THE AMERICAN DREAM 2.0

How *FINANCIAL AID* can help improve college access, affordability, *and* completion

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Every year, millions of men and women enroll in a U.S. college or university. They dream of earning a degree that will help them secure a good job and support their family. Many of them, however, won't see that dream come true. ***Almost half of all students who enroll in an institution of higher learning do not graduate with any credential within six years.***

Our coalition believes smarter, more efficient, and more effective financial aid investments will strengthen our country and improve millions of lives. Today, we start a national dialogue and offer three overarching recommendations:

- Make aid **simpler** and more **transparent**;
- Spur **innovations** in higher education that can lower costs and meet the needs of today's students; and
- Ask institutions, states, and students to **share responsibility** for producing more graduates without compromising access and affordability.

Now is the time to seize that opportunity and marry access with student success in our financial aid programs.

Our COALITION

For the first time, a unique coalition has come together to address how financial aid can play a role in advancing the American Dream. We are gravely concerned by the twin challenges of declining affordability and the increasing number of students who enter college but don't graduate. We represent diverse national leadership—college and foundation presidents; civil rights leaders; top state policymakers; student activists; former budget and higher education officials; college access advocates; business leaders; and the nation's foremost authorities on financial aid.

Dr. Sandy Baum
Professor of Economics, Emerita
Skidmore College

The Honorable Mitchell E. Daniels, Jr.
President
Purdue University

Dr. Carl Camden
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Kelly Services, Inc.

Christopher Edley, Jr.
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Commonwealth of Virginia

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Postsecondary Education

Dr. David Longanecker
President
Western Interstate Commission
on Higher Education

Dr. Ron Mason, Jr.
President
Southern University System

Dr. Michael McPherson
President
Spencer Foundation

Jamie Merisotis
President and Chief Executive Officer
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Marc H. Morial
President and Chief Executive Officer
National Urban League

Janet Murguía
President and Chief Executive Officer
National Council of La Raza

Dr. Eduardo Padrón
President
Miami Dade College

Dr. Robert Reischauer
Former President, Urban Institute
Former Director, Congressional Budget Office

Aaron Smith
Co-Founder and Executive Director
Young Invincibles

Tom Snyder
President
Ivy Tech Community College

Amy Wilkins
Vice President for Government Affairs
and Communications
The Education Trust

A Call TO ACTION...

This past fall, some 20 million men and women enrolled in a U.S. college or university.[1] Most are chasing what you might call the American Dream 2.0. Like generations of Americans before them, they want to get a good job, own a home, and give their children a better life than they had. But there's a new wrinkle to achieving that dream. These days, the first step is to get some kind of a postsecondary credential.

Surprisingly, many of the 20 million students in college today won't get that credential. Our system of higher education is the envy of the world. Yet **46 percent of students who enroll in an institution of higher learning do not graduate with any credential within six years.**[2]

The numbers are worse when you drill deeper. **Sixty-three percent of African American students do not earn a credential within six years. For Hispanics, 58 percent won't cross the finish line in that time.**[3]

Every year, millions are leaving college without the meaningful education they came for, with serious repercussions. Without a college credential, they're much more likely to be unemployed; four of five jobs lost to the recession were held by Americans without a credential.[4] And by 2018, the nation will need 22 million new workers with postsecondary credentials, yet we'll fall at least 3 million short.[5]

Despite such need, tuition is rising faster than inflation or family income while state support is declining. This means more students are picking up an ever-larger share of college costs. Total annual student borrowing has more than doubled over the last ten years.[6] Burdened with such debt, many students without a credential are plunged under water financially. Indeed, the average default rate for those with no credential is more than four times the rate for those with a bachelor's degree.[7]

For the country, all this represents a clear danger. Whereas we used to lead the world in the percentage of young adults with postsecondary credentials, we now trail 13 other nations.[8] Unless we get more of our citizens through to graduation, society will become divided between the postsecondary haves and have-nots, and the economy will struggle to move forward.

Our coalition has come together because we see the promise of using incentives within the $226 billion financial aid system to help address our nation's college completion challenge.[9] Providing financial aid and just hoping for student success is not enough. We are confident that we can improve success while preserving the access to opportunity that is the hallmark of federal aid. Among us are college and

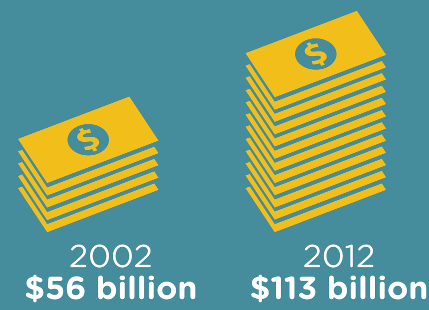
PERCENTAGE OF STUDENTS WHO DO NOT GRADUATE:

46% of students who enroll in an institution of higher learning don't graduate with any credential within 6 years.

63% of African American students do not graduate with any credentials within 6 years.

For Hispanics, **58%** won't cross the finish line in that time.

Total annual student borrowing has **more than doubled** over the last ten years, from roughly **$56 billion to $113 billion**.



foundation presidents; civil rights leaders; top state policymakers; student activists; former federal budget and higher education officials; college access advocates; business leaders; and the nation's foremost authorities on financial aid. Six of us were the first in our families to graduate college; many relied on aid to get there.

There are many ways to improve college completion; some of them rightfully aim to bolster K-12 education. But we believe federal aid programs are a common sense part of any solution. The same investment that gets students into college can be put to work to help them finish with a high-quality credential.

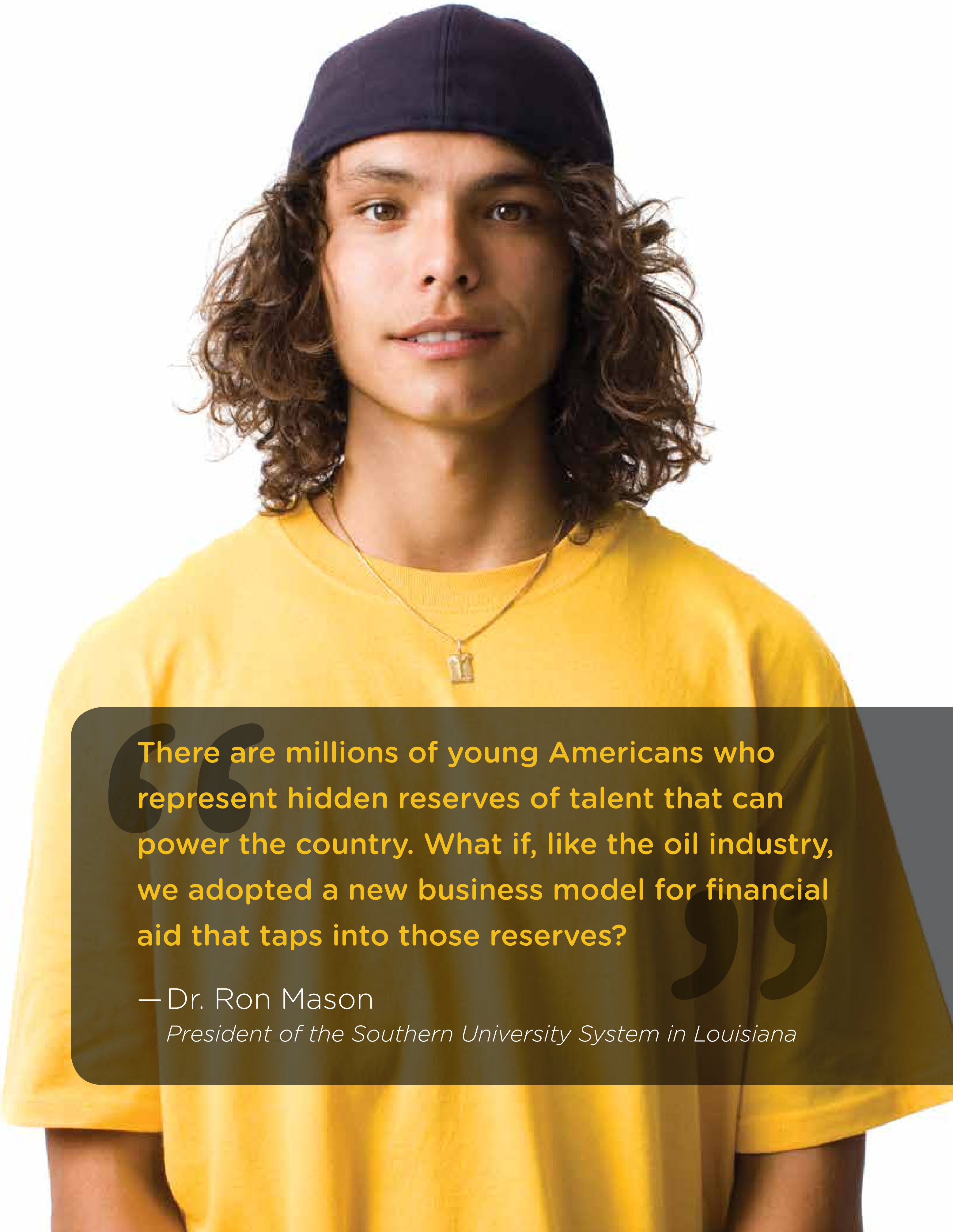
Few people see aid as a tool to promote college completion. Providing financial aid and just hoping for student success is not enough. This great nation and its powerful institutions of higher education can do more than hope. Our coalition believes aid dollars can work to expand access to postsecondary education and increase the number of graduates.

Financial aid policies in America today should reflect a new set of guiding principles:

- Build on our country's historic investment in access by helping students not just enroll in higher education but also complete a credential with value to themselves and the economy;
- Focus federal resources on the neediest students;[10]
- Innovate and evaluate new strategies to make a quality education more affordable and better suited for today's students, including the adults enrolling in increasing numbers;
- Simplify aid and present students and parents with a clear and complete picture of their college costs, repayment obligations, and career and earnings prospects; and
- Hold institutions, states, and students accountable for completion.

While we may differ about the details of how to best accomplish these principles, we are united in our conviction that now is the time to act. Ultimately, the cost of doing nothing is too great for families as well as the country itself.

"Neediest students" refers not only to low-income students, but also to those who have been historically underrepresented in higher education and thus face unique access and completion challenges. Indeed, for students of color, particularly African American and Latino students, it is not only their financial situation, but also a lack of social networks, study and time management skills, and college culture that dictate need.



There are millions of young Americans who represent hidden reserves of talent that can power the country. What if, like the oil industry, we adopted a new business model for financial aid that taps into those reserves?

—Dr. Ron Mason

President of the Southern University System in Louisiana

'The Financial Aid System Isn't Working'– A Story That Needs To Be Told

When Celia Banos was young, she went to community college to get an associate's degree in psychology. But bills piled up, life threw her a few curves, and she had to quit. She never got her degree, and she was stuck with $16,000 in loans to pay back.

Today, Celia is 41, a certified nursing assistant, and a single mom raising five kids in California's San Fernando Valley. The oldest is 19; the youngest is 11. They're all going to go to college, she says. And she's determined that they're going to finish. But she knows the odds are against that. The counselor at the local high school warns that many kids go off to school with big dreams, only to drop out and wrestle with big debt.

"The financial aid system isn't working," Celia says. "How do I know? Because there are kids who aren't graduating. They don't get a degree."

Celia is all too familiar with a problem that barely makes a ripple in policy debates. Higher education today appears healthy and strong; institutions are reporting record enrollments. Yet surprisingly few students make it to graduation day. **Nationwide, 46 percent of college students do not earn any credential within six years.**[11] At some colleges and universities, dropout rates are higher than the high school numbers that triggered a national crisis and a national response a decade ago.

Why does this matter? For many years, the United States counted its abundance of graduates as a competitive advantage in the global marketplace. We devoted considerable resources to democratizing higher education, and colleges and universities began pumping out thousands of smart, skilled workers.

Other countries saw this pipeline of talent and moved aggressively to build their own. The result? While the United States was once a world leader in college attainment among young adults, we've fallen well back in the pack. Even as we've enrolled millions of new students, the percentage of young people with a postsecondary credential has remained flat.[12]

"We have become complacent while the rest of the world implements what was once America's secret—educating our citizens to enhance our prosperity," argues Robert King, president of Kentucky's Council on Postsecondary Education.

The threat to the country's economic future is obvious. As the knowledge economy grows, fields such as advanced manufacturing, health sciences, and information technology will demand more workers with the skills that only postsecondary education can provide. It is estimated that in just five short years the U.S. economy will need 22 million additional workers with a postsecondary credential than we are on track to produce.[13]

THE BROAD REACH OF FEDERAL FINANCIAL AID

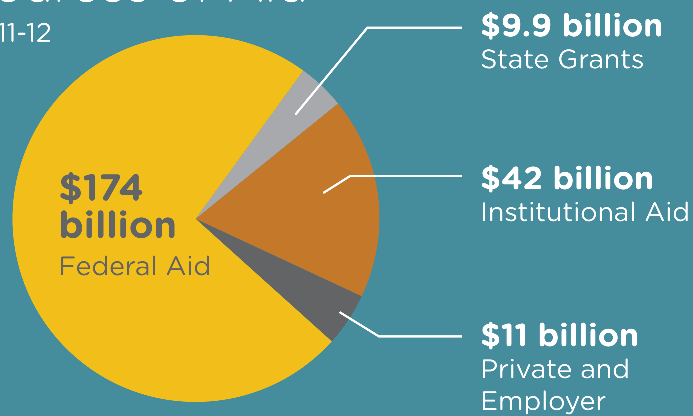
Pell Recipients

47%

of undergraduates receive financial aid

Sources of Aid

2011-12



> **Student debt is not just a 'now' problem; it is an anxiety issue for students and families. It raises the question as to where we are headed as a country.**
>
> — Aaron Smith
> *Co-founder and executive director of Young Invincibles*

Education has always been a great engine of social mobility. That's true now more than ever. In the past few decades, a college credential has become a prerequisite for entry into the middle class. Median lifetime earnings for those with a bachelor's degree are $2.3 million—74 percent more than those with just a high school diploma.[14]

Getting a credential doesn't guarantee a good job, but the market punishes anyone without one. During the recent Great Recession, unemployment rates for adults with only a high school diploma reached 13.4 percent. The unemployment rate for college graduates, meanwhile, never rose above 6.8 percent.[15]

For those without a job or a good salary, student debt can be crippling. Two-thirds of seniors graduating from four-year colleges in 2011 had student loans to pay back. Average debt: $26,600 per borrower.[16]

"Student debt is not just a 'now' problem; it is an anxiety issue for students and families," says Aaron Smith, co-founder and executive director of Young Invincibles, which advocates on issues impacting young adults. "It raises the question as to where we are headed as a country." Income-based repayment plans serve an important role, but students ultimately need affordable credentials that will help them land well-paying jobs.

The recipients of federal financial aid know all this. That's why they're willing to work two and three jobs to pay for college. They expect college to serve as a springboard to a better life with financial security. That potential to change lives is why the federal aid system was launched nearly 50 years ago. And it's why the system enjoys widespread support today.

"Every citizen has to have the opportunity to get a credential—whether a certificate, an associate's degree, or a bachelor's," says Dr. Eduardo Padrón, president of Miami Dade College, where more than two-thirds of students come from low-income families. "Anyone who doesn't get a college credential will never escape the cycle of poverty."

The seismic shift coming in the country's demographics will only add to the challenge. Underrepresented students are growing in number and will sometime in this century make the United States a majority-minority country. Yet bachelor's degree completion rates for African Americans and Hispanics trail those for whites by 20 percentage points and more.[17]

Serving More People, Better: The Value of Performance Metrics

How the federal government pays for health care offers lessons for federal financial aid, argues Dr. Robert Reischauer, a Medicare trustee and former director of the Congressional Budget Office. He points to 30 metrics used today to hold health providers accountable for quality care and cost management; each is consistent with what evidence says matters.

For higher education and federal financial aid to serve more people better, **our coalition believes that the government needs to collect and annually report robust and reliable performance metrics of access, completion, costs, and labor market outcomes.** It also can encourage colleges to post these data on their institutional websites, again to better inform student choices.

Two-thirds of seniors graduating from four-year colleges in 2011 had student loan debt. Average debt: **$26,600 per borrower.**

Among African American men, only one in four has a two- or four-year credential. Among Hispanic men, the number is one in five.[18]

Clearly, some high schools have not prepared their graduates for college-level work. K-12 reforms of the past decade are taking aim at just that problem. But this nation can't use that as an excuse to let students get derailed once they make it to college. For the students, the stakes are simply too high.

"The moral imperative is huge because we have failed too many people in early childhood and K-12 education," says Dr. Michael McPherson, president of the Spencer Foundation and a national expert on college completion and financial aid. "We cannot abandon them now. For most, a postsecondary credential is their only way to success."

There are big stakes for the country as well. If we don't do more to close these attainment gaps, the power of college as an engine of social mobility will wane just when we need it most.

"Education is an economic issue," says Marc Morial, head of the National Urban League and former New Orleans mayor. "We have to build a more equitable system of higher education to make us more competitive in the world economically."

Simply put: Increased college attainment joins K-12 achievement as this generation's economic and civil rights issue.

The Opportunity of a Funding Crisis

"With federal financial aid, we are more comfortable doing nothing than doing something, at least that has been true for the last 20 years. But doing nothing comes at an increasingly higher cost," suggests Jamie Merisotis, president and CEO of Lumina Foundation. Federal student aid programs have fallen victim to the same policymaking approach that now disrupts all federal tax and spending decisions—changes are designed without a long-term plan. It will cost nearly $70 billion in additional funding over the next ten years to sustain current Pell Grant commitments. And extending current levels of support for loan and tax benefits will cost even more.[i]

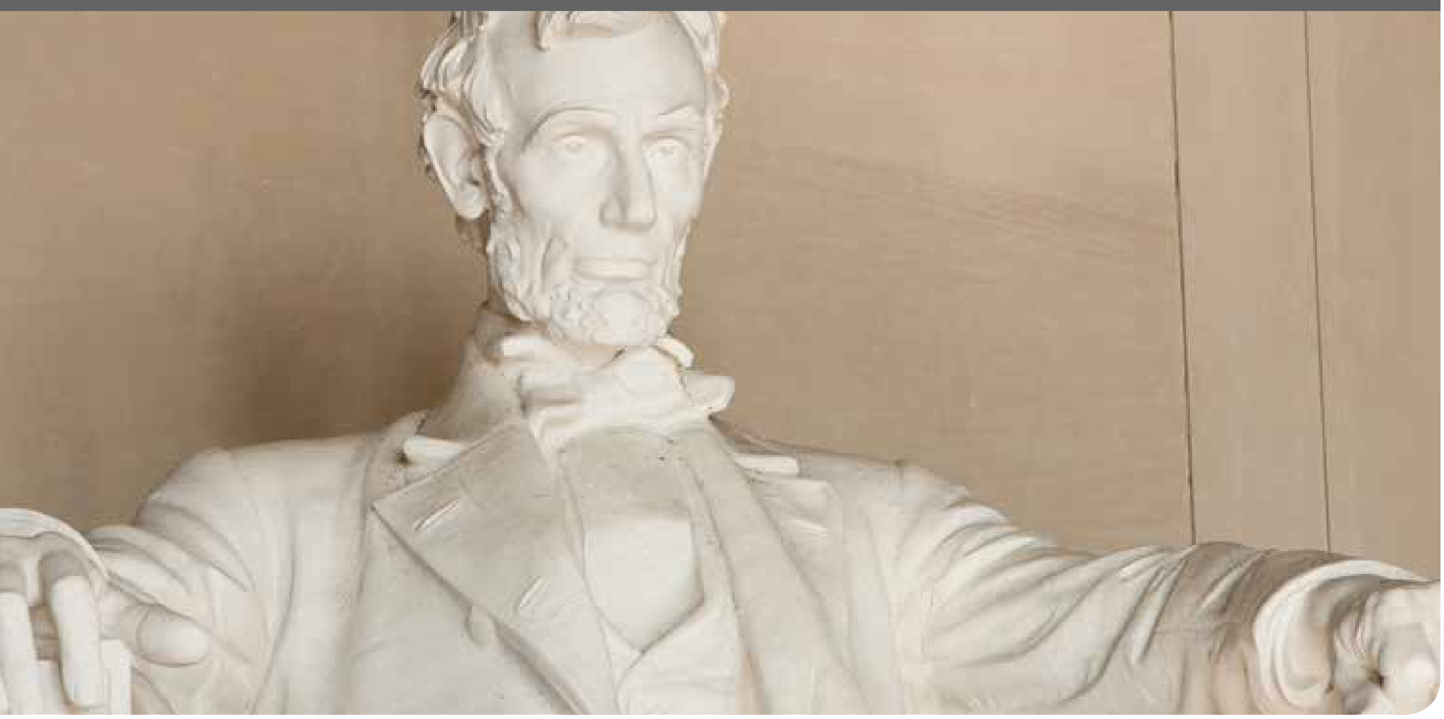
To start, the Pell Grant program faces consistent deficits that Congress has addressed with emergency provisions, knee-jerk cuts to eligibility, and resources redirected from eliminated aid programs. *Policymakers must find a permanent funding stream that solidifies the Pell Grant's position as the foundation for federal financial aid.*

The less-than-optimal design and delivery of financial aid affects federal student loan programs as well. In 2007, Congress enacted a series of temporary interest-rate reductions on some loans. When that policy expired in 2012, Congress passed a one-year extension of the lower rate. *Rather than one-year fixes, our coalition supports a comprehensive solution that simplifies the system for students, improves income-based repayment, and keeps higher education affordable for students and families.*

A lack of coherent planning plagues the interaction between our system of higher education tax credits and the grant and loan programs. Most recently, passage of the American Taxpayer Relief Act of 2012 permanently extended some education benefits (like the expansion of employer-provided education assistance and expanded deductibility of student loan interest deductions), extended some benefits for five years (the American Opportunity Tax Credit), and extended others through just 2013 (tuition and fees deduction).

These benefits are confusing—often students and families do not choose the programs that would help them the most—and they are expensive. As part of the stimulus passed in 2009, for example, the American Opportunity Tax Credit expanded the Hope Higher Education credit to help more low-, moderate-, and higher-income students and families afford college. This change was originally set to expire after 2010, but lawmakers initially extended it through 2012 and just extended it again through 2017 at a cost of $67 billion.[ii]

A Historic Commitment to College Access; **A New Commitment to College Completion**



On July 2, 1862, during one of the darkest hours of the Civil War, President Abraham Lincoln authorized the federal government's first major investment in higher education. Even with the U.S. Treasury hemorrhaging and Confederate troops threatening Washington, Lincoln signed a bill that turned federal land over to each state to endow and build college and universities—what are today called land-grant colleges.

With this act, the country provided for the education of the farmers and working class in America and began to reap the many benefits that flow from democratizing education.

Starting about three-quarters of a century later, the federal government began to redouble this commitment to make college accessible. After World War II, the GI Bill invested in the talent of millions of military veterans. In the mid-1960s and early 1970s, the federal government created programs offering grants, loans, and work-study aid to poor and moderate-income students. Since then, college enrollment has soared, and one of America's oldest commitments has become one of its greatest triumphs.

Yet like an old house, the aid system needs renovation and modernization. Various parts don't work well together. It's time to take a step back and look at the system as a whole.

The current fiscal climate also demands that we give the system a thorough review. "The investment is so big that we're compelled to ask: Is this important job being done as well as it could?" says the Spencer Foundation's McPherson. "Whatever money goes to federal aid, we must make sure we use it in the most effective way to change lives."

What's clear is that the size and sweep of the federal aid system could make it a powerful tool to help improve completion. Federal aid dollars flow to nearly half of all undergraduates and virtually every postsecondary institution, from Ivy League schools to the smallest community colleges.[19] This money is critical to students and schools alike.

The challenge for policymakers: How to re-imagine aid and use it to support college completion as well as increased college access and affordability. Financial aid is an important but often inefficiently used part of the student success tool kit. The most rigorous research tells us that aid works, but poor targeting blunts its potential impact.[20]

Specifically, we must:

- Make aid **simpler** and more **transparent**;
- Spur **innovations** in higher education that can lower costs and meet the needs of today's students; and
- Ask institutions, states, and students to **share responsibility** for producing more graduates without compromising access and affordability.

Toward a Simpler Aid System

The aid system today is a patchwork quilt, with redundancy, undue complexity, and inconsistent regulations. The tax code includes 14 separate credits intended to make college more affordable. The IRS tries to help families sort out these choices, but its taxpayers' guide runs 87 pages long![21]

The application for loans and grants, meanwhile, is longer than the typical family's federal tax return. Called the Free Application for Federal Student Aid, or FAFSA, it requires answers to dozens of questions, though only a few data points are used to determine eligibility and aid level. Even after completing this paperwork marathon, families get few clues about the amount of aid they might receive.

> Education is an economic issue. We have to build a more equitable system of higher education to make us more competitive in the world economically.
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> —Marc Morial
>
> *President and CEO of the National Urban League and former New Orleans mayor*

Faced with such uncertainty and so much confusing information, many students are too overwhelmed to apply for aid. This is a lost opportunity to increase access *and* boost the number of graduates. Job number one for a redesigned system of financial aid should be to make things simpler and easier. It should:

1. ***Streamline the multiple grant, loan, and tax programs without reducing investment levels.***
2. ***Reduce paperwork.***
3. ***Give families more and better information.***

Research suggests that simplifying the needs analysis and application could alone significantly increase enrollment.[22] Further, we know that too many college students today demonstrate some eligibility for federal aid but never apply because the system is too complex. Getting aid to these students can make it more feasible for them to enroll full time and stay continuously enrolled—key predictors of completion.

The federal aid system can do even more to introduce "truth in lending" standards to the process. It should:

1. ***Collect and publish data from each college on student progression; completion rates; what students pay and borrow; students' ability to repay debt; and job placement and earnings. This data must be disaggregated to understand how all students, not just traditional full-time students, fare. To the extent possible, outcomes measures should be adjusted for the entering qualifications of students.***
2. ***Create look-up tables with federal grant and loan estimates so that families go into the process with a better sense of the federal aid they might get and their repayment obligations.***

Ultimately, the federal aid system and institutions should work together to better inform students' choices.

Light the Fires of Innovation

When the main federal aid programs were created in the '60s and '70s, college students were typically kids right out of high school who went straight into four-year residential colleges, with mom and dad covering the cost. Today, the story of who attends college is different. Students are older, often into their 30s and 40s. They're juggling their studies with the demands of a career and a family. Some are single parents; others are recently unemployed and eager for skills that will land them a new job.

Such "nontraditional" students now fill out the ranks of higher education. Part-time students make up 38 percent of enrollment in American higher education.[23] Only 15 percent of undergraduate students live on campus.[24] Three in ten undergraduates work full time. And one in four have children.[25]

Colleges are coming up with creative ways to meet the needs of these new students—and help them complete programs. Large national networks of colleges, systems, and states are focused on redesigning remedial education, which leaders recognize is a choke point for students. Fewer than 1 in 10 who start community college remedial classes graduate on time; the same is true for about a third of students who take remedial work in four-year schools.[26] Some struggle because they weren't prepared well in high school. Others haven't stepped in a classroom and wrestled with core academic material in 10 or 20 years. The experience is frustrating: The courses don't carry credit, yet they're a prerequisite to a credential.

Colleges are also experimenting with new ways to assess learning. They're adopting competency-based programs in which students advance in their program not by sitting in class three hours a week but by demonstrating mastery of a set of skills. Through this approach, colleges can offer credits for skills that someone learned on their own or through work experience. Students on their way to a credential don't waste time and money sitting in required classes that teach what they already know.

Innovative programs are also seizing upon the advantages of technology to deliver high-quality education at low costs. Online programs connect students from across the country and offer flexibility and customized curriculum so that students with family responsibilities and jobs can move through a program at their own pace. These will never replace the traditional college, but if they provide a quality degree for a more affordable price, they're a welcome form of higher education for students who might never

The "Nontraditional" Student

Percentage of college students who:

Are Enrolled Part-Time

38%

Live on Campus

15%

Have Children

25%

By 2018, the nation will need **22 million** more credentials to fill good jobs—but it will fall short of that number by **3 million**.

get a credential otherwise. They expand the pool of who can go to college and get a credential—exactly what we need to do.

Federal aid programs need to be more flexible in the midst of all this change. They should:

1. ***Offer incentives for colleges, systems, and states to use aid to support faster and cheaper ways to educate students, including getting them college-ready.***
2. ***Review and revise rules that tie innovators to a traditional academic calendar and fail to let older students progress and graduate at their pace.***
3. ***Invest in a robust program of research and development to experiment with new ways to target and deliver financial aid dollars.***

"The student aid system was designed with a primary focus on traditional-age college students," says Dr. Sandy Baum, professor emerita of economics at Skidmore College. "We have to think hard about how to improve the system's support of these students while meeting the very different needs of older students pursuing a variety of postsecondary goals."

Sharing Responsibility for the Goal

A new system of federal aid must revise the current system of standards to focus both students and institutions on fostering success in the classroom. Right now, once the student receives financial aid and enrolls, the money stops working. Little about the structure or delivery of aid encourages students to succeed academically or get their credential. Schools get their money regardless of whether students complete their program of study. Pell grant recipients collect their checks even if they don't complete a course or master a competency. A core requirement of a revised aid system should be "First, do no harm." When students leave college with no credential and a load of debt, they may be worse off than when they entered.

Why not change the equation? Why not use financial investments to maximum effect to encourage college enrollment *and* completion? "Higher education is a model that is charging by the transaction and not the outcome," observes Dr. Carl Camden, president and CEO of Kelly Services, a Detroit-based staffing agency. "We can do better. All of us in the service industry are moving to pricing by the outcome."

State lawmakers are beginning to demonstrate the potential of that approach. Typically, enrollment drives state funding for higher education; often, the state gives the college roughly the same dollar amount for each student enrolled. But several states are developing outcomes-based funding systems in which schools are funded according to the number of students who succeed in class, progress through their program, and graduate. Within their funding formulas, lawmakers are embedding

The tax code includes 14 separate credits intended to make college more affordable. The IRS tries to help families sort out these choices, but its taxpayers' guide runs 87 pages long!

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>
> —Jamie Merisotis
> *President and CEO of Lumina Foundation*

financial incentives that kick in when students hit "momentum points"—critical academic milestones such as the mastery of precollegiate math and writing skills, completion of a first year of credits, and awarding of the credential or certificate itself. This approach encourages schools to support students with advising and other resources, streamline pathways to a credential, and focus on helping students get what they came for.

Indiana, Ohio, Pennsylvania, Tennessee, and Washington are among a growing number of states that are aligning the way they fund colleges with expectations for more student success and a few equity-oriented outcomes measures. "It's a conscious decision as a state to pay for what we value," says Teresa Lubbers, Indiana's commissioner of higher education.[27]

States and colleges are also experimenting with financial incentives that encourage and reward low-income students for progress. **Aid programs in Ohio, New Mexico, New York, and West Virginia show varying yet statistically significant effects associated with establishing clearer and higher expectations for earning additional dollars or maintaining aid eligibility.**[28]

These efforts point the way to a new commitment to use money to help change college policies as well as student behavior. Today a college could be graduating a tiny portion of students and still get federal aid dollars. Students can play by the rules and continue in school full time for six years, exhaust aid eligibility, and still not earn a credential.

That has to change. Currently, the financial aid system has too little accountability. While protecting access to educational opportunities for the neediest students, policymakers should look for ways to:

1. ***Encourage student enrollment and completion by linking aid to educational outcome measures that take into account different levels of student readiness and other important input factors, to the extent possible.***
2. ***Reward colleges and students that exceed expectations.***

Together, leaders would carefully calibrate and phase in these measures. And the measures would recognize that even students who work hard and move through a program efficiently are sometimes derailed on their way to a credential. Life happens, and students shouldn't be penalized for what they can't control.

Ultimately, however, federal aid outcomes measures for institutions and students would reward what we value: completion, student persistence and momentum, and success with disadvantaged students.

The States' Role in a New Aid System

The federal aid programs were built on the assumption of a large and robust system of public higher education supported by state and local governments. In recent years, most states have been unable to keep pace with rapidly increasing enrollment, and state spending per student has decreased.[iii]

Our challenge is both the level of state funding and whether resources are targeted effectively. Some states have made strong commitments to protect low-income students from the worst impacts of budget reductions; others have not. **Our coalition believes states need to make sure that low-income students have an affordable path to a quality credential.** Those pathways must have the capacity to meet demand so that students are not locked out and forced into higher-priced alternatives where completion rates are low and debt levels are high.

Our CONCLUSION

Historically, the democratization of higher education has been a powerful driver of our economic growth, social mobility, and individual prosperity. In short, it's fundamental to much of what has made America unique.

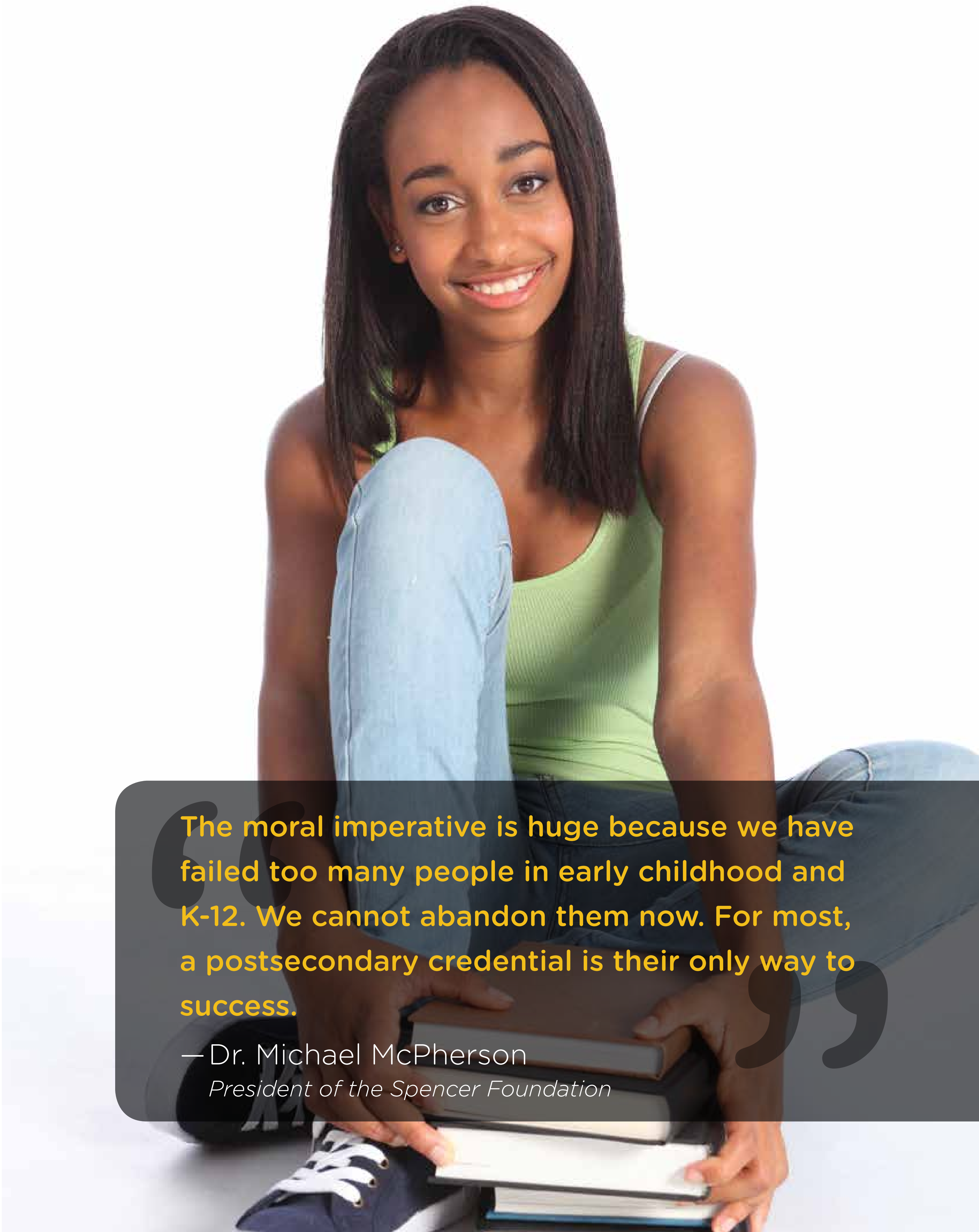
> "Anyone who does not get a college credential will never escape the cycle of poverty."
>
> —Dr. Eduardo Padrón
> *President of Miami Dade College*

With so much at stake, we can't afford to tinker at the edges as we build a more effective federal student aid system. We must aim high.

We can take a lesson from the oil industry. A decade or so ago, experts concluded that our nation's supply of oil was almost exhausted. Only Middle Eastern countries had ready access, and even their supply was not limitless. The country's leaders recognized this as a national security risk. Then, new science and technology revealed vast reserves hidden beneath the earth's surface. To get at that oil, the industry threw out its business model and adopted new ways to invest in operations and drill for that oil. With so much power just waiting to be tapped, it reinvented itself to make the most of the opportunity.

The parallels for higher education are obvious. "There are millions of young Americans who represent hidden reserves of talent that can power the country," says Dr. Ron Mason, president of the Southern University System in Louisiana. "What if, like the oil industry, we adopted a new business model for financial aid that taps into those reserves?"

Through a more effective financial aid system, we have an enormous opportunity to strengthen our country and improve millions of lives. We do not have a minute to waste if more of our citizens are going to have their chance at a postsecondary credential, the gateway to the American Dream 2.0.



"The moral imperative is huge because we have failed too many people in early childhood and K-12. We cannot abandon them now. For most, a postsecondary credential is their only way to success."

—Dr. Michael McPherson
President of the Spencer Foundation

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Team Supporting the Coalition

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HCM Strategists, founded in 2008, is a public policy and advocacy consulting firm that works with clients to align, advocate for, and advance public policies that improve our nation's education and health.

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