



REMARKS BY THE PRESIDENT ON HIGHER EDUCATION AND THE ECONOMY

August 9, 2010

THE PRESIDENT: I love you back. I love Austin. Love Austin. I remember -- by the way, anybody who's got a seat, feel free to take a seat. I remember paying you a visit during the campaign. Mack Brown gave me a tour of the stadium, along with Colt and a couple other guys. And I got a photo with the Heisman. I rubbed the locker room's Longhorns for good luck. And I'm just saying, it might have had something to do with how the election turned out. There might be a connection there.

I also remember the first time that I came to Austin on the campaign. And there are a number of friends who are here who have been great supporters; I want to make mention of them. Representative Lloyd Doggett is here, a great friend. Senator Kirk Watson is here. Congressman Sheila Jackson Lee is here. Mayor Leffingwell is here. And your own president, Bill Powers, is in the house.

But this is back in 2007, February 2007. It was just two weeks after I had announced my candidacy. I know it's hard to believe, but it's true -- my hair was not gray back then. Not many people thought I had much of a shot at the White House. Let me put it this way, a lot of folks in Washington didn't think I had a shot at the White House. A lot of people couldn't pronounce my name. They were still calling me Alabama or Yo' Mama -- that was --

So then I come to Austin, this was back in February of 2007. And it was a drizzly day, and that usually tamps down turnout. But when I got to the rally over at Auditorium Shores there was a crowd of over 20,000 people -- 20,000 people. It was people of all ages and all races and all walks of life.

And I said that day, all these people, they hadn't gathered just for me. You were there because you were hungry to see some fundamental change in America because you believed in an America where all of us -- not just some of us, but all of us -- no matter what we look like, no matter where we come from, all of us can reach for our dreams. All of us can make of our lives what we will; that we can determine our own destiny. And that's what we've been fighting for over the past 18 months.

I said then that we'd end the Iraq war as swiftly and as responsibly as possible -- and that is a promise that we are keeping. This month we will end combat operations in Iraq.

I said we'd make health insurance more affordable and give you more control over your health care -- and that's a promise we're keeping. And by the way, young people are going to be able to stay on their parents' health insurance until they're 26 because of the law that we passed.

I said we'd build an economy that can compete in the 21st century -- because the economy that we had even before the recession, even before the financial crisis, wasn't working for too many Americans. Too many Americans had seen their wages flat-line, their incomes flat-line. We were falling behind and unable to compete internationally. And I said we need an economy that puts Americans back to work, an economy that's built around three simple words -- Made in America. Because we are not playing for second place. We are the United States of America, and like the Texas Longhorns, you play for first -- we play for first.

Now, when it comes to the economy, I said that in today's world we're being pushed as never before. From Beijing to Bangalore, from Seoul to San Paolo, new industries and innovations are flourishing. Our competition is growing fiercer. And while our ultimate success has and always will depend on the incredible industriousness of the American worker and the ingenuity of American businesses and the power of our free market system, we also know that as a nation, we've got to pull together and do some fundamental shifts in how we've been operating to make sure America remains number one.

So that's why I've set some ambitious goals for this country. I've called for doubling our exports within the next five years, so that we're not just buying from other countries, I want us to sell to other countries. We've talked about doubling our nation's capacity to generate renewable energy by 2012, because I'm actually convinced that if we control the clean energy future, then our economic future will be bright -- building solar panels and wind turbines and biodiesel and --

And I want us to produce 8 million more college graduates by 2020, because America has to have the highest share of graduates compared to every other nation.

But, Texas, I want you to know we have been slipping. In a single generation, we've fallen from first place to 12th place in college graduation rates for young adults. Think about that. In one generation we went from number one to number 12.

Now, that's unacceptable, but it's not irreversible. We can retake the lead. If we're serious about making sure America's workers -- and America itself -- succeeds in the 21st century, the single most important step we can take is make -- is to make sure that every one of our young people -- here in Austin, here in Texas, here in the United States of America -- has the best education that the world has to offer. That's the number one thing we can do.

Now, when I talk about education, people say, well, you know what, right now we're going through this tough time. We've emerged from the worst recession since the Great Depression. So, Mr. President, you should only focus on jobs, on economic issues. And what I've tried to explain to people -- I said this at the National Urban League the other week -- education is an economic issue. Education is the economic issue of our time.

It's an economic issue when the unemployment rate for folks who've never gone to college is almost double what it is for those who have gone to college. Education is an economic issue when nearly eight in 10 new jobs will require workforce training or a higher education by the end of this decade. Education is an economic issue when we know beyond a shadow of a doubt that countries that out-educate us today, they will out-compete us tomorrow.

The single most important thing we can do is to make sure we've got a world-class education system for everybody. That is a prerequisite for prosperity. It is an obligation that we have for the next generation.

And here is the interesting thing, Austin. The fact is we know what to do to offer our children the best education possible. We know what works. It's just we're not doing it. And so what I've said is, let's get busy. Let's get started. We can't wait another generation. We can't afford to let our young people waste their most formative years. That's why we need to set up an early learning fund to challenge our states and make sure our young people, our children, are entering kindergarten ready for success. That's something we've got to do.

We can't accept anything but the best in America's classrooms. And that's why we've launched an initiative called Race to the Top, where we are challenging states to strengthen their commitment to excellence, and hire outstanding teachers and train wonderful principals, and create superior schools with higher standards and better assessments. And we're already seeing powerful results across the country.

But we also know that in the coming decades, a high school diploma is not going to be enough. Folks need a college degree. They need workforce training. They need a higher education. And so today I want to talk about the higher education strategy that we're pursuing not only to lead the world once more in college graduation rates, but to make sure our graduates are ready for a career; ready to meet the challenges of a 21st century economy.

Now, part one of our strategy is to make college more affordable. I suspect that that's something you're all interested in. I don't have to tell you why this is so important. Many of you are living each day with worries about how you're going to pay off your student loans. And we all know why. Even as family incomes have been essentially flat over the past 30 years, college costs have grown higher and higher and higher and higher. They have gone up faster than housing, gone up faster than transportation. They've even gone up faster than health care costs, and that's saying something.

So it's no wonder that the amount student borrowers owe has risen almost 25 percent just over the last five years. Think about that. Just in the last five years, the debt of students has gone up 25 percent.

And this isn't some abstract policy for me. I understand this personally, because Michelle and I, we had big loans to pay off when we graduated. I remember what that felt like, especially early in your career where you don't make much money and you're sending all those checks to all those companies. And that's why I'm absolutely committed to making sure that here in America, nobody is denied a college education, nobody is denied a chance to pursue their dreams, nobody is denied a chance to make the most of their lives just because they can't afford it. We are a better country than that, and we need to act like we're a better country than that.

Now, there are a couple of components to this. Part of the responsibility for controlling these costs falls on our colleges and universities. Some of them are stepping up. Public institutions like the University of Maryland, University of North Carolina, some private institutions like Cornell, they're all finding ways to combat rising tuition without compromising on quality. And I know that your president is looking at some of these same approaches to make sure that the actual costs of college are going down. I want to challenge every university and college president to get a handle on spiraling costs.

So university administrators need to do more to make college more affordable. But we, as a nation, have to do more, as well. So that's why we fought so hard to win a battle that had been going on in Washington for years, and it had to do with the federal student loan program.

See, under the old system, we'd pay banks and financial companies billions of dollars in subsidies to act as middlemen. See, these loans were guaranteed by the federal government. But we'd still pass them through banks, and they'd take out billions of dollars in profits. So it was a good deal for them, but it wasn't a very good deal for you. And because these special interests were so powerful, this boondoggle survived year after year, Congress after Congress.

This year, we said, enough is enough. We said we could not afford to continue subsidizing special interests to the tune of billions of dollars a year at the expense of taxpayers and of students. So we went to battle against the lobbyists and a minority party that was united in their support of this outrageous status quo. And, Texas, I am here to report that we won. We won.

So as a result, instead of handing over \$60 billion in subsidies to big banks and financial institutions over the next decade, we're redirecting that money to you, to make college more affordable for nearly 8 million students and families across this country. Eight million students will get more help from financial aid because of these changes.

We're tripling how much we're investing in the largest college tax credit for our middle-class families. And thanks to Austin's own Lloyd Doggett that tax credit is now worth \$2,500 a year for two years of college. And we want to make it permanent so it's worth \$10,000 over four years of college -- \$10,000.

And because the value of Pell grants has fallen as the cost of college keeps going up, the cap on how much Pell grants are worth, we have decided to offer more support for the future so the value of Pell grants don't erode with inflation, they keep up with inflation. And we're also making loan repayments more manageable for over 1 million more students in the coming years, so students at UT-Austin, and across this country, don't graduate with massive loan payments each month. All right, that's -- we're working on that right now.

Now, I should mention, by the way, we're also making information more widely available about college costs and completion rates so you can make good decisions. You can comparison-shop. And we're simplifying financial aid forms by eliminating dozens of unnecessary questions. You should not have to take -- you should not have to have a PhD to apply for financial aid. You shouldn't have to do it. I want a bunch of you to get PhDs, don't get me wrong. I just don't want you to have to do it for your financial aid form.

So if you're married, for example, you don't need to answer questions anymore about how much money your parents have made. If you've lived in the same place for at least five years, you don't need to answer questions about your place of residency. Soon, you'll no longer need to submit information you've already provided on your taxes. And that's part of the reason why we've seen a 20 percent jump in financial aid applications, because we're going to make it easier and make the system more accessible.

So college affordability is the first part of the strategy that we're pursuing. The second part is making sure that the education being offered to our college students -- especially, by the way, our students at community colleges that it's preparing them to graduate ready for a career. See, institutions like the UT are essential to our future, but community colleges are, too. They are great, under-appreciated assets that we have to value and we have to support.

So that's why we're upgrading our community colleges, by tying the skills taught in our classrooms to the needs of local businesses in the growth sectors of our economy. And we're giving companies an assurance that the workers they hire will be up to the job. We're giving students the best chance to succeed. We're also that way giving America the best chance to thrive and to prosper. And that's why we're also reinvesting in our HBCUs and Hispanic Serving Institutions like Huston-Tillotson and St. Edwards.

The third part of our strategy is making sure every student completes their course of studies. I want everybody to think about this. Over a third of America's college students and over half of our minority students don't earn a degree, even after six years. So we don't just need to open the doors of college to more Americans; we need to make sure they stick with it through graduation. That is critical.

And that means looking for some of the best models out there. There are community colleges like Tennessee's Cleveland State that are redesigning remedial math courses and boosting not only student achievement but also graduation rates. And we ought to make a significant investment to help other states pick up on some of these models.

So we've got to lift graduation rates. We've got to prepare our graduates to succeed in this economy. We've got to make college more affordable. That's how we'll put a higher education within reach for anybody who is willing to work for it. That's how we'll reach our goal of once again leading the world in college graduation rates by the end of this decade. That's how we'll lead the global economy in this century, just like we did in the last century.

When I look out at all the young people here today, I think about the fact that you are entering into the workforce at a difficult time in this country's history. The economy took a body blow from this financial crisis

and this great recession that we're going through. But I want everybody here to remember, at each and every juncture throughout our history we've always recognized that essential truth that the way to move forward, in our own lives and as a nation, is to put education first.

It's what led Thomas Jefferson to leave as his legacy not just the Declaration of Independence but a university in Virginia. It's what led a nation that was being torn apart by civil war to set aside acreage, as a consequence of President Lincoln's vision, for the land-grant institutions to prepare farmers and factory workers to seize the promise of an Industrial Age. It's what led our parents and grandparents to put a generation of returning GIs through college, and open the doors of our schools and universities to people of all races, which broadened opportunity, and grew our middle class, and produced a half a century of prosperity.

And that recognition — that here, in this great country of ours, education and opportunity, they always go hand in hand — that's what led the first president of the University of Texas to say, as he dedicated the cornerstone of the original Main Building: “Smite the rocks with the rod of knowledge, and fountains of unstinted wealth will gush forth.”

That's the promise at the heart of UT-Austin. But that is also the promise at the heart of our colleges and of our universities, and it is the promise at the heart of our country — the promise of a better life; the promise that our children will climb higher than we did. That promise is why so many of you are seeking a college degree in the first place. That's why your families scrimped and saved to pay for your education.

And I know that as we make our way through this economic storm, some of you may be worried about what your college degree will be worth when you graduate, and how you're going to fare in this economy, and what the future holds. But I want you to know, when I look out at you — when I look into the faces of America's young men and women — I see America's future, and it reaffirms my sense of hope. It reaffirms my sense of possibility. It reaffirms my belief that we will emerge from this storm and we will find brighter days ahead, because I am absolutely confident that if you keep pouring yourselves into your own education, and if we as a nation offer our children the best education possible, from cradle through career, not only will America -- workers compete and succeed, America will compete and succeed.

And we will complete this improbable journey that so many of you took up over three years ago. And we're going to build an America where each of us, no matter what we look like or where we come from, can reach for our dreams and make of our lives what we will.

Thank you, Austin. Thank you, Texas. God bless you. And God bless the United States of America. Thank you. Good luck to the T.