



# Archived Information

## U.S. DEPARTMENT OF EDUCATION



# Higher Education for a Highly Competitive World

May 2007

*"We all have a responsibility to make sure our higher education system continues to spur innovation and economic growth and gives more Americans the chance to succeed in the knowledge economy."*

— U.S. Secretary of Education Margaret Spellings

In this highly competitive global economy, a college education has never been more important.

- About 90 percent of the fastest-growing jobs of the future will require some postsecondary education or training (U.S. Department of Labor).
- College graduates in the U.S. earn nearly twice as much as workers with just a high school diploma (Organization for Economic Co-operation and Development).

In 2005, Secretary Spellings formed a Commission on the Future of Higher Education to ensure that our students are equipped with the skills to succeed in the 21st century.

- Made up of university officials, business leaders, policymakers and researchers, the Commission conducted a national dialogue on **access, affordability, accountability and quality**.
- The Commission developed a comprehensive national strategy for postsecondary education that will meet the needs of America's diverse population.

With average tuition rates nearly doubling over the last decade, the U.S. Department of Education is making the dream of college a reality for millions of students nationwide.

- Nearly half of all undergraduates received some federal financial aid in 2003-04, up from 40 percent in 2000-01.
- The President's fiscal year 2008 budget includes \$15.4 billion in Pell Grants, a 76 percent increase since 2001, which would help 1.1 million more students afford college. This represents the largest-ever five-year increase in Pell grants.
- In March 2007, Secretary Spellings unveiled a new online tool to help students and families financially prepare and plan for college before a student's senior year of high school. Called the FAFSA4caster, it gives students an early estimate of their eligibility for federal financial aid.
- In April 2007, Secretary Spellings convened a task force to help inject more choice, competition, and transparency into federal student loan programs. Building on previous work, they recommended new regulations to ensure every borrower has the right to choose any lender, and to prohibit schools from favoring some lenders more than others.
- In May 2007, Secretary Spellings announced a government-wide effort to restore faith in financial aid. To prevent student loan abuse no matter where it occurs, this effort will include the Education Department and other federal agencies that oversee private student loans.

Last year, President Bush signed into law two new grant programs: Academic Competitiveness Grants and National Science and Mathematics Access to Retain Talent (SMART) Grants.

- The President's fiscal year 2008 budget provides \$1.2 billion for these programs, with grants to be awarded to an estimated 775,000 low-income, Pell-eligible students.
- To qualify for Academic Competitiveness grants, students must complete rigorous high school coursework and maintain good grades.
- To qualify for SMART grants, students must maintain good grades and major in math, science, technology, engineering or a critical foreign language.

The best support we can offer to colleges and universities is to send them students who are prepared for rigorous, college-level coursework. The President's American Competitiveness Initiative devotes \$365 million to prepare students to succeed in the global marketplace.

- **\$250 million for Math Now for Elementary School and Math Now for Middle School Programs** that employ proven, research-based instructional methods to help children succeed in algebra and other advanced courses.
- **\$122 million for Expanded Advanced Placement Programs** to strengthen math, science and critical foreign language instruction to prepare more students for higher education.
- **\$25 million for an Adjunct Teacher Corps** to encourage qualified professionals to serve as adjunct high school math and science teachers in low-income schools and districts.
- **\$1.1 billion increase for high schools serving large numbers of low-income students.** While protecting funds for elementary and middle schools, this increase would help align high school curricula with college and workforce needs.

Action is urgently needed. The condition of our high schools affects the state of higher education, for better or worse.

- "High schools are failing to prepare too many of our students for work and higher education" – National Governors Association.
- Among all ninth-graders, approximately 3 in 10 do not graduate high school on time; for African American and Hispanic students the figure is about 5 in 10 (Manhattan Institute).
- Fewer than half of our high school graduates are ready for college-level math and science (ACT).
- Nearly 30 percent of all undergraduates must take remedial coursework during their college career (National Center for Education Statistics).
- The graduation rate for 4-year colleges and universities is only 56 percent. For 2-year colleges, it's just 33 percent (National Center for Education Statistics).

To better prepare more students for college, and to make sure they can afford it once they get there, Congress must reauthorize No Child Left Behind and the Higher Education Act this year. By renewing these laws, we can:

- Align high school curriculum with college and workforce needs,
- Require a more accurate accounting of high school graduation rates,
- Dramatically increase financial aid,
- Further simplify the financial aid process, and
- Help students and parents become more educated consumers by collecting and sharing more information on postsecondary institutions.