

## FAST FACTS FROM *THE AMERICAN DREAM 2.0*

[\*The American Dream 2.0\*](#) is a report released by a coalition of college and foundation presidents, civil rights leaders, state policymakers, college access advocates, and business leaders to address our nation's college completion crisis and explore how financial aid can help improve college access, affordability and completion.

### Why Now?

- 46 percent of students who enter college fail to graduate within 6 years; our nation is facing a college completion crisis.<sup>i</sup>
- Declining college affordability and the unacceptably high number of students who enter college but do not complete is eroding the American Dream and weakening our nation's ability to compete.
- The college attainment gap for minorities is not improving.
- Projections show that by 2018, the nation will need 22 million more citizens with credentials to fill open positions for skilled workers. If we continue without any changes we will fall short by 3 million.<sup>ii</sup>

### Spending More but Not Getting More:

- \$226 billion was invested in student financial aid by federal, state and institutional sources in 2011-12.<sup>iii</sup>
- It will cost nearly \$70 billion in additional funding over the next ten years to sustain current Pell Grant commitments. And extending current levels of support for loan and tax benefits will cost even more.<sup>iv</sup>
- 47 percent of undergraduates receive federal financial aid.<sup>v</sup>
- 37 percent of undergraduates received the Pell Grant in 2011-12.<sup>vi</sup>

### Debt and No Degree:

- The total annual student borrowing has more than doubled over the past ten years, rising from \$56 billion to \$113 billion in constant dollars, but only 54% of college students complete a credential in six years.<sup>vii</sup>
- Two-thirds of seniors graduating from four-year colleges in 2011 had debt averaging \$26,600 per borrower.<sup>viii</sup>
- Defaulting on student loans is four times more likely for students who leave postsecondary education without a degree or certificate.<sup>ix</sup>

### College Completion Stats:

- The percentage of young people with a postsecondary credential has remained flat, even as we enrolled millions of new students.<sup>x</sup>
- 46 percent of college students do not earn any credential within 6 years.<sup>xi</sup>
  - 63 percent of African American students do not graduate within 6 years.<sup>xii</sup>
  - 58 percent of Hispanics do not graduate within 6 years.<sup>xiii</sup>
- The United States trails 13 countries in educational attainment.<sup>xiv</sup>

### Steering Committee Report Recommendations:

- **Make the financial aid system simpler and more transparent;** we need a comprehensive solution that simplifies the system for students, improves income based-repayment, and keeps higher education affordable for students and families.
- **Embrace innovations that serve all students especially nontraditional students.** Today only 15 percent of students live on campus, 38 percent are enrolled part-time, and 25 percent have children.<sup>xv</sup>
- **Urge institutions, states, and students to share responsibility for producing more graduates without compromising on access and affordability.** Policymakers must find a permanent funding stream that solidifies the Pell Grant's position as the foundation for federal financial aid. The government should collect and annually report robust and reliable performance metrics of access, completion, costs, and labor market outcomes.

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- <sup>i</sup> Shapiro, D. and Dundar, A. November 2012. "Signature Report 4, Completing College: A National View of Student Attainment Rates." National Student Clearinghouse Research Center. [http://www.studentclearinghouse.info/signature/4/NSC\\_Signature\\_Report\\_4.pdf](http://www.studentclearinghouse.info/signature/4/NSC_Signature_Report_4.pdf). p. 6, Figure S1. (This statistic is based on a measure of all students' (part-time and full-time) completion of any credential, including transferring to multiple institutions, within six years of enrolling.)
- <sup>ii</sup> Carnevale, A.P.; Smith, N.; and Strohl, J. June 2010. "Executive Summary: Help Wanted: Projections of Jobs and Education Requirements Through 2018." Georgetown University Center on Education and the Workforce. <http://www9.georgetown.edu/grad/gppi/hpi/cew/pdfs/HelpWanted.ExecutiveSummary.pdf>. p. 1.
- <sup>iii</sup> This sum is based on all reported federal, state and institutional financial aid for undergraduate and graduate students including 105 billion in federal loans. College Board. 2012. "Trends in Student Aid 2012." <http://trends.collegeboard.org/student-aid.pp>. 12-13. Figure 1A and Figure 1B.
- <sup>iv</sup> Delisle, J. and McCann, C. November 14, 2012. "How the Pell Grant Program Overtook PreK-12 Education Programs." *Ed Money Watch Blog*. New America Foundation. [http://edmoney.newamerica.net/blogposts/2012/how\\_the\\_pell\\_grant\\_program\\_overtook\\_prek\\_12\\_education\\_programs-74111](http://edmoney.newamerica.net/blogposts/2012/how_the_pell_grant_program_overtook_prek_12_education_programs-74111).
- <sup>v</sup> Bersudskaya, V., and Wei, C.C. 2011. "Trends in Student Financing of Undergraduate Education: Selected Years, 1995–96 to 2007–08." National Center for Education Statistics. <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2011218>. Table 2.2-A.
- <sup>vi</sup> College Board. 2012. "Trends in Student Aid 2012." <http://trends.collegeboard.org/sites/default/files/student-aid-2012-full-report.pdf>, p. 3.
- <sup>vii</sup> College Board. 2012. "Trends in Student Aid 2012." <http://trends.collegeboard.org/sites/default/files/student-aid-2012-full-report.pdf>, p. 3.
- <sup>viii</sup> College Board. 2012. "Trends in Student Aid 2012." <http://trends.collegeboard.org/student-aid/figurestables/growth-federal-and-nonfederalloans-over-time>, p. 17. Figure 6. (This includes federal and non-federal loans and is described in 2011 dollars.) and Shapiro, D. and Dundar, A. November 2012. "Signature Report 4, Completing College: A National View of Student Attainment Rates." National Student Clearinghouse Research Center.
- <sup>ix</sup> The Project on Student Debt. "Student Debt and the Class of 2011." October 2012. The Institute for College Access and Success. [http://ticas.org/pub\\_view.php?idx=864](http://ticas.org/pub_view.php?idx=864). p. 2.
- <sup>x</sup> Nguyen, M. February 2012. "Degreeless in Debt: What Happens to Borrowers Who Drop Out." <http://www.educationsector.org/publications/degreeless-debt-what-happens-borrowers-who-drop-out>. p. 1.
- <sup>xi</sup> Organisation for Economic Cooperation and Development. "Education at a Glance, OECD Indicators 2012." [http://www.oecd.org/edu/EAG%202012\\_e-book\\_EN\\_200912.pdf](http://www.oecd.org/edu/EAG%202012_e-book_EN_200912.pdf). p. 26. Chart A1.1.
- <sup>xii</sup> Shapiro, D. and Dundar, A. November 2012. "Signature Report 4, Completing College: A National View of Student Attainment Rates." National Student Clearinghouse Research Center. [http://www.studentclearinghouse.info/signature/4/NSC\\_Signature\\_Report\\_4.pdf](http://www.studentclearinghouse.info/signature/4/NSC_Signature_Report_4.pdf). p. 6, Figure S1. (This statistic is based on a measure of all students' (part-time and full-time) completion of any credential, including transferring to multiple institutions, within six years of enrolling.)
- <sup>xiii</sup> Radford, A.W.; Berkner, L.; Wheelless, S.C.; and Shepherd, B. 2010. "Persistence and Attainment of 2003–04 Beginning Postsecondary Students Six Years Later." <http://nces.ed.gov/pubs2011/2011151.pdf>. NCES 2011-151, p. 8, Table 1.
- <sup>xiv</sup> Radford, A.W.; Berkner, L.; Wheelless, S.C.; and Shepherd, B. 2010. "Persistence and Attainment of 2003–04 Beginning Postsecondary Students Six Years Later." <http://nces.ed.gov/pubs2011/2011151.pdf>. NCES 2011-151, p. 8, Table 1.
- <sup>xv</sup> Organisation for Economic Cooperation and Development. September 2012. "Education at a Glance, OECD Indicators 2012: Country Note: United States." <http://www.oecd.org/education/CN%2520-%2520United%2520States.pdf>.
- <sup>xvi</sup> National Center for Education Statistics. September 2010. "Profile of Undergraduate Students: 2007-08." <http://nces.ed.gov/pubs2010/2010205.pdf>. NCES 2010-205. Table 3.9. and National Center for Education Statistics. "Digest of Education Statistics: Advance Release of Selected 2012 Digest Tables." Table 198: Total fall enrollment in degree-granting institutions by attendance status, sex of student, and control of institution: Selected Years, 1947 through 2011. [http://nces.ed.gov/programs/digest/d12/tables/dt12\\_198.asp](http://nces.ed.gov/programs/digest/d12/tables/dt12_198.asp).
- and CLASP. 2011. "Yesterday's Nontraditional Student is Today's Traditional Student." Center for Postsecondary and Economic Success. <http://www.clasp.org/admin/site/publications/files/Nontraditional-Students-Facts-2011.pdf>.