Thank you. It’s a pleasure to be at an event sponsored by the USC Center for Enrollment Research, Policy, and Practice. The Center and Lumina Foundation for Education share many goals, but perhaps none more important than the goal of increasing college access and success — and that’s what I want to talk to you about today.

Almost two years ago, Lumina Foundation laid out what we call our Big Goal. The Big Goal calls for the United States to dramatically increase the number of students who earn high-quality college degrees and credentials to a best-in-the-world 60 percent by the year 2025.

I’m sure you’re aware that right now, only about 40 percent of Americans between the ages of 25 and 34 have at least a two-year college degree.
Now let me ask you something: Do you know what percentage of older Americans — those ages 55 to 64 — have at least a two-year degree? About 40 percent.

In other words, we’ve done no better with the current generation than we did with their parents — in a span of nearly four decades.

This has to change.

We know the 60 percent goal is audacious, but we also believe this goal is realistic and achievable. More than that, this goal is vital to the future of our country. Sixty percent will keep the United States of America competitive in the global economy. Sixty percent will ensure a solid middle class. Sixty percent will meet our future needs.

For generations, the American economy created large numbers of jobs that did not require high levels of skills or knowledge but provided workers with the salary and benefits needed to live a middle-class life. As a consequence of global competition, these jobs are rapidly disappearing – and, in many cases, they’re never coming back.
A study published by the Federal Reserve Bank of New York looked at job losses in all the recessions between 1970 and the last one – six recessions in all. They found that an increasing percentage of the job losses in each of the recessions was permanent. It used to be that, in a recession, factories and other employers would simply scale back and wait it out. Workers would be furloughed, and then hired back as the economy improved. Now, and for the first time in history, most job loss is structural. In recessions like this one, companies are not going on hiatus – they are going out of business, and the jobs they provide are simply evaporating.

The current recession is also placing the relationship between education and employment in stark relief. Job loss has occurred at all education levels, but has been brutal for the less-well educated. Unemployment for high school dropouts has been near 20 percent, and it’s not much better for high school graduates. Unemployment for baccalaureate degree holders on the other hand is around 5 percent. It’s gone up, but not nearly at the same rate as for those with less education.

And the evidence is clear that those with more education will have a far easier time finding new jobs. Yes, it’s tough for college
graduates to find jobs today, but it is far, far worse for those without a college degree or credential.

True, low-skill jobs still exist in this country, but Americans who hold those jobs are not likely to enter or remain in the middle class. To be blunt, without a college degree, there is a very good chance that these individuals will be poor, and with that comes the reality they are not likely to have access to quality health care, save for retirement or assure their children access to higher education.

The consequences of failing to reach the middle class are increasingly severe. What has changed is that access to jobs with good pay and benefits is now mostly dependent on completing some form of postsecondary education.

We believe that the key to renewal of the American economy, both for short-term recovery and long-term transformation, lies in the development of a knowledge-based economy. This requires the higher education system to help Americans obtain the skills and knowledge called for in a globally competitive environment. Making this shift a reality should be the top priority at the state and federal level.
I don’t have to tell you the economy is changing. You see that every day in your offices and communities, when you visit a doctor … even when you take your car into the mechanic. Technology is everywhere, and being able to apply technology and data to a business’s specific needs is almost a requirement for the future.

Overall unemployment is around 10 percent nationally, and it’s worse here in California and in other states such as Michigan. Yet jobs do exist. It’s just that they can’t be filled due to the lack of skills training and development.

We need more people with high-quality degrees because that’s where the jobs are … and it’s certainly where the jobs are going to be.

Tony Carnevale, the noted labor economist at the Georgetown University Center on Education and the Workforce, has estimated that, by 2018, 63 percent of all jobs will require some form of postsecondary education or training. That’s a huge increase since the mid-’70s, when less than 30 percent of jobs required anything beyond a high school education.
Carnevale estimates that an associate degree will be the minimum requirement for at least 73 million jobs in this country by 2018.

When I joined Lumina in January 2008, a Big Goal of increased college completion was already being discussed. My contribution was to add two elements: the firm goal of 60 percent—making the target specific and workforce relevant—and the inclusion of two critical words: “high quality.”

“High quality” has turned out to be a very important part of how Lumina is contributing to the important national dialogue about increasing college attainment. We don’t want our nation’s colleges and universities to produce a spate of cheap degrees. This is about learning. This is about measuring learning. This is about workforce relevance – what students should know, understand and be able to do with their degrees.

I’m convinced that not enough people are thinking about what students are learning and how they apply that learning when they get out of college. So the idea of high-quality education puts us on firmer footing, as opposed to merely trying to reach a particular threshold.
Now, we’ve had some pushback from some in the field who say, “We don’t train students for jobs.” Ladies and gentlemen, of course we train people for jobs. True, that’s not all we do. Higher education is certainly about teaching students to think and preparing them to take their place as citizens of the world. That’s critical. But it’s also about preparation for a lifetime of work, and often for a particular field.

And we sometimes hear people say that the problems rest with the K-12 system, not higher education. That the benefits of the college degree are declining, so our main emphasis should be on improving K-12 education. No, they’re not. The need for a college degree is growing, by virtually any measure. Retooling our K-12 system is a vital and necessary part of our national education reform efforts but is no longer sufficient to meet our economic and social needs.

A college degree is a prerequisite. There’s no guarantee that a student who obtains a college degree is going to get a good job and have a middle-class life. But in the future, you almost certainly will be poor without some kind of postsecondary credential.
It’s become a cliché to say that a college graduate will earn a lot more money in a lifetime than a person who attains only a high school diploma. It may be a cliché, but it’s true.

Since 1975, the average annual earnings of this nation’s high school graduates fell in real terms by 1 percent, while earnings among college graduates rose by 19 percent.

Having more college-educated people will bring societal benefits as well: Higher rates of volunteerism, voting and philanthropic giving … decreased rates of crime and poverty … a reduced need for public assistance, including health care. These are benefits we all share when attainment rates rise.

So how do we reach The Big Goal? How do we add 23 million college graduates to the population in 15 years? To achieve this, the nation must produce three critical outcomes by 2025.

You all know that we love acronyms in the world of higher education, so let me share one with you here to help you remember these critical outcomes: PSP.

PSP stands for Preparation, Success and Productivity.
We’ll start with some quick definitions:

By preparation, we mean that students are prepared academically, financially and socially for success in education beyond high school.

Success means that higher education’s benefits and completion rates must be improved significantly.

Productivity refers to increasing higher education’s capacity to serve more students.

Clearly, these outcomes are significant. None of them can be reached in one step. So let’s take each of the three critical outcomes individually and show what needs to happen in each area.

First, preparation.

Far too many students are unprepared for education beyond high school. And I don’t mean just academically unprepared, but financially and socially as well. All three of these areas must be
addressed as co-equals. If they’re not, research shows that the path to and through college becomes exceedingly difficult to navigate.

The way we see it, we need to take three intermediate steps in order to achieve the goal of preparing our students for college success.

First, states and institutions must create and implement transparent higher education readiness standards aligned across K-12, adult learner and higher education systems.

State standards for K-12 education, particularly high school graduation standards, should align with college readiness standards in the state. That is, they should ensure that students are prepared to succeed in and graduate from college, without the need for remedial or developmental education.

This also requires higher education to define clear and understandable expectations for college readiness … and for schools, parents and students to have access to this information early in the student’s educational career. It’s much easier to keep your eyes on the prize when you know how and where to find the prize.
In addition, every teacher, parent and student should know where each student stands in terms of admission to the range of public higher education institutions in the state based on their performance on the state standards for college readiness.

Public higher education institutions in each state should develop and administer common assessments for admission and for placing students in developmental education courses, if needed. Standards for regular admission should be clear and unambiguous. They should be known and understood by students, parents and teachers well before graduation.

Second, state and community-based higher education outreach networks that support students in attending and graduating college should be expanded.

This means increasing the number of college graduates among minority, first-generation and low-income students. Doing that is essential to increasing higher education attainment to the levels needed by the nation. States can and should support strategies to increase the success of underrepresented students.
And every state should create a strong college-access network to ensure that this information and support is available to every young person by the eighth grade.

Third, federal, state and institutional policies and practice need to be in place so that no student is denied access to higher education because it is too expensive.

States should evaluate the ways in which their public institutions provide financial aid to students, and provide clear incentives to public institutions to use both state and institutional aid to support the success of low-income students. State accountability systems should have consequences for those institutions that fail in this.

Lumina believes need-based financial aid should be increased significantly, and that information on college costs and aid should be readily available and transparent, particularly for first-generation students and their families. This includes dramatically simplifying the financial aid application process. As the federal government takes steps to simplify or eliminate the FAFSA form, as we learned more about last week, states should also make their aid programs as simple as possible for students to use.
So, to achieve these outcomes … and thereby improve preparation … our priority strategies should be to:

No. 1, promote the alignment of standards and assessments used by K-12 and higher education systems.

No. 2, expand national postsecondary access outreach and action campaigns. I should probably note our own ongoing work here through KnowHow2GO, a collaborative venture with the American Council on Education and the Ad Council that works to help young teens get an early start on the path to college success. KnowHow2GO features a national public-awareness campaign designed to encourage students in grades eight to 10 to take the necessary steps toward college. The campaign's public-service advertisements direct young people to a Web site that connects them to local networks of advocates, advisers and pre-college service providers.

No. 3, support the expansion of sustainable, high-quality student service and advocacy networks.

And No. 4, support research on innovative approaches to help low-income students prepare financially for college. Those FAFSA forms don’t fill out themselves, and they can be daunting.
Now to the critical outcome of **success**.

I mentioned earlier that our goal is not merely to push students through college, but to help them achieve high-quality credentials that will be useful to them in the 21st century workforce.

So how do we secure success? Again, we have intermediate outcomes we need to reach on the way to achieving success.

Perhaps the most important is that higher education must use proven strategies to move students to completion of high-quality degrees and credentials.

At Lumina, we have funded dozens of programs that pursue this strategy, including some important work with minority-serving institutions, specific subpopulations and others. But let me focus on just one. It's our largest single initiative, and it's called Achieving the Dream. Achieving the Dream is focused on improving graduation rates among community college students — and with good reason. Community colleges educate 44 percent of the nation's undergraduates. And they are the institutions that serve the *majority* of students in underrepresented populations — the
students whose graduation rates must improve most dramatically if we hope to reach the Big Goal.

Achieving the Dream institutions use a data-driven approach to pinpoint and then attack gaps in student achievement. It's an approach that's working at more than 100 colleges in 22 states.

That brings me to my next point: Higher education should use quality data to improve student performance and inform policy and decision-making at all levels.

Right now, it's difficult to have a full understanding of how many students are succeeding or failing. Individual institutions keep track of how many students enroll, withdraw and graduate, but there is no feasible, systematic way to follow the progress of students as they transfer to other institutions, leave for other states or enter the workforce.

That's a fundamental, systemic problem that a national effort called the Data Quality Campaign has taken on as its central mission. In addition, several important studies by the National Center for Higher Education Management Systems, which is participating in today’s discussion, focus intently on the feasibility of developing a
linked system for student-records data and have pointed the way to a much better way of collecting and analyzing data on real students—not the students who fit the neat parameters of a bygone era of limited mobility and flexibility.

Lastly, student learning outcomes must be defined, measured and aligned with workforce needs. To put it more plainly, we need to be teaching relevant courses and subject matter so students get the education they need to fill the jobs that employers have.

To achieve these goals … and improve success rates … we should:

- Promote strategies that improve attainment of degrees and certificates, particularly by traditionally underrepresented students.

- Implement stronger transfer and articulation systems that keep students moving toward completion of degrees and credentials.

- Advocate for the use of quality data in higher education, through universal nationally linked state student record data systems that follow students to the workforce, as well as data that facilitate the alignment of higher education and workforce.
- Define and measure student learning outcomes and align them with workforce needs.

Now to **productivity**. If we’re going to have 23 million more college graduates in the next 15 years, our higher education systems and institutions must increase their productivity and capacity to meet the growing demand. In fact, they will have to develop alternative delivery systems.

Lumina is supporting this outcome by piloting new approaches to define, measure and increase effectiveness and productivity in higher education.

We recently announced grants totaling as much as $9 million to support productivity initiatives in seven states. The idea is to support states’ efforts to deliver higher education in new ways and at lower expense to students and taxpayers. We will share learning from the pilot programs in these states — Arizona, Indiana, Maryland, Montana, Ohio, Tennessee and Texas — to help promising approaches be adopted more quickly.
Right now, most state funding for higher education is allocated based on input measures such as enrollment and salaries. These approaches should be changed to focus instead on performance, and thus increase the system’s productivity.

State funding formulas and appropriations also should recognize the increased expense of serving students in groups not traditionally well served by higher education; such formulas should also provide incentives to schools that offer programs designed to meet workforce needs. Funding also should encourage institutions to increase their rates of degree completion and the sheer numbers of students receiving high-quality degrees and credentials while maintaining or improving the quality of learning outcomes.

One additional point about our work in productivity is worth noting. Even with all of the important investments we are making in this state-level work, and even with all of the other necessary and critical efforts we are making on the preparation and success fronts, we have an overarching sense that can’t “reform” our way to 60 percent. We’re also going to have to reframe and rethink by relentlessly focusing on the outcomes of higher education, making certain that we have the capacity to produce far more high-quality graduates than ever before.
This means we also will need to envision new and even more fundamental ways for higher education to do what it has always done: empower individuals and support our nation’s economic and social prosperity. In part, this means we will need to support the creation or expansion of alternative delivery systems for higher education that incorporate new technologies, competency-based approaches and other innovations.

For all of the reasons I’ve discussed this morning, I think you can see why Lumina has embraced this Big Goal. And it’s clear that others have embraced it, too, including the President of our country, who has pledged to make the United States the best-educated nation in the world by 2020.

We know the goal of dramatically increasing higher education attainment is audacious, but we believe meeting it is essential to the future economic, social and cultural well-being of the nation. Getting to that Big Goal will have huge payoffs — for the tens of millions of individual students who will be served both now and in the coming years, and most important of all, for the stronger, more secure nation that those citizens will build.

Thank you very much.