

Embargoed until 9:30 AM ET, June 16, 2009

June 16, 2009

Contact:

(206) 709-3400

media@gatesfoundation.org

National Policy Organizations Launch Intensive Efforts to Address the Nation's Low College Completion Rates

Research and recommendations will inform policies and programs designed to better prepare young adults for today's economy

WASHINGTON, DC – Leading national policy organizations announced today new efforts to identify why so many young Americans drop out of college and to propose new policies and practices necessary to help low-income, African American, and Hispanic students complete their educations. These efforts are funded by more than \$6.4 million in grants from the Bill & Melinda Gates Foundation.

Today, a two-year or four-year college degree or certificate is a prerequisite for economic success. Recent college graduates with a four-year degree can expect to earn roughly \$17,000 more per year than a similarly aged worker who has only a high school diploma.

Despite the tangible economic incentives to finish college, completion rates in America have been flat since the 1970s. Where the United States was once first in the world in postsecondary completion rates, it now ranks tenth. In fact, only about half of all freshmen entering baccalaureate programs will earn their degrees within six years, according to a new study by the American Enterprise Institute (AEI), which the Gates Foundation partially funded.

Until recently, reform efforts and national policies have focused on increasing access to higher education for more students, particularly among low-income and minority populations. But access means little if students never earn the credential that will open the door to high-paying jobs and a better life.

“For too long, federal, state, and institutional policies have ignored the academic and financial realities of the majority of American college students,” said Hilary Pennington, director of education, Postsecondary Success and Special Initiatives at the Bill & Melinda Gates Foundation. “It’s time to identify and support innovative ways to help more young people complete college in a reasonable amount of time and at a reasonable cost.”

While many factors influence whether a student completes college, the AEI report, *Diplomas and Dropouts*, suggests that the policies and practices of the colleges

matter, too.

“Many colleges blame their low graduation rates on their students, citing poor high school preparation and the need to enroll a diverse array of undergraduates,” said Frederick M. Hess, lead author of the AEI’s report. “Graduation rates should certainly be considered in the context of a school’s admissions criteria, but we cannot give colleges and universities a free pass on the extent to which they fulfill their most basic mission—to ensure that qualified students earn a bachelor’s degree.”

One factor affecting graduation rates is cost: Tuition and fees at public four-year institutions have increased more than 4 percent each year over the last decade. The College Board’s *Rethinking Student Aid* project has been examining ways to improve the effectiveness of the student financial aid system in order to reduce the enrollment and graduation rate gaps between affluent students and those from less privileged backgrounds. The grants announced today will support that ongoing effort.

“The current financial aid system was conceived in the 1950s and developed incrementally over the years,” said College Board President Gaston Caperton. “We need to advocate and advance innovative practices that are better designed for the realities of today’s families and can demonstrate that paying for college can be made less complicated, resulting in significant increases in enrollment and completion.”

But cost is only one factor, and it may not even be the most important one. Many groups are already working toward figuring out what changes colleges can make to their internal policies to help boost completion rates, especially among minority and low-income students.

“By failing to adopt student-friendly policies, we are missing out on a huge human capital opportunity, particularly among Latino students,” said Sarita Brown, co-founder and president of *Excelencia in Education*. “Fortunately, there is an emerging group of institutions making those needed changes. Now is the time to focus on the tactics that produce student success while continuing to push for innovation.”

In a recent speech to Congress, President Obama emphasized how low graduation rates threaten our nation’s competitiveness. He challenged colleges and universities to improve, promising that, “by 2020 America will once again have the highest proportion of college graduates in the world.”

“More and more Americans realize that college completion has broad and quantifiable impacts on society as a whole,” said Michelle Asha Cooper, president of the Institute for Higher Education Policy. “Specifically, future economic growth, innovation, and leadership will depend on our ability to sustain excellence in

higher education.”

Part of that solution means making sure college freshman are ready for the rigors of their postsecondary educations and helping them when they are not.

Federal and state policies that support student success and college completion are also needed.

“Many low-income youth and adults have to balance work, family, and school to meet their immediate basic needs, yet there are too few policies in place to support these students’ educational and career aspirations,” said Julie Strawn, senior fellow at the Center for Law and Social Policy. “These students can be successful if we adopt policies that recognize and are tailored to the realities of their lives.”

These grants build on the foundation’s investments to help ensure that students graduate high school academically prepared for success in college and then continue on to earn a postsecondary degree or certificate with real value in the job market by age 26.

###

Bill & Melinda Gates Foundation

Guided by the belief that every life has equal value, the Bill & Melinda Gates Foundation works to help all people lead healthy, productive lives. In developing countries, it focuses on improving people’s health and giving them the chance to lift themselves out of hunger and extreme poverty. In the United States, it seeks to ensure that all people—especially those with the fewest resources—have access to the opportunities they need to succeed in school and life. Based in Seattle, Washington, the foundation is led by CEO Jeff Raikes and Co-chair William H. Gates Sr., under the direction of Bill and Melinda Gates and Warren Buffett.

Grants Announced Today:

- **American Enterprise Institute (AEI)** will receive \$1.25 million to launch a significant new research project, which will include commissioned papers, major conferences, and a book about accountability in higher education. These projects will be data-driven and non-ideological, and will be designed to encourage a national conversation about postsecondary accountability. Founded in 1943, AEI sponsors research, conferences, and publications on issues of government, economics, and social welfare. The Institute is committed to expanding liberty, increasing individual opportunity, and strengthening free enterprise. www.aei.org
Media Contact: Véronique Rodman, vrodman@AEI.org
- **The Center for American Progress (CAP)** will receive \$800,000 to study and report on more than a dozen topics related to college completion. CAP’s work will result in policy recommendations that would bring coherence to a

fractured national system of higher education institutions, give low-income students the targeted assistance they need to complete their educations, and bring accountability to institutions that are receiving evermore public money but graduating fewer and fewer of their students. CAP was founded in 2003 and is headed by John D. Podesta, former chief of staff to President Bill Clinton and professor at the Georgetown University Law Center. CAP is designed to provide long-term leadership and support to the progressive movement. www.americanprogress.org
Media Contact: John Neurohr, (202) 481-8182, jneurohr@americanprogress.org

- **Center for Law and Social Policy (CLASP)** will receive \$1.5 million to support a new Center on Postsecondary and Economic Success within its organization. The Center will promote federal and state policy innovation to help low-income students, including working students, out-of-school youth, and other nontraditional students earn marketable postsecondary credentials through research, analysis, educational activities, and technical assistance to states and anti-poverty organizations. CLASP develops and advocates for policies at the federal, state, and local levels that improve the lives of low-income people. www.clasp.org
Media Contact: Jenice Robinson, jrobinson@clasp.org
- **The College Board** will receive \$675,000 to create the Center for Innovation and Advocacy. The Center will study policies and programs that increase college access and success, with a focus on increasing college completion among traditionally underrepresented students. For example, the Center will support the College Board's ongoing *Rethinking Student Aid* project, which aims to redesign the federal student aid system to make it simpler, more efficient, and more focused on encouraging college success. The College Board is a national not-for-profit education association comprised of more than 5,600 college, university, and school members driven by a simple but powerful mission statement: To connect students to college success and opportunity. Each year the College Board serves 7 million students and parents, 23,000 high schools, and 3,800 colleges through major programs in college admissions, guidance, assessment, financial aid, enrollment, teaching, and learning. www.collegeboard.org
Media Contact: Jennifer Topiel, (212) 713-8052, communications@collegeboard.org
- **Excelencia in Education** will receive \$600,000 to raise awareness about the significance of accelerating Latino college completion rates to meet the country's human capital needs through a new campaign, *Enhancing America's Future*. This campaign will be developed through high-level meetings with postsecondary policy leaders, benchmarking national and state level Latino college degree completion, and an outcomes-driven focus on dissemination of promising practices. Launched in 2004, *Excelencia* in

Education is a national not-for-profit that links research, policy, and practice to support higher educational achievement for Latino students and all students. www.edexcelencia.org/

*Media Contact: Wendy Cervantes, (202) 778-8323,
wcervantes@edexcelencia.org*

- **Institute for Higher Education Policy** will receive \$1.58 million over three years to support research to improve policies related to academic excellence and degree attainment by publishing reports, issue briefs, and fact sheets as well as connecting that research to policy and practice. Key beneficiaries of this work will be federal and state policymakers, media, higher education funders and organizations, institutional leaders, and researchers. The Institute for Higher Education Policy is an independent, nonprofit organization dedicated to improving access and success in postsecondary education around the world. www.ihep.org
Media Contact: Michelle Asha Cooper, cooper@ihep.org