early, of course, to know if Congress will approve these ideas, but it clearly demonstrates the administration's strong commitment to helping low-income students pursue and complete postsecondary education.

But the administration's most far-reaching higher education proposal came in the president's Feb. 24 speech to Congress in which he committed the U.S. to be first in the world in the percentage of adults with postsecondary education by the year 2020. In the president's words, "We will provide the support necessary for you to complete college and meet a new goal: By 2020, America will once again have the highest proportion of college graduates in the world."

This is an extraordinarily ambitious goal. The U.S. once had the world's second-highest percentage of young adults with a college education but has slipped to 11th place. This is not because we are doing worse than before—graduation rates in the U.S. have remained stable. Rather, it is because other nations have expanded their commitments to higher education and have steadily improved. In the coming decade, the challenge will only

increase. Most of the countries with a higher percentage of college graduates have small and relatively stable populations, compared with the U.S. This means that America must significantly increase the number of college graduates if we hope to move up in the rankings. The status quo will only leave us further behind.

Our calculations suggest that the U.S., which currently produces roughly 2.3 million associate and bachelor degrees a year, will need to produce an additional 5 million degree holders above what we would normally produce by 2020 to reach the 55% attainment rate of Canada, the top country at the current time. However,

if, as the Lumina Foundation for Education projects, the top-degree producing country in 2020 has a 60% degree attainment rate, the U.S. would have to produce 7.3 million more degree-holders—more than 700,000 *additional* degree recipients a year every year for a decade—to reclaim the top space.

Achieving the president's goal would be extraordinarily beneficial to the nation's long-term economic growth and social progress. But there is no way we will do it without a broad-based national effort. At a minimum, reaching the goal will require five things.

First, we need better-prepared high school graduates. According to the U.S. Education Department, 72%

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of students who have taken a college-preparatory curriculum in high school (four years of English, three years of math, two years of science and social studies) graduate from college within six years of starting or are still enrolled. But for those who have not taken such a curriculum, the comparable figure is 46%. Many efforts are underway to improve educational performance at the elementary and secondary school level—most notably provisions of the federal No Child Left Behind Act that require increased accountability and assessment from elementary and secondary schools. If these efforts prove successful, the nation will see increased college enrollments and higher graduation rates.

Second, students and families need better information about postsecondary education opportunities. Extensive research shows many students and their parents lack timely and accurate information about preparing for and financing a college education. Absent that information, families are not as

prepared to plan for postsecondary education as they might be. Extensive efforts are underway to address this lack of information—such as the KnowHow2Go campaign sponsored by Lumina, the American Council on Education and the Ad Council—and the initial results are promising. Other proven initiatives such as federal GEAR UP and TRIO programs have already demonstrated their effectiveness. And the redesign of the FAFSA will be an enormous step in the right direction.

Third, adequate financial aid for low- and middle-income families is absolutely critical. This administration has already demonstrated its strong commitment to student financial aid. The increased Pell funding and the new American Opportunity Tax Credit in the stimulus package, the proposal to make the Pell Grant program a full entitlement and to revitalize the Perkins Loan program are hugely important steps. Other forms of financial assistance, such as the much-anticipated new GI Bill, which is designed to enable a veteran to attend any

public college or university tuition-free, will also help meet the needs of students and families.

Fourth, state governments need to meet their responsibilities. It's no secret that state support for public higher education has been falling for the past 25 years. Just last year, the National Conference of State Legislatures chastised its own members for treating higher education as the "balance wheel" of state budgets, receiving whatever is left after other priorities like K-12 education and transportation have been funded.

Unfortunately, the recession has meant another round of deep budget cuts for many public institutions. Unless we maintain state support for public campuses to minimize tuition increases, boosting federal student aid will have little lasting impact. It now appears the federal government is prepared to do its part on student aid. Will the states? There is simply no way we will produce 700,000 more college graduates a year if we keep cutting funding. Indeed, we will need to increase higher education's capacity, and that will require more money.

Finally, sharply increasing the number of college graduates will require a renewed commitment to student graduation and success by colleges and universities. Many academically able students leave college without getting a degree. The reasons vary. But too many students fall through the cracks when intervention and support services by the institutions could enable them to finish their education. Over the last generation, we have dramatically increased our efforts to expand access to higher education for low-income and underprepared students. Now we must make a similar effort to ensure that those students finish what they start.

The president's goal will require a long-term effort by multiple actors, particularly higher education institutions themselves. It remains to be seen if America and its colleges and universities have the energy, wisdom and commitment to achieve it.

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Our Most Valuable Population

The case for disconnected young adults

NICHOLAS C. DONOHUE

In May, President Obama stated the need for every American to have at least one year of postsecondary education. That sentiment echoes the Nellie Mae Education Foundation's 2008 report, "What It Takes to Succeed in the 21st Century—and How New Englanders Are Faring." The report cites a growing consensus that reveals the minimum indicator of the skills and knowledge necessary for success as a two-year postsecondary credential of some kind. Working toward this goal becomes even more challenging when you consider the large number of young adults, ages 16 to 24, across the region who are unemployed and not enrolled in school. If we are to maintain—or hopefully improve upon—our current level of collective prosperity, we must begin to better engage this growing demographic with the goal of attaining some postsecondary credential. And we must begin to expand our current notions of what that credential could look like and which institutions facilitate its attainment.

The need to propel large numbers of citizens toward postsecondary degrees contrasts with New England's changing demographics. Actually, we say "changing demographics" but we've said "changing" for years now. It's time to admit that our region has *changed*. We have been fortunate to see an influx of immigrants and young people of color arrive and mature here. They have played a vital role in the workforce, as our overall population growth has stagnated. (From 1990 to 2000, the population of the U.S. increased by 11.5%, but grew by only 2.5% in New England). However, the growth of these populations has added emphasis to the fact that all our citizens are not educated equally or sufficiently.

Students of color and those from low-income families graduate high school at unacceptably low rates. A recent study by Northeastern University's Center

for Labor Market Studies and the Alternative Schools Network of Chicago looked at the 12 largest states, and discovered that one of five African-Americans and three of 10 Hispanics between the ages of 16 and 24 have left school.

For the young people from these populations who do graduate high school, the current economic downturn has spurred a trickle-down effect that further reduces the limited postsecondary options available to them. Two-year colleges are seeing an influx of students who previously would have attended four-year public colleges (which themselves are seeing an influx of student who in a better economy might have enrolled at more expensive private institutions) leaving fewer spots at two-year colleges for many students already at risk of becoming disconnected. Turned away from college, disconnected young adults enter the workforce where they must now compete for employment with those possessing four-year or even graduate degrees.

As a result, we now have far too many disconnected young adults across the region and nationally. While more likely to be from underserved populations, disconnected young adults are still a diverse group: teen parents; adolescents in the foster system; youth involved with the juvenile justice system; recent immigrants struggling to learn English; high school students who are one or more years behind their graduating class; and youth who have already dropped out. These are our sons, our daughters, our relatives and friends and neighbors who have been inadequately prepared academically and cast out into an unstable economy that increasingly demands the higher skills provided by a postsecondary credential.

The longer young adults are disconnected, the less likely they will ever

engage with the postsecondary opportunities that could turn their lives around. Currently, 22% of 25- to 29-year-olds are unemployed and out of the labor force nationwide. Today's disconnected young adults are at high risk of spending the rest of their lives as members of the working poor. To reverse this trend, we must work harder to engage this population with postsecondary opportunities.

President Obama himself recognized the importance of education for disconnected populations this past spring, saying: "Our unemployment insurance system should no longer be a safety net, but a stepping stone to a new future" as he ordered his labor and education departments to help make Pell Grants more readily available to those out of work.

Still, the landscape awaiting those young adults trying to re-enter the education system is treacherous. The good news is there is a growing regional history of shared accountability around successful transitions to postsecondary opportunities. One example is the Nellie Mae Education Foundation-supported Adult Basic Education (ABE)-to-College Transition Project. The project has successfully prepared thousands of New England adults who have earned a GED or external diploma program certificate for postsecondary education by helping them bridge the chasm between high school equivalency and college. These kinds of efforts must continue. But we must do more.

A growing group of organizations is attempting to engage New England's disconnected young adults with postsecondary opportunities. In New England, the Hyams Foundation recently launched its *Teen Futures* initiative, which aims to help unemployed high school dropouts, ages 16 to 22, "gain their high school credential and commence a path toward higher

education or a career-focused training program.” The initiative works to achieve this through direct, three-year grants to organizations that use a three-point model of education, skill development and employment in their programs serving this important population. Hyams also supports the organizations’ evaluation capacity to prove and improve the efficacy of the programs, and makes it a goal to share information back with other organizations and policymakers through convenings and briefings.

The combination of education and employment is not new to organizations serving disconnected young adults. However, the emphasis on postsecondary credential attainment has increased. The National Youth Employment Coalition (NYEC) is a national contributor to this trend through its Postsecondary Plus pilot program. This program, supported by the Gates Foundation and the Nellie Mae Education Foundation, works to create or enhance existing partnerships between community-based youth/young adult intervention organizations and community colleges to improve access and persistence for disconnected young adults. The program aims to lay the groundwork to establish shared accountability among community-based organizations, community colleges and other partners via memoranda of understanding and other detailed agreements that will formalize the responsibility all parties have for the success of the young people involved.

While we must ramp up the intensity of programs that focus on disconnected adults, we must also ensure that high schools and postsecondary educators work together to help prevent their ranks from growing. In Rhode Island, the Providence Plan aims to keep underserved urban students in school by developing pathways that will enable them to successfully graduate from a high-quality career or technical school and seamlessly enter postsecondary education or registered trade apprenticeships.

More recently, efforts are underway to test the notion that it is actually possible to corral a “system” of workforce development opportunities within a locale. Led by Bob Schwartz, academic dean at Harvard Graduate School of Education, and Kennedy School of Government economist Ron Ferguson, the effort suggests doing something about the “Forgotten Half” who do not fit into the traditional “dreams” of a four-year degree that so many of us who focus obsessively on a very narrow definition “college-ready” hold dear. Instead, the effort asks the question: What if the various training, certificates and other work-related opportunities were better understood and better coordinated? It is a simple notion that depends on a broader view of postsecondary success. Many graduates of four-year institutions are in good jobs that may not have required a four-year degree. Yet, we continue to put most of our emphasis on four-year completion

as the only goal, despite the prohibitive barriers that exist for much of the population. As a result, and while our region ranks high in bachelor’s degree attainment, we see weak associate degree attainment and continued low college participation among low-income and minority students.

The “Forgotten Half” work, the Providence Plan and the Hyams *Teen Futures* initiative—which all include secondary, postsecondary and workforce training—are the types of inclusive interventions that may one day serve as models for stemming the tide of high school dropouts that populate our disconnected young adult population.

New England should relish the riches bestowed upon us by our increasing diversity. We must now, however, address how to engage a growing number of disconnected young adults who the education system has failed and offer them postsecondary options without repeating the mistakes of “tracking” and the low expectations that come with it. If we are vigilant and rigorous, we can and should explore and promote the greater variety of high-quality postsecondary opportunities to ensure strong futures for these learners in question and the region as a whole.

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Funny Numbers: Corrections

With its 60-plus tables and charts brimming with data, a few numbers in *NEJHE*’s Spring 2009 special report on “Trends & Indicators in Higher Education” raised questions with readers.

For the full set of updated tables and charts exploring New England’s demography, high school performance, college enrollment and graduation, higher education financing and university research, visit NEBHE’s website at http://www.nebhe.org/info/pdf/nejhe/trends/2009/NEJHE_Trends_2009.pdf.

Specifically, in Fig. 14, the final column showing “the Percent of High School Graduates Going Directly to College” was not fully updated in the hard-copy issue,

but has been revised on the website. In Fig. 34, “Graduation Rates by State, Race/Ethnicity and Type of Institution, 2007,” the total percentage for “Public Land Grant in New Hampshire” should be 73%, and has also been revised on the website.

A reader at Merrimack College noted that in Fig. 15, “Migration of First-Time Freshmen to and from New England, 2007,” the number of freshmen from New England states is much smaller than the number from 2006. The reason is the U.S. Education Department asks institutions to complete this item “voluntarily” in odd years. In the future, we will spell out whether a reporting year is optional or mandatory.

To make additional clarifications, please email us at: nejhe@nebhe.org.