Panel: Student Debt - We Pay for What We Value

Martha Kanter

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Student Debt: We Pay for What We Value

Dr. George A. Davison, President, Federation of Post-Secondary Educators of B.C. & National Union of the Canadian Association of University Teachers
Dr. Stephen Katsinas, Director & Professor, Education Policy Center, University of Alabama
Dr. Daniel Forster, Vice President of Enrollment Management, Washington College
Martha Kanter, Executive Director, College Promise Campaign

March 27, 2017
Student Debt: We Pay for What We Value

College Promise Campaign: First Year & A Half in Review

Student Debt: We Pay for What We Value

Dr. Martha J. Kanter

March 27, 2017
## Higher Education Enrollment & Student Diversity

<table>
<thead>
<tr>
<th>Age Group</th>
<th>Enrollment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24 Years</td>
<td>12.0 M</td>
<td>58%</td>
</tr>
<tr>
<td>25+ Years</td>
<td>8.2 M</td>
<td>40%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Gender</th>
<th>Enrollment</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Female</td>
<td>11.7 M</td>
<td>57%</td>
</tr>
<tr>
<td>Male</td>
<td>8.8 M</td>
<td>43%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>58.0%</td>
</tr>
<tr>
<td>Black</td>
<td>14.5%</td>
</tr>
<tr>
<td>Hispanic</td>
<td>16.5%</td>
</tr>
<tr>
<td>Asian</td>
<td>6.6%</td>
</tr>
<tr>
<td>American In/Alaskan Native</td>
<td>&lt;1.0%</td>
</tr>
<tr>
<td>International/Non Resident</td>
<td>3.3%</td>
</tr>
</tbody>
</table>

Higher Education Enrollment

7.2 Million Attend a Community College
13.3 Million Attend a 4-Year College or University

Source: http://nces.ed.gov/fastfacts/display.asp?id=372
WHY A COLLEGE PROMISE CAMPAIGN?
1980s – Present

Imperative to strengthen the wavering national commitment to Growing Opportunity for All

- Burgeoning post-Vietnam War immigrant communities
- Growth of state and federal oversight
- Fluctuating local, state & federal financial systems
- Dramatic expansion of underserved populations, immigrants & first-generation students
- Questioning of the public purpose, investment in & funding of American education
Table 1
State funding of public institutions as a share of total revenue

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Share of total revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003</td>
<td>30.9%</td>
</tr>
<tr>
<td>2004</td>
<td>28.2%</td>
</tr>
<tr>
<td>2005</td>
<td>27.4%</td>
</tr>
<tr>
<td>2006</td>
<td>30.1%</td>
</tr>
<tr>
<td>2007</td>
<td>27.5%</td>
</tr>
<tr>
<td>2008</td>
<td>29.1%</td>
</tr>
<tr>
<td>2009</td>
<td>28.7%</td>
</tr>
<tr>
<td>2010</td>
<td>23.6%</td>
</tr>
<tr>
<td>2011</td>
<td>23.2%</td>
</tr>
<tr>
<td>2012</td>
<td>22.3%</td>
</tr>
</tbody>
</table>


Figure 2
State funding and tuition as a share of revenues at public institutions

Average tuition at a public 4-year college has increased by more than 250% in the last three decades.
Every State Shares this Workforce Challenge…

BY 2030, CALIFORNIA MAY HAVE A SHORTAGE OF HIGHLY EDUCATED WORKERS

- No high school diploma
- High school graduate
- Some college
- Associate degree
- Bachelor’s degree or more

SOURCE: PPIC projections.

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www.collegepromise.org
And Every State Shares this Completion Challenge…

- Only half of undergraduates earn their baccalaureate degrees in 6 years!
- Too many students drop out and don’t return!
- The typical full-time Bachelor’s Degree recipient earns a college degree in 5.1 years.
- The typical full-time Associate’s Degree recipient earns a college degree in 3 Years.
- College and university completion rates vary widely so choosing wisely matters now more than ever.
And Every State Shares this Student Preparedness Challenge…

- 93 million adult Americans have little or no college educations (> 45%)

- 75 million of these adults are functioning at basic or below basic literacy levels

- Students from low-income families by age 24 earn bachelor’s degrees at one-eighth the rate of their more advantaged counterparts — 9% compared with 75%
Preparation is key to earning a college degree!

- 80% of community college entering freshmen need remediation for college success.
- More high school students are completing college prep requirements and graduating, but the achievement gap persists.
- Accelerated remediation and redesigned assessment and placement efforts are on the rise.

**BOTTOM LINE**
A college degree is a worthwhile investment that yields significant returns over one’s lifetime.
100 years ago we made high school available for everyone.
This is an update.
What is a “College Promise”?  

- A 21st Century promise to fund 1-4 years of college, making higher education as universal, free, and accessible as public high school was in the 19th and 20th Centuries.

- A promise to prepare students for the 21st Century workforce and the pursuit of the American Dream without the burden of exorbitant college debt.

- A commitment to fund a college education for every eligible hardworking student advancing on the path to earn a college degree or certificate.

- Key components:
  - “Place-based” (a college, a city, a region, a state)
  - Guarantee of Financial Support for College
  - Evidence & Performance-Based
  - Financially Sustainable
What is the purpose of the College Promise Campaign?

➢ To build widespread support, the Campaign uses three strategies:
  o Communications and Advocacy
  o Cross-sector Leadership Development
  o Research, Policy and Practice

Why?

➢ To increase college access, student learning and college completion:
  o Optimizes local, state and federal funds
  o Leverages and promotes evidence and performance-based incentives and interventions.

www.collegepromise.org
College Promise Campaign: First Year & A Half in Review

- In the 18 months, more than 190 local communities, community colleges and universities in 40 states have launched a College Promise from a wide range of public and private funding sources.

- Tennessee, Oregon, Minnesota & Kentucky have passed College Promise legislation. Eleven more states are considering 31 separate bills thus far:

  AZ, CA, HI, IL MA, MD, MS, NY, OK, WA, WI

- To date, more than half of the nation’s state legislatures have reviewed more than 40 different College Promise measures. Governors of AK, NY & RI will seek legislation!
College Promise Campaign: First Year & A Half in Review

COLLEGE PROMISE GOALS
(DESIGN CHALLENGES)

- Increase graduation rate
- Close the achievement gap
- Increase college readiness for entering freshmen
- Leveraging cognitive science and technological tools to increase access & success
- Give every student 24 x 7 advising, mentoring, tutoring, and counseling
- Create and sustain a long-term, stable financial model
College Promise Campaign: First Year & A Half in Review

Types of Expenses Covered in A College Promise

- Full tuition: 19%
- Other fees: 12%
- Transportation: 3%
- Books: 12%
- Non-restricted funding: 4%

Courtesy of Dr. Mary Rauner, WestEd, August 2016
How is the College Promise funded?

Funding Sources:

- College operating budgets
- College foundations
- K-12 school district budgets
- City operating budgets
- Special state allocations
- Individual donors
- Foundations
- Business & industry
- Federal and state allocations
- Native American tribal funds

The majority of College Promise programs have multiple funding sources.
<table>
<thead>
<tr>
<th>$1.5 M awarded:</th>
<th>$750,00 awarded:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grossmont-Cuyamaca CCD</td>
<td>Barstow CCD</td>
</tr>
<tr>
<td>Kern CCD</td>
<td>Butte-Glenn CCD</td>
</tr>
<tr>
<td>Los Angeles CCD</td>
<td>Contra Costa CCD</td>
</tr>
<tr>
<td>San Jose-Evergreen CCD</td>
<td>Long Beach CCD</td>
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<tr>
<td>San Mateo CCD</td>
<td>Santa Clarita CCD</td>
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<tr>
<td>State Center CCD</td>
<td>Shasta Tehama-Trinity CCD</td>
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<td></td>
<td>Sierra Joint CCD</td>
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<tr>
<td></td>
<td>West Valley-Mission CCD</td>
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Today, local communities like Oakland, Barstow, Detroit, Chicago, Wabash County, Boston, Houston, Siskiyous, and Los Angeles are building on what Long Beach, El Dorado and Kalamazoo have already put in place over the past decade.

We pay for what we value.

The challenge is to design a reasonable, sustainable College Promise that include the right combination of financial and behavioral incentives that can be leveraged to increase college opportunity and completion.
Return on Investment

- The probability of being employed is 24% higher.
- The likelihood of being out of the labor force (neither employed nor unemployed) is 74% less.
- College graduates contribute hundreds of thousands of dollars more over a lifetime in local, state and federal taxes.
- College graduates utilize about 39% fewer government resources (e.g., emergency assistance and jails)
- College graduates report having “good” or “very good” health 44% more than high school graduates
- College graduates are nearly 5 times less likely to be jailed or imprisoned than those who have no college experience.
In our 18 months, we found that College Promise leaders are working to implement the right combination of:

- Cross-Sector Stakeholder Leadership
- Evidence-based Educational Interventions
- Evidence-based Behavioral Incentives
- Sustainable Financial Support

that can be leveraged to increase economic prosperity, social inclusion, and civic opportunity and stability in the lives of their residents!
What is a "Promise" Program?
What are the program characteristics that best increase student access and college completion?
What are the best models for financial sustainability?
What future research is needed?
College Promise Campaign: First Year & A Half in Review

WE PAY FOR WHAT WE VALUE!

The College Promise Campaign supports the development and expansion of reasonable, sustainable local and state College Promise programs that include the right combination of educational, behavioral, and financial interventions and incentives to increase college opportunity, quality, and completion.

Year Range
- 1968 - 1989
- 1990 - 1999
- 2000 - 2009
- 2010 - 2014
- 2015 - 2016
- In Progress

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College Promise Campaign - What It’s Worth: Building More Financially Prosperous Arkansans Through Savings & Education, Dr. Martha J. Kanter, Executive Director