

March 2017

## Panel: Student Debt - We Pay for What We Value - Handout: College Promise Overview

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### Recommended Citation

(2017) "Panel: Student Debt - We Pay for What We Value - Handout: College Promise Overview," *Journal of Collective Bargaining in the Academy*. Vol. 0, Article 38.

DOI: <https://doi.org/10.58188/1941-8043.1691>

Available at: <https://thekeep.eiu.edu/jcba/vol0/iss12/38>

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### The Challenge

A high school education is no longer sufficient to prepare Americans for jobs in the 21st Century. The coming decade will see more than 6 out of 10 jobs requiring knowledge, skills, and training beyond what is learned in high school, but only 40% of U.S. adults currently hold a post-secondary degree. U.S. companies are seeking a better-trained workforce; however, our country is not providing enough students with the skills employers need. If current trends continue, employers will have more than 5.6 million jobs that cannot be filled with well-prepared graduates.

Without more education and workforce training, our nation cannot compete with countries that are outpacing the U.S. by investing in higher education to ensure their citizens remain competitive for 21st century jobs. This lack of workforce preparedness is detrimental to our economy; growing communities cannot attract new businesses and investments without adequately prepared employees available for hire.

Furthermore, those without a post-secondary education will fall further behind in lifetime income. These individuals are less likely to earn a family-sustaining wage, and more likely to require public assistance and social services. There is an immediate need for more Americans to obtain a higher education, yet the increased cost of attendance discourages many from attending college or prevents them completing their course of study when they get there. Total student debt has surpassed \$1.3 trillion in the United States; on average, students graduate with \$28K in student loans.

Given the overall cost of attending college, it is unsurprising that low-income and first generation college students lag in college enrollment by over 30% compared to their higher-income peers. The financial undertaking appears out of reach to many who avoid taking out student loans fearing they won't be able to pay them back. Students who opt to attend a community college generally have less debt, yet still often cannot afford to finish their programs.

### The Solution

Fortunately, there is a clear and effective solution. If we make a commitment to fund - at a minimum - a community college education for every student, whether that's an associate's degree, an occupational certificate, or credits that transfer to a four-year university, our country could once again lead with the best educated, most competitive workforce in the world. If we enable students to complete their first two years of college without the burden of unmanageable debt, more students will strive for and successfully complete the education that today is necessary though increasingly unaffordable. That is the goal of the College Promise Campaign.

### We Can Do This

We know that we can reach this goal because America has repeatedly risen to meet the challenge of education and workforce training throughout history. In the 20th century, public investments in education readied a generation of Americans who became the world's most educated workforce, fueling the largest economic expansion seen to that point.

As our country transitioned from an agrarian economy to the industrial age from 1910 through the 1940s, the free high school movement propelled the development of public high schools throughout the U.S., creating K-12 schools that now serve the majority of American youth. Following that expansion, over 2 million Americans returning from World War II were able to take advantage of post-secondary education to attend college and beyond. Later, the Higher Education Act of 1965 removed many financial barriers faced by low-income students by providing federal aid through grants and low-interest loans, which allowed millions more Americans to go to college.

However, by the mid-1970s, public investment in post-secondary education as a percentage of per-capita income began to decline. Over the past four decades, both the cost of attending college, and the amount of debt students incur to pay for it, have risen substantially.



If communities and states throughout the country take bold steps through College Promise initiatives to fund college costs for all students working towards their degrees and certificates, we can once again reach the world's highest level of educational attainment and workforce readiness.

### **Goal of the College Promise Campaign**

The College Promise Campaign is a national, non-partisan drive to build broad public support to make the first two years of community college - at a minimum - as universal, free and accessible as high school has been for nearly a century!

While this is a national movement, the action to create College Promise programs happens at the local and state levels. We encourage communities and states throughout the country to use their ingenuity to propose the College Promise program that best meets the needs of their cities, towns, and regional economies - whether rural, urban or suburban. The challenge is to design a sustainable College Promise that enables students to earn their college degrees and certificates without the burden of unmanageable debt.

### **Launch of the College Promise Campaign**

We've seen tremendous growth since we launched our Campaign at Macomb Community College on September 9, 2015. Since then, we've identified over 190 College Promise programs that have evolved across our nation in 40 states. Communities and states have engaged in cross-sector strategies to finance College Promise programs from a wide range of funding sources, and reflect a growing state interest in legislation to make the College Promise sustainable for future generations. Growth is occurring in rural areas, major cities, and counties. At the state level, elected officials in Tennessee, Oregon, Minnesota, and Kentucky have passed and are implementing legislation to launch or expand the College Promise and bills have been introduced in Arizona, Arkansas, California, Hawaii, Illinois, Maryland, Massachusetts, Mississippi, New York, Oklahoma, Rhode Island, Washington, and Wisconsin. In addition, legislation to extend free technical and community college tuition to all adults was proposed for Tennessee in January 2017.

We are pleased that College Promise programs continue to enjoy bipartisan support and that communities and states have developed various models to finance their programs. Some use a hybrid of local, state and federal funds, while others use only local and/or state dollars. Many College Promise programs rely on public and private partnerships with help from corporations and philanthropy, while others rely solely on private contributions. The movement is growing exponentially in communities like Oakland, Mohave, Detroit, Chicago, Boston, Siskiyou, Houston, Denver, and Los Angeles that are building on what Kalamazoo, MI, Long Beach, CA, Knoxville, TN, and El Dorado, AR put in place over the past decade.

### **Return on Investment**

Communities and states have chosen to enact College Promise programs because they understand that community colleges boost local economic development by educating and training students for 21st Century careers. This investment translates into greater income, more tax revenue, and more job-ready, better educated workers available for businesses to hire. Research shows that for every dollar invested in a community college, more than three dollars is returned to the economy, a worthwhile ROI. With more Americans prepared for the workforce and life in general, fewer people are likely to need public assistance and social services.

### **Moving Forward**

The Campaign is working consistently to build widespread support for College Promise programs. We want to leverage and garner support from public and private sector leaders, policymakers and researchers who want to create financially sustainable College Promise programs that have the greatest impact on student success. We are actively researching and promoting the best ways to create and sustain these programs to ensure that an affordable quality community college education - at a minimum - is available for all deserving, hardworking students. Visit [www.collegepromise.org](http://www.collegepromise.org) for more information.