

Foreword

American history can reveal what is often difficult to see, let alone learn from, in the passing blur of daily events. Looking back over five decades, at various times when our nation was spiraling down into the depths of a recession or emerging even stronger on the other side of one, it's clear that the values and ideals that formed our nation continue to guide what we want for tomorrow and what we do today: to best educate the American people.

Research over the last fifty years tells us that education for all has yielded a healthier society, a more productive work force, a surge of innovation (technological and otherwise), new models of entrepreneurship, and boundless competition from the markets that drive economic growth. Research has also revealed the sometimes intentional, but often unintended, consequences of each of these forces that together have excluded large portions of our people from acquiring a quality education and, accordingly, from the promise of the American Dream. For example, the failures resulting from a host of education innovations that have been tried and showcased are rarely discussed and hardly ever make it to the front page. A second example: millions of Americans take advantage of student financial aid but never complete college. What has been happening, and why?

In setting the context for this influential book about student financial aid, it is important to remember that educational opportunity is increasingly significant in today's world. We know that education positively influences the success of our nation. But we still don't know enough about how to improve our system of education. We haven't uncovered or explored the right incentives that will drive students to perform to the best of their abilities and to develop their unique capacities to learn, to grow, and ultimately to work and contribute to society. We don't have nearly enough research about what works in higher education, and we have hardly any research on

the interaction of federal, state, and institutional forces—to say nothing of individual student behaviors—that, taken together, shape the success of our student aid system. We celebrate small gains, and we tirelessly keep looking for the breakthroughs that will lift what I’ve often called the “top 100 percent of Americans” to greater levels of educational attainment.

Our Founding Fathers heralded what we have inherited today—the value of educating every American so that he or she may reach his or her potential as citizen, as worker, and as a person of moral character. Literally and figuratively, education powers the heart, soul, and future of our democratic society. Helping the common people aspire to greater achievements through education is a hallmark of the character of America today. And we have been at it for a very long time.

In a letter to George Wythe, his mentor and our nation’s first professor of law at the College of William and Mary, Thomas Jefferson, then minister of France, opined on the proposed Northwest Ordinance, which was codified into the law of the land a year later:

I think by far the most important bill in our whole code is that for the diffusion of knowledge among the people. No other sure foundation can be devised, for the preservation of freedom and happiness . . . Preach, my dear Sir, a crusade against ignorance, establish and improve the law for educating the common people.¹

Three-quarters of a century later, President Lincoln signed into law the Morrill Act of 1862, officially titled “An Act Donating public lands to the several States and [Territories] which may provide colleges for the benefit of agriculture and the Mechanic arts.”² In passing the Morrill Act, political leaders of that era marked the federal government’s first commitment to ensuring Americans the opportunity for public higher education in what we now know as the land grant colleges and universities that invigorate our nation.

More than eight decades later, following two world wars, President Truman’s Commission on Higher Education put forward the nation’s first goals for higher education, namely

to bring to all the people of the Nation:

- Education for a fuller realization of democracy in every phase of living
- Education directly and explicitly for international understanding and cooperation

- Education for the application of creative imagination and trained intelligence to the solution of social problems and to the administration of public affairs

The Truman Commission report reiterated Jefferson's call:

Education is by far the biggest and the most hopeful of the Nation's enterprises. Long ago our people recognized that *education for all* is not only democracy's obligation but its necessity. Education is the foundation of democratic liberties. Without an educated citizenry alert to preserve and extend freedom, it would not long endure.³ (emphasis added)

In fact, five years later, in his 1952 commencement address at Howard University, President Truman told the graduating class:

I wish I could say to you who are graduating today that no opportunity to use your skills and knowledge would ever be denied you. I can say this: I know what it means not to have opportunity. I wasn't able to go to college at all. I had to stay at home and work on the family farm. You have been able to get the college education that is so important to everyone in this country. Some of us are denied opportunity for economic reasons. Others are denied opportunity because of racial prejudice and discrimination. I want to see things worked out so that everyone who is capable of it receives a good education.⁴

By 1952, the United States had grown to 157 million people, up from just 34 million at the time of the Morrill Act. Within five years, we would add five million more Americans, all of whom would have a shot at an education. That same year, we also welcomed home millions of World War II veterans, many of whom were able to access a college education thanks to the federal GI Bill.

Fast-forward to today. The United States is home to an estimated 320 million people—diverse newborns from all backgrounds and cultures, youth, the working class, disconnected and unemployed young people and adults, and the baby boomers who are aging out of the work force in droves. The U.S. Census Bureau reports that we will grow to approximately 400 million residents by 2050.⁵

In government, public policy, industry, and philanthropy circles, we are seeking all manner of reforms to keep higher education within the reach of every American. College costs are spiraling up at a time when families are

questioning whether it is affordable for their children today or their grandchildren tomorrow. While many believe that the federal and student loan and grant programs are not sustainable, and are seeking a quick fix to a long-standing, complex problem, Andrew P. Kelly and Sara Goldrick-Rab ask us to take the long view in considering reforms to reshape student aid policy for the twenty-first century. They agree wholeheartedly that without reform, the growing number of Americans seeking education beyond high school will be excluded from the promise of the American Dream, as Jefferson, Lincoln, and Truman warned over the last two centuries. President Obama has taken up the same call to action as our forefathers, and it is almost certain that future administrations will grapple with policy reforms that have benefited from the range of deep thought and perspective displayed by the prominent authors in this book.

Kelly and Goldrick-Rab reference today's gridlock in Congress; the layers of federal, state, and institutional bureaucracy that overwhelm simple, good, productive policy making; the competing constituencies, each holding onto individual advantages without regard to what may be better for all; and the paramount needs of the burgeoning middle class, with special attention to those most in need of opportunity. They ask us to reacquaint ourselves with our history, hold back from snap judgments (all too common in government), and carefully think through the well-articulated views of the renowned scholars and practitioners who share new ideas about how to reform student aid.

Reinventing Financial Aid calls upon us to remember the recent past—the first term of the Obama administration when the higher education, banking, and student loan lobbyists decried the advent of Direct lending which had been in the works for more than twenty years, echoing the long and contentious process that produced the Morrill Act. The promise of efficiency and simplification eventually convinced Congress to support SAFRA—the Student Aid and Fiscal Responsibility Act that enabled the federal government to bypass lenders and make loans directly to students. When President Obama signed SAFRA into law as part of the health care reform legislation, it ended bank subsidies, saving the government \$68 billion over eleven years and providing \$36 billion of the savings in additional funding for the Pell Grant Program, thereby increasing higher education opportunity for low-income, economically disadvantaged students.

Since then, America's colleges and universities have welcomed more than nine million students to the doors of higher education, up from six million

in 2008, marking more than a 50 percent increase for the most financially needy students in our nation. Increasing public disclosure on the performance of higher education on various student aid-related metrics—such as student loan cohort default and repayment rates as well as simplification of the Free Application for Federal Student Aid (FAFSA)—represent some initial steps toward major reform of our student aid programs.⁶

However, as the editors and chapter authors detail, policy reform needs the best thinkers of our nation to put forward sustainable student financial aid proposals based on solid evidence from credible studies of unquestionable scholarship. Successful reform, as the authors note, requires long-term thinking and hard work: leaders must come up with evidence-based proposals, experiment with those ideas, and then agree on a path forward to buck the status quo and improve the student aid system.

This is an important book that holds great promise in shaping student aid policy for the twenty-first century. It is especially instructive that its two editors have found common ground from opposing points of view on their topic to produce this book. Would that our nation's political and policy leaders might follow their example.

I have known and admired both of these scholars since I arrived in Washington, DC, five years ago to work as President Obama's Under Secretary of Education. From divergent perspectives, Drs. Kelly and Goldrick-Rab well understand the successes and follies of government policy making, and they have amalgamated their best thinking with that of their distinguished colleagues who have authored the various chapters in this book. From this work, let us ask that members of Congress, the administration, policy makers, and higher education stakeholders from across our public and private sectors think as hard about sustaining the future of American higher education as the co-editors of this significant book have done. In doing so, our nation will surely "avail [to itself] of those talents which nature has sown as liberally among the poor as among the rich, which perish without use, if not sought for and cultivated."⁷ *Reinventing Financial Aid* helps us understand our responsibility as a nation to ensure that the top 100 percent of Americans seeking higher education will have that opportunity through the centuries ahead.

—Martha J. Kanter
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