

Quick Definition

Postsecondary access refers to entry into a postsecondary credential program. Postsecondary credential encompasses a broad range of programs that students may complete after high school. Access depends on multiple factors including comprehensive information about the application and financial aid processes, knowledge about the requirements of postsecondary study and the culture of postsecondary institutions, and financial assistance.

Postsecondary education and training are now a necessity for all young Georgians. By 2020, 60 percent of jobs in Georgia will require a postsecondary degree or certification, but only 42 percent of young adults have either today.¹ To close this gap, 250,000 more students must complete postsecondary programs over the next eight years. Reaching this goal is an ambitious challenge. Ensuring all students have access to postsecondary institutions is an essential element of meeting it. Access is tied to providing them the information they need about postsecondary education and the financial support that makes it affordable.

¹ University System of Georgia, Technical College System of Georgia. (2011). "Complete College Georgia: Georgia's Higher Education Completion Plan 2012." Retrieved June 12, 2012, from http://www.usg.edu/educational_access/documents/GaHigherEducationCompletionPlan2012.pdf.

Relevancy to Georgia

Many students in Georgia have access to postsecondary institutions. Almost three-quarters of Georgia’s high school graduates enter a postsecondary institution in the year after graduation.² Compared to many states, this is a relatively high number, yet it still means that over a quarter of the state’s high school graduates do not attempt postsecondary study and will not gain its benefits.

Beyond this, there are differences in college going rates between students based on their geography, ethnicity and income. In 32 school districts, an average of 40 percent or more of high school graduates did not enroll in postsecondary institutions between 2000 and 2007.³ In other districts 80 percent or more of graduates went on to study at postsecondary institutions. Table 1 lists the districts with the highest and lowest average enrollment rates between 2000 and 2007.

Table 1: Average Postsecondary Enrollment Rate 2000-2007

Top 5 Districts	
District	Average Enrollment Rate
Fayette County	84.4
Oconee County	82.7
Columbia County	81.3
Decatur City	80.4
Chickamauga County	80.3
Bottom 5 Districts	
McIntosh County	35.3
Taliaferro County	43.6
Jenkins County	44.9
Greene County	48.2
Meriwether County	51.2

Some of this disparity reflects differences in poverty rates or other factors that influence high school graduation and college enrollment rates. Nevertheless, geography matters.

² Collins, C. (2010). "Measuring Success by Degrees: The Status of College Completion in SREB States." Retrieved June 24, 2012, from http://publications.sreb.org/2010/10E13_Measuring_Success.pdf.

³ Governor’s Office of Student Achievement (2009). “First Annual Report of Georgia’s Students’ High School to College Transition.” Retrieved September 7, 2012 from [http://archives.gadoe.org/DMGetDocument.aspx/GOSA%20NSC%202000-2008%20web%20\(updated\).pdf?p=6CC6799F8C1371F642F11AB918C1EEAE81DF038309C3D1C9168ED53065A5B999&Type=D](http://archives.gadoe.org/DMGetDocument.aspx/GOSA%20NSC%202000-2008%20web%20(updated).pdf?p=6CC6799F8C1371F642F11AB918C1EEAE81DF038309C3D1C9168ED53065A5B999&Type=D)

Another issue of concern is the difference in postsecondary enrollment rates between various groups of students. Some students are more likely to enter postsecondary institutions than others. Table 2 contrasts the representation of different ethnic groups among 2010-11 graduates of Georgia's public high schools with first-time freshmen who enrolled in the University System of Georgia in Fall 2011.^{4,5} These data suggest that black, Hispanic and Native American students are less likely than their Asian and white peers to enroll in the University System.

Table 2: High School Graduation Rates by Ethnicity

	High School Graduates 2010-11	First-time USG Freshmen Fall 2011
Asian	3.8	5.5
Black	36.6	30
Hispanic	7.9	6.3
Native American	0.3	0.2
Multi-racial	2.5	2.7
White	49	52.8

Detailed statewide postsecondary enrollment data is not available, but a recent analysis of postsecondary attainment of graduates of Fulton County Schools (FCS) by the Strategic Data Project at Harvard University offers insight into the disparities in college access among different groups of students.

Overall 75 percent of Fulton County graduates enroll in a postsecondary institution the fall after they graduate, 67 percent to four-year institutions and 8 percent to two-year institutions.⁶ There are large variations in the postsecondary enrollment rate between students of different races. While 88 percent of white Fulton County graduates go on immediately to postsecondary institutions, only 62 percent of black and 37 percent of Hispanic graduates do so.⁷ As the state's population becomes increasingly diverse, disparities such as these pose significant challenges to increasing the proportion of young adults with a postsecondary degree or credential.

Multiple factors deter students from pursuing postsecondary study, two key being affordability (the cost of enrollment and the availability of financial aid to offset those costs) and information about and support for enrollment, which many students do not receive.

⁴ University System of Georgia (2012). "USG by the Numbers." Retrieved June 28, 2012, from https://app.usg.edu/portal/page/portal/USG123_10G.

⁵ Georgia Department of Education. "2010-2011 Report Card, All Schools, Three-Year Comparison of Graduation Rates." Retrieved June 20, 2012, from [http://reportcard2011.gaosa.org/\(S\(z1dpl5vatgrunazgkiiii45\)\)/k12/Indicators.aspX?ID=ALL:ALL&TestKey=GradRate&TestType=indicators](http://reportcard2011.gaosa.org/(S(z1dpl5vatgrunazgkiiii45))/k12/Indicators.aspX?ID=ALL:ALL&TestKey=GradRate&TestType=indicators).

⁶ Strategic Data Project (2011). "Exploring Post-Secondary Attainment: The SDP College-Going Diagnostic." Retrieved June 23, 2012, from http://www.gse.harvard.edu/~pfpie/pdf/FCS_CG_Brief.pdf.

⁷ Ibid.

Affordability

Tuition and fees for Georgia colleges traditionally have been lower than surrounding states, but that has been changing in recent years. In 2009-10, average tuition and fees at Georgia public four-year institutions was \$5,100, compared to a national average of \$6,300 and an average of \$5,700 in the 16 states studied by the Southern Regional Education Board.⁸ However, that was an increase of 54 percent since 2005, adjusted for inflation, while the national average rose only 20 percent and the SREB-state average rose 25 percent.

Also, Georgia two-year colleges are significantly more expensive than those in other states. Georgia's average tuition was \$3,000 in 2009-10, compared with an average of \$2,900 nationally and \$2,600 in SREB states. As with four-year institutions, tuition at Georgia institution rose precipitously, 57 percent since 2005 compared with 27 percent both nationally and in SREB states. In the SREB region, only Kentucky, South Carolina, and Maryland had higher average tuition at two-year institutions than Georgia.

Georgia traditionally gets low marks for college affordability in national surveys because the state has devoted little funding to need-based financial aid for college-bound students. The final *Measuring Up* report from the National Center for Public Policy and Higher Education, for example, gave the state an F for affordability in 2006, noting in addition to the lack of state-funded financial aid that tuition rates at two-year and four-year institutions were much higher than others, as compared to family income.⁹

Such reports, however, leave out the state's most innovative financing option for higher education: the HOPE Scholarship. While the scholarship is now in peril, it became a national model for affordability in higher education, predicated on students' academic achievement in both high school and college.

HOPE Scholarship

Former Governor Zell Miller created the state-financed scholarship program as a part of a plan to develop a lottery that would provide dedicated financing to primary, secondary, and postsecondary education. When the scholarship was first introduced in 1994, it was designed to help low-income children attend college. Students with a family income of \$60,000 and a 3.0 grade-point average from a Georgia high school could receive tuition at the University System of Georgia institutions, some allowable fees and up to \$300 a year book allowance. Students at in-state private institutions could receive up to \$1,500, later increased to \$3,500. Georgia students at technical colleges were eligible for a HOPE grant covering tuition, fees, and a book allowance.

Due to larger-than-expected revenue from the Georgia Lottery, the income cap was raised to \$100,000 in the scholarship's second year and abolished altogether in the third year. Students can

⁸ Southern Regional Education Board (2011). "Georgia Featured Facts." *SREB Fact Book*. Retrieved June 25, 2012, from <http://publications.sreb.org/2011/GA.pdf>.

⁹ National Center for Public Policy and Higher Education (2007). "Measuring Up: The National Report Card on Higher Education." Retrieved June 5, 2012, from <http://measuringup.highereducation.org/reports/stateProfileNet.cfm?myYear=2006&statername=Georgia&cat=AFF>.

retain the scholarship for up to four years if they maintain a 3.0 grade-point average in college. The success of the lottery provided funding for other HOPE “add-ons” programs. The first was in the form of assistance to children of Georgia law enforcement officers and in 1995 a scholarship was set up for students who attend Georgia Military College. In 2000, HOPE further expanded by allowing qualified students to “stack” the HOPE Scholarship with their Pell grant. Additional grants and scholarships include the Promise Teacher Scholarship, the Accel Program, and the GED Hope Scholarship.

Researchers estimated that the program increased the number of students enrolled in college by 5.9 to 7.9 percent.^{10 11} Other research suggests that the scholarship has increased college retention and graduation, at least for those students who do not lose their HOPE grants.^{12 13}

However, the benefits of HOPE have not been spread evenly throughout the state’s population. One study found that most of the increase in college attendance has come from middle-class families, and a second noted that HOPE scholarship benefits tend to accrue to higher-income, more educated households—even though such households tend to buy fewer lottery tickets than lower-income households.^{14 15}

As the recession hit Georgia, the HOPE Scholarship began to face additional challenges. With lottery revenues stagnating and both attendance numbers and tuition rates increasing, the General Assembly decoupled the award amount from tuition in a plan proposed by Governor Nathan Deal. For the 2011-12 school year, students with a high school GPA of 3.7 and a high standardized test score (1200 on the SAT’s critical-reading and math sections or 26 on the ACT) continued to receive an award covering full tuition at public universities under a plan called the Zell Miller Scholarship. Awards at Georgia’s private college increased to \$3,600 per year. Students with a high-school GPA between 3.0 and 3.7 would receive an award based on a percentage of tuition set annually by the legislature.

The Georgia Student Finance Commission now annually publishes the dollar figure covered by HOPE at public institutions.¹⁶ In 2011-12, the first year under the new plan, the award covered 87 percent of tuition. As a result, the program’s reach and funding plummeted with the scholarship reaching 21 percent fewer recipients than the prior year and total funding declining

¹⁰ Cornwell, C. M., D. Mustard, et al. (2006). "The Enrollment Effects of Merit-Based Financial Aid: Evidence from Georgia's HOPE Scholarship." *Journal of Labor Economics* **24**: 761-786.

¹¹ Dynarski, S. M. (2002). "The Behavioral and Distributional Implications of Aid for College." *American Economic Review* **92**(2): 279-285.

¹² Henry, G. T. and R. Rubenstein (2002). "Paying for grades: Impact of merit-based financial aid on educational quality." *Journal of Policy Analysis and Management* **21**(1): 93-109.

¹³ Henry, G. T., R. Rubenstein, et al. (2004). "Is HOPE Enough? Impacts of Receiving and Losing Merit-Based Financial Aid." *Educational Policy* **18**(5): 686-709.

¹⁴ Dynarski, S. M. (2002). "The Behavioral and Distributional Implications of Aid for College." *American Economic Review* **92**(2): 279-285.

¹⁵ Rubenstein, R. and B. Scafidi (2002). "Who Pays and Who Benefits? Examining the Distributional Consequences of the Georgia Lottery for Education." *National Tax Journal* **55**(2): 223-238.

¹⁶ Georgia Student Finance Commission. "HOPE Scholarship Standard Undergraduate Tuition Amounts for Fiscal Year 2013, Beginning Summer Term." Retrieved June 23, 2012, from http://www.gsfc.org/main/publishing/pdf/2011/hope_award_amounts.pdf.

38 percent.¹⁷ This is likely to be only the beginning of HOPE's challenges, according to a February 2012 report by the Georgia Budget and Policy Institute.¹⁸ The institute projects that the Georgia Lottery's reserve funds are likely to be tapped by 2013-14, and that by 2016, the HOPE scholarship program would run a deficit of \$163 million if awards were maintained at current levels, or would be able to cover less than half of tuition costs and remain solvent.

In part because of HOPE, Georgia's students have not accrued a significant amount of student loans to attend in-state institutions according to the Project on Student Debt. The state ranks 33rd in the proportion of students graduating with debt (55 percent) and 44th in the average debt loan (\$18,888).¹⁹ Two institutions—Augusta State and Kennesaw State University—made the projects list of “low debt colleges and universities.” Nonetheless, the combination of rising tuition and declining HOPE is likely to make these rates a challenge to sustain.

Until recently Georgia was the only member of the Southern Regional Education Board that did not have a state need-based financial aid program. State policymakers created two in 2012. The legislature established a \$20 million fund to finance need-based aid, the Student Access Loan Program. Loans are to be forgiven if recipients are certified to teach K-12 and are hired by a state public school to teach science, technology, engineering, and/or mathematics.²⁰

The second need-based program is a scholarship program: Realizing Education Achievement Can Happen (REACH) program. Awarded competitively, REACH provides college scholarships to academically successful, low-income middle school students. The scholarship is \$2,500 annually for a total of \$10,000 over four years. REACH students are paired with a mentor during high school. Though initiated by the state, REACH is a locally funded program. The state is covering the full cost of the program during the 2012-13 academic year, the first year of operation, and half during the second.²¹ Districts that choose to participate must cover all costs through local fundraising in subsequent years. These costs include the mentoring program as well as a program requirement that districts provide school coaches who can help students stay on track for graduation. Two districts are piloting the program during the 2012-13 academic year. Given the requirements of local districts, especially in light of significant budget cuts in recent years, it is uncertain how many districts will chose to participate or how broad the program's scope and impact might be.

Information and Encouragement

¹⁷ Georgia Student Finance Commission. "Scholarship & Grant Award History." Retrieved June 24, 2012, from https://www.gsfc.org/GSFCNEW/SandG_facts.CFM?guid=&returnurl=https%3a%2f%2fsecure.gacollege411.org%2fFinancial_Aid_Planning%2fHOPE_Program%2fGeorgia_s_HOPE_Scholarship_Program_Overview.aspx.

¹⁸ Johnson, C. D. (2012). "HOPE on a Tightrope: Maximizing Lottery Funds to Yield the Best Education Results." Retrieved June 23, 2012, from http://gbpi.org/wp-content/uploads/2012/02/Lottery_Funds_Reform_Report_020720121.pdf.

¹⁹ Project on Student Debt. "State by State View: Georgia." Retrieved June 24, 2012, from http://projectonstudentdebt.org/state_by_state-view2011.php?area=GA.

²⁰ Georgia Student Finance Commission (2011). "Preserving HOPE and Georgia Pre-K for Future Generations." Retrieved June 23, 2012, from http://www.gsfc.org/MAIN/publishing/pdf/2011/hope_changes.pdf.

²¹ Diamond, Laura. "Funding Uncertain for REACH Scholarship." *Atlanta Journal Constitution*, May 29, 2012.

Many students, particularly those from historically underrepresented groups, do not have accurate information about postsecondary education including admission requirements, costs, aid and expectations of college level work.²² For example, they may overestimate the cost of postsecondary study and not understand financial aid or how to obtain it. This is enough to deter many students from even applying. Through Complete College Georgia, a collaborative initiative by the University System of Georgia and the Technical College System of Georgia to improve college-going and completion rates, new activities are being designed and existing ones expanded to engage high school students and provide them with the assistance they need to enroll in postsecondary institutions.

Georgia Apply to College. High schools across Georgia can host Georgia Apply to College day in November. Open to all seniors at each school, trained teachers and volunteers guide students through the online application process. The first Georgia Apply to College sessions were held in 2008. Eight high schools participated and 870 students attended. Those high schools saw a 256 percent increase in the number of applications students submitted.²³ In 2011, 181 schools hosted Georgia Apply to College days; the goal for 2012 is 200 schools with continued expansion in subsequent years.²⁴

GAcademy411.org. The website *GAcademy411.org* is a comprehensive resource for information about secondary and postsecondary options, with planning tools to help craft individualized graduation plans. Students can determine if they are taking the courses required for entry into postsecondary institutions, prepare for college admission tests, calculate financial need and identify sources of aid, explore specific institutions and majors and much more.

Near Peer Mentorships. Through Near Peer Mentorships, students at institutions in the Technical College System and the University System mentor high-need high school students. North Georgia College and State University, for example, pairs juniors and seniors majoring in middle and secondary education with high school students to encourage them to apply to college and provide assistance in doing so.²⁵ At Dalton State College, which is working with Whitfield County Schools, the Near Peer program also includes support in math and English Language Arts.

The results have been positive. Among participating high school students, for example, the need for remediation in postsecondary institutions has decreased by 45 percent. However the current reach of Near Peer programs is small. At Dalton State 19 high school students participated, as did 37 in the Near Peer program operated by Abraham Baldwin Agricultural College. The

²² George D. Kuh, J. K., Jennifer A. Buckley, Brian K. Bridges, John C. Hayek (2006, July 2006). "What Matters to Student Success: A Review of the Literature." Retrieved June 19, 2012, from http://nces.ed.gov/npec/pdf/Kuh_Team_Report.pdf.

²³ Trish Paterson, Angela Harris & Shakoria Morgan. "Improving Readiness for All K-12 Students." Georgia Higher Education Completion Summit. March 19, 2012.

²⁴ University System of Georgia, Technical College of Georgia. (2011). "Complete College Georgia: Georgia's Higher Education Completion Plan 2012." Retrieved June 12, 2012, from http://www.usg.edu/educational_access/documents/GaHigherEducationCompletionPlan2012.pdf.

²⁵ Georgia Appalachian Center for Higher Education. "Annual Report 2010." Retrieved June 12, 2012, from http://www.gachegrants.org/Downloadable%20Documents/AHE_Annual_Report.pdf.

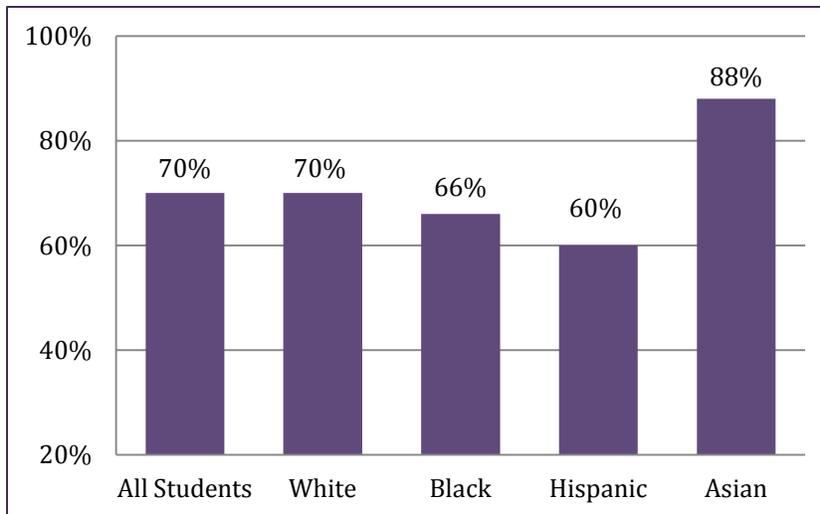
program is being expanded with support from a federal College Access Grant, but it is unclear how broadly partnerships can be scaled.

The National Perspective

The college enrollment rate of recent high school graduates has increased over the last three decades. In 1980, 49 percent of recent graduates enrolled in a postsecondary institution. Though the increase was uneven over the years, by 2009 the enrollment rate had risen to 70 percent.²⁶ Though this is significant progress, 30 percent of high school graduates today do not attempt postsecondary study.

In addition there is a gap in enrollment rates between students of different backgrounds. As Figure 1 indicates, white and Asian high school graduates are more likely to enroll in postsecondary institutions than are their black and Hispanic peers.²⁷

Figure 1: Postsecondary Enrollment Rate by Race, 2010



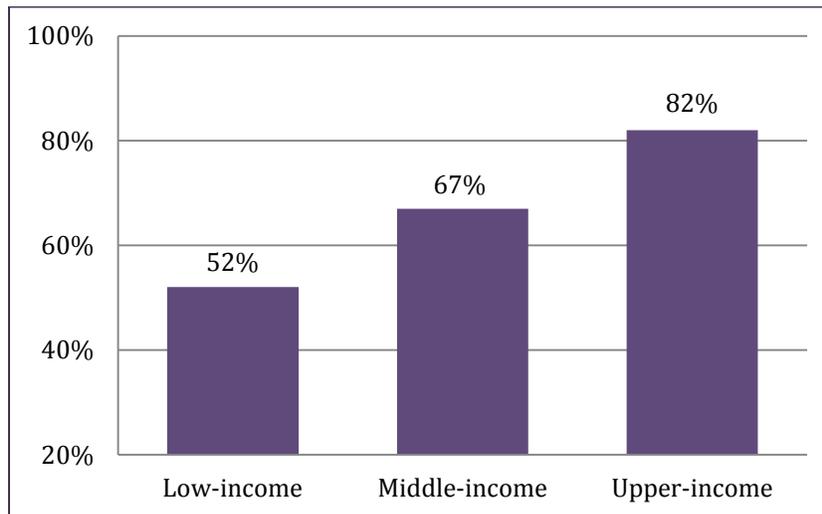
Similar disparities are seen between students of different family income levels as displayed in Figure 2.²⁸

²⁶ National Center for Education Statistics (2011). "Digest of Education Statistics 2010: Table 208." Retrieved June 28, 2012, from http://nces.ed.gov/programs/digest/d10/tables/dt10_208.asp.

²⁷ National Center for Education Statistics (2012). "The Condition of Education: Immediate Transition to College." Retrieved June 28, 2012, from http://nces.ed.gov/programs/coe/indicator_trc.asp#info.

²⁸ Ibid.

Figure 2: Postsecondary Enrollment Rate by Income, 2010



These gaps have been persistent. For example in 1980 the gap between the enrollment rate of low-income students and upper income students was about 33 percentage points.²⁹ Thirty years later the gap was 30 percentage points.

Research indicates that a leading reason students do not pursue postsecondary study is its lack of affordability.³⁰ Affordability is based on the intersection between cost and financial aid. Many students, particularly low-income students, do not apply for or enroll in postsecondary programs because the intersection of these two factors puts college out of their reach or they believe it does. A second critical factor is a general lack of information about postsecondary study.

Affordability

Tuition

Rising tuitions costs are pressing many students and their families. Between 2001-02 and 2011-12 published tuition and fees for in-state students at public four-year colleges and universities increased at an average rate of 5.6 percent per year beyond the rate of general inflation.³¹ At public two-year colleges, the increase was 3.8 percent per year.

A driving factor in this increase at public institutions has been disinvestment by states. State policymakers have slashed funding for higher education across the country. The Delta Project

²⁹ National Center for Education Statistics (2012). "The Condition of Education: Student Effort, Persistence and Progress, Table A-34-1." Retrieved June 24, 2012, from <http://nces.ed.gov/programs/coe/tables/table-trc-1.asp>.

³⁰ Mudge, S. and D. J. Higgins (2011). "College Access Programming: Removing Higher Education Barriers for Underrepresented Student Populations." *The International Journal of Learning*. Volume 17, Number 11.

³¹ Baum, S. and J. Ma (2011). "Trends in College Pricing 2011." Retrieved June 5, 2012, from http://trends.collegeboard.org/downloads/College_Pricing_2011.pdf.

reports that state and local appropriations for public research universities declined by \$751 per student from 2008-9, by \$590 for public master's institutions, and by \$488 for public community colleges. This erosion of funding is shifting the long-standing model of funding for public higher education in which states assume a greater responsibility for cost than students and their families. At both research and master's institutions in the public sector, per-student institutional income from tuition revenue now nearly matches revenue from appropriations.³²

Tuition has also soared at private institutions. These institutions are not constrained by state budgets. Instead they have the advantage of being able to charge variable rates. That is, by raising the "sticker price," private colleges are able to charge students and their families different amounts according to their income and desirability. Those students with the least income and with the greatest desirability get the greatest discount on tuition. As such, tuition rates have risen much faster than the amount of revenue colleges bring in.

At private research universities, for example, the national average sticker price rose from \$22,713 to \$30,093 over the decade from 1999 to 2009 (in constant dollars), according to the Delta Project. That is an increase of 32 percent. However, tuition revenue per student rose 21 percent at those institutions, to \$20,363. The average discount rate rose from 24 percent to 29 percent over that time frame.³³

Exacerbating the financial pressure students and their families feel, these increases now come at a time when family income is falling. Between 2000 and 2010, families at all income levels saw their income fall in inflation-adjusted dollars with the bottom 20 percent seeing a particularly large decline: 16 percent.³⁴

Most major studies of finance trends in higher education neglect the for-profit or propriety sector, despite its enormous growth in recent years. One only need ride MARTA to see the diversity and aggressiveness of for-profit institutions in the Atlanta marketplace. A recent study found that the share of U.S. students enrolled in for-profit institutions jumped from 4.3 percent in 2000 to 10.7 percent in 2009.³⁵

For-profit institutions that qualify for Title IV funding (grants and subsidized student loans) from the U.S. Department of Education—about half of all for-profit institutions—appear to raise tuition above the cost of education to capture federal financial aid.³⁶

In 2010-11, for-profit institutions charged an average of \$16,000 a year for a bachelor's degree program, \$15,000 a year for an associate's degree program, and \$13,000 for a certificate

³² Desrochers, D. M. and J. V. Wellman (2011). "Trends in College Spending 1999-2009."

³³ Ibid.

³⁴ Board, C. "Trends in College Pricing 2011." Retrieved June 29, 2012, from http://trends.collegeboard.org/college_pricing/overview/highlights.

³⁵ Deming, D. J., C. Goldin, et al. (2012). "The For-Profit Postsecondary School Sector: Nimble Critters or Agile Predators?" *Journal of Economic Perspectives* 26(1): 139-164.

³⁶ Cellini, S. R. and C. Goldin (2012). Does Federal Student Aid Raise Tuition? New Evidence on For-Profit Colleges NBER Working Paper No. 17827. Washington, D.C., National Bureau of Economic Research.

program.³⁷ By comparison, undergraduate tuition at public four-year institutions that year was about \$7,000 for in-state students, and private nonprofit colleges charged an average of \$22,000.

Loans and Debt

The federal government has been in the student-loan business since 1965, when it began guaranteeing loans by banks and non-profit lenders through what is now the Federal Family Education Loan program.³⁸ In very broad terms, the politics around student loans has been around how they would be provided. From 1965 to 1994, all loans were guaranteed by the government through private lenders, becoming a significant revenue source for Sallie Mae and other entities. Following a budget deal between President Clinton and Congressional Republicans, the government began providing direct loans to students, although universities could choose whether to participate in guaranteed-loan programs or direct programs. Direct loans provided by the government would pay interest to the U.S. Treasury, while the guaranteed-loan program paid subsidies to private lenders.

However, according to an analysis by the New America Foundation, direct lending never served more than about a third of student loans and had fallen to less than a quarter by the early 2000s.³⁹ Why? According to an October 2003 report in *U.S. News & World Report*, private student-loan providers paid incentives to universities to serve their students.⁴⁰

Direct loans were piloted under the first Bush administration and implemented by the Clinton administration; the administration of George W. Bush scaled back marketing of the program and considered ways of privatizing direct loans, according to *U.S. News*. President Obama terminated the subsidized-lending program in favor of direct lending passed as part of the Affordable Care Act of 2010.⁴¹ The Congressional Budget Office estimated that the switch would save the government \$68.7 billion by 2020.⁴²

In recent months a standoff between the president and Congress over the interest rate on student loans was halted with a plan to keep the rates on new loans at 6.8 percent. The Department of Education is in the process of consolidating loans of borrowers who took out loans under the subsidized-lending program.⁴³

³⁷ National Center for Education Statistics. (2012). Digest of Education Statistics 2012: Table 3 Retrieved September 3, 2012, from http://nces.ed.gov/programs/digest/d11/tables/dt11_003.asp

³⁸ New America Foundation (2012). "Federal Education Budget Project." Retrieved June 5, 2012, from <http://febp.newamerica.net/background-analysis/federal-student-loan-programs-history>.

³⁹ Ibid.

⁴⁰ Barnett, M., J. E. Barnes, et al. (2003). "Big Money On Campus: In the multibillion-dollar world of student loans, big lenders are finding new ways to drain Uncle Sam's coffers." Retrieved June 10, 2012, from <http://www.usnews.com/usnews/edu/articles/031027/27loans.htm>.

⁴¹ Basken, P. (2010). Historic Victory for Student Aid Is Tinged by Lost Possibilities. *The Chronicle of Higher Education*. Washington, D.C.

⁴² Congressional Budget Office (2010). "Budgetary Impact of the President's Proposal to Alter Federal Student Loan Programs." Retrieved March 15, 2010, from <http://www.cbo.gov/publication/21315>.

⁴³ Stratford, M. (2012). "At 11th Hour, Congress Approves Freeze of Interest Rate on Some Student Loans." Retrieved July 1, 2012, from <http://chronicle.com/article/At-11th-Hour-Congress/132721/>.

As soon as students leave education—with or without a degree—loans become debt. According to The Project on Student Debt, two-thirds of students who graduated from public and private non-profit colleges in 2010 had some kind of loan to repay.⁴⁴ The average debt was \$25,250, but it varied considerably among states and types of institutions. The average did increase 5 percent over the debt held by the Class of 2009, according to the report. The total outstanding debt from student loans now stands at more than \$1 trillion, according to a number of estimates.⁴⁵

In general, students at public institutions incur the least debt over all, but trends are mixed. In 2009-10, first-time, full-time community college students took out an average of just over \$4,600 in loans for their first year, an increase of 51 percent over 2005-6 (in constant dollars), according to the 2011 edition of the *Digest of Education Statistics* (table 354). Students at four-year public institutions took out an average of just over \$6,000 in loans (an increase of 34 percent); those at private nonprofit institutions took out \$7,400 (30 percent); and those at for-profit institutions took out \$8,800 (25 percent).

A recent report provides detailed information on how students finance study at for-profit postsecondary institutions. Almost all students at these institutions—96 percent—rely on loans to cover costs.⁴⁶ This is significantly higher than at other public and private, nonprofit institutions: 13 percent of students at community colleges, 48 percent at four-year public institutions and 57 percent at four-year private non-profit institutions take out student loans. In addition, students at for-profit institutions take on much greater loan debt. While only 12 percent of students who earned a bachelor's degree at a public university owed \$30,000 or more in student loans, 57 percent of those at for-profit institutions do.

Information

Applying for and enrolling in a postsecondary institution requires students to have access to extensive information on multiple issues. They need information about the admissions process and about financial aid. They need information about evaluating and selecting the institution that is best suited for their needs and goals. They need information about the college experience: What is it like to be a college student, what is the social and cultural milieu? And they need information about the benefits of postsecondary study. Some students have ready access to this information. However many others do not, which undermines their interest in and ability to enroll in postsecondary institutions.

The federal government operates several programs that fund activities to expand the access of low-income students to critical information about postsecondary education. These include the TRIO programs, GEAR UP and the College Access Challenge grant program. While TRIO and GEAR UP support an array of activities related to postsecondary preparation and enrollment, the

⁴⁴ Project on Student Debt (2011). "Student Debt and the Class of 2010." Retrieved November 3, 2011, from http://projectonstudentdebt.org/pub_view.php?id=791.

⁴⁵ Supiano, Beckie. "What Does \$1-Trillion in Student Debt Really Mean? Maybe Not That Much." *Chronicle of Higher Education* 58, no. 37 (2012): A32-A32.

⁴⁶ U.S. Senate Committee on Health, Education, Labor and Pensions (2012). "For Profit Higher Education: The Failure to Safeguard Federal Investment and Ensure Student Success." Retrieved August 29, 2012 from <http://www.help.senate.gov/hearings/hearing/?id=cdd6e130-5056-9502-5dd2-e4d005721cb2>

College Access Challenge grant program is targeted more specifically to providing information to students and their families through an array of organizations and strategies. Fiscal year 2012 funding for the program is \$150 million.

These programs are important, but they do not constitute a comprehensive national policy for ensuring K-12 students have the information needed to enroll in postsecondary study. Instead, states and institutions set their own policies and create their own college awareness programs.

What the Research Tells Us

Much of the policy discussion about college access has centered on affordability. The underlying assumption is that keeping postsecondary study affordable will allow students who otherwise would not be able to attend college to do so. Policymakers at the state and national levels have used merit-based scholarships, need-based grants and loans to ensure access. However research has shown that these differ in who they benefit and how they do so.

Merit-based scholarships like Georgia’s HOPE scholarship have been shown to improve access. Researchers estimated that the program increased the number of students enrolled in college by 5.9 to 7.9 percent.^{47 48} However, they also found that the greatest effect of HOPE has been on increasing school choice. In other words, it has had more influence on where students go to school than on whether they go to school. Two-thirds of the increase in enrollment in Georgia’s postsecondary institutions was due to a decrease in the number of students leaving to attend colleges outside of the state.⁴⁹

A recent review of the literature also found that some groups of students have benefited more from HOPE than others. One study found that most of the increase in college attendance has come from middle-class families, and a second noted that HOPE scholarship benefits tend to accrue to higher-income household than lower-income households.^{50 51} Another study concluded that it expanded the gap in college attendance rates between white and non-white students and between those from high- and low-income families.⁵² In addition HOPE has had a limited effect on whether scholarship recipients remain in Georgia after completing their degree, raising questions about its efficacy as a strategy for increasing the number of young adults with bachelor’s degrees in the state’s workforce.⁵³

At the same time, however, need-based aid often has had a limited effect on expanding college access among low-income students. Research has shown that this is due primarily to the design and implementation of need-based aid programs.⁵⁴ Communication about the programs is often poor leaving many eligible students unaware of aid programs. Application processes as well as

⁴⁷ Cornwell, C. M., D. Mustard, et al. (2006). "The Enrollment Effects of Merit-Based Financial Aid: Evidence from Georgia's HOPE Scholarship." *Journal of Labor Economics* **24**: 761-786.

⁴⁸ Dynarski, S. M. (2002). "The Behavioral and Distributional Implications of Aid for College." *American Economic Review* **92**(2): 279-285.

⁴⁹ Groen, Jeffery A. (2011). "Do Merit-Aid Programs Help States Build Skilled Workforces?" *Change*. November/December 2011.

⁵⁰ Dynarski, S. M. (2002). "The Behavioral and Distributional Implications of Aid for College." *American Economic Review* **92**(2): 279-285.

⁵¹ Rubenstein, R. and B. Scafidi (2002). "Who Pays and Who Benefits? Examining the Distributional Consequences of the Georgia Lottery for Education." *National Tax Journal* **55**(2): 223-238.

⁵² Long, B. T. (2010). "Making College Affordable by Improving Aid Policy." *Issues in Science and Technology*. Summer 2010.

⁵³ Groen, Jeffery A. (2011). "Do Merit-Aid Programs Help States Build Skilled Workforces?" *Change*. November/December 2011.

⁵⁴ Long, B. T. (2010). "Making College Affordable by Improving Aid Policy." *Issues in Science and Technology*. Summer 2010.

the applications themselves are generally long and confusing and deter students from completing them.

Research on the impact of student loans on expanding college access is limited. One study found that they have a positive impact on access.⁵⁵ Others concluded they are less effective in broadening access among low-income students than grants are.

⁵⁵ Ibid.

For More Information:

Bill & Melinda Gates Foundation

<http://www.gatesfoundation.org/postsecondaryeducation/Pages/default.aspx>

A high school education is not enough to compete in today's global economy. Yet by age 30 most Americans have not earned a college degree or certificate. Our Postsecondary Success Strategy aims to dramatically increase the number of young adults who complete their postsecondary education, setting them up for success in the workplace and in life.

College Board, College Completion Agenda

<http://advocacy.collegeboard.org/college-admission-completion/college-completion-agenda>

The College Board Advocacy & Policy Center was established to help transform education in America. We work to ensure that students from all backgrounds have the opportunity to succeed in college and beyond. We make critical connections between policy, research and real-world practice to develop innovative solutions to the most pressing challenges in education today.

Complete College America

<http://www.completecollege.org/>

Established in 2009, Complete College America is a national nonprofit with a single mission: to work with states to significantly increase the number of Americans with quality career certificates or college degrees and to close attainment gaps for traditionally underrepresented populations.

Jobs for the Future

<http://www.jff.org/>

Jobs for the Future aligns education with today's high-demand careers. With its partners, JFF develops policy solutions and new pathways leading from college readiness to career advancement for struggling and low-income populations in America.

Lumina Foundation

<http://www.luminafoundation.org/>

Lumina is committed to enrolling and graduating more students from college. In fact, we are the nation's largest foundation dedicated exclusively to increasing students' access to and success in postsecondary education. Our mission is defined by **Goal 2025**—to increase the percentage of Americans who hold high-quality degrees and credentials to 60 percent by 2025.

New America Foundation, Higher Education Initiative and Postsecondary Policy Institute

<http://newamerica.net/>

The New America Foundation is a nonprofit, nonpartisan public policy institute that invests in new thinkers and new ideas to address the next generation of challenges facing the United States.

Southern Regional Education Board

<http://www.sreb.org/>

SREB is a nonprofit, nonpartisan organization that works with 16 member states to improve public pre-K-12 and higher education. Today it is the only regional education compact that works directly with state leaders, schools and educators to improve teaching, learning and student achievement at every level of education.