



Improving College Access and Degree Attainment Through an Early Guarantee of Federal Financial Aid

By David Bergeron and Antoinette Flores

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Introduction and summary

In 2015, approximately 3.3 million students are expected to graduate from high schools throughout the United States.¹ Many of them will pursue postsecondary education immediately after receiving their diploma but not nearly enough will complete their degree. Furthermore, high school graduates who do not enroll in a college or a postsecondary education program are more likely to come from lower-income families.²

While previous generations of Americans were considered to be among the world's most educated, gains in postsecondary attainment in competitor countries have outpaced attainment among young people in the United States. U.S. adults between the ages of 55 and 64 are the third-most educated among the 34 Organisation for Economic Co-operation and Development, or OECD, countries—nations that are in competition with the United States. In contrast, U.S. young adults currently rank 10th on OECD's most-educated list.³ As the Baby Boomer generation retires from the workforce, these lower levels of postsecondary attainment among the current generation of Americans will become increasingly apparent in global economic performance.⁴

Among the current generation of students, family income plays a significant role in determining who will receive a college degree, which is a key component of the growing inequality in the United States. In 2013, students in the top income quartile were eight times more likely to receive a bachelor's degree than students in the bottom quartile—up from 1970, when students from high-income families were five times more likely to earn a bachelor's degree.⁵ While income level determines who enrolls in college after high school, it even more significantly determines who completes college and earns a degree. In the context of rising inequality in postsecondary education, it is no wonder that the United States has fallen behind its competitors. If the United States is to make gains in degree attainment and improve its ranking among its competitors, the solution needs to focus on degree attainment in families from the bottom half of the income scale.

Each year, the federal government spends billions of dollars on federal student aid programs to help make college more affordable. In 2015, for example, the federal government spent approximately \$28 billion on the Federal Pell Grant Program, which provides grants to low-income students so that they can attend college.⁶ But, as currently designed, the process of securing federal financial aid support is a series of mountains instead of open doors. In order to receive federal financial aid, students and families must complete the complex Free Application for Federal Student Aid, or FAFSA. The Advisory Committee on Student Financial Assistance—a working group created by Congress to be an independent source of advice on financial aid policy—has frequently criticized the complexity of student aid and pointed out the barriers the process creates, particularly for the poorest students.⁷ The committee called for many simplifications that have since been implemented, including eliminating redundant questions; phasing out the paper FAFSA form; simplifying and streamlining the online application; and instituting a data retrieval tool for easy access to an aid applicant’s tax information from the Internal Revenue Service, or IRS. Despite all of these changes, the FAFSA still serves as a barrier to college access.

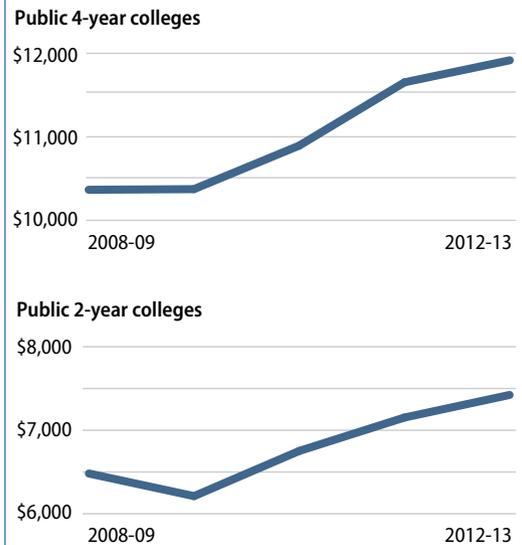
Another barrier yet to be addressed is the inability of students and families to determine their eligibility for federal financial aid and the amount of aid available until after they have already applied to colleges and universities. For prospective first-generation college students and students from families struggling to make ends meet, a public college education with an average annual price tag—after federal, state, and institutional grants—of \$12,000 for a four-year college or \$7,500 for two-year college is not affordable or accessible and can discourage students from applying at all.⁸ For those who do choose to attend college, the lack of financial aid information—as well as the high costs—can lead to poor financial, academic, and college choice decisions.

In 2015, the Center for American Progress announced College for All, a radically student-centric plan that would significantly boost college attainment rates among students from low- and moderate-income families by ensuring that students would be

FIGURE 1

The portion of the costs that students and families must pay continues to increase

Average annual cost of college attendance after federal, state, and institutional grants for 2- and 4-year colleges and universities, 2008-09 to 2012-13



Source: CAP analysis of National Center for Education Statistics, "Integrated Postsecondary Education Data System," available at <http://nces.ed.gov/ipeds/datacenter> (last accessed April 2015).

able to attend two- and four-year public institutions without having to incur any tuition or fees while enrolled.⁹ In order to remedy financial aid timeline inefficiencies, incentivize more students to earn postsecondary education credentials, and promote future economic success, CAP proposes improving the federal financial aid system by providing an early guarantee of financial aid eligibility through the federal tax system and eliminating the need for students to fill out additional forms in order to receive federal aid. The early guarantee of federal financial aid would increase transparency of both college costs and available aid, as well as incentivize students to enroll in and complete postsecondary education, encourage robust college academic preparation, and spur families to begin saving if possible.

While early aid notification is proposed as a component of College for All, the recommendations in this report can and should be applied to the current financial aid system in order to effectively streamline the aid process and eliminate barriers such as the need for additional forms. This report also details how Congress, under the amended Higher Education Act of 1965, could pilot an early guarantee of aid through the previously authorized demonstration program. The pilot would allow for an early guarantee to be tested for impacts and outcomes on college access and completion rates, as well as troubleshoot delivering aid through the tax system. Through College for All, aid would be guaranteed, delivered, and repaid through the federal tax system in a more rational and organized manner. However, even without the additional reforms proposed under College for All, an early guarantee of aid would increase transparency and incentivize more students to aspire to and achieve postsecondary education.

CAP proposes the following recommendations:

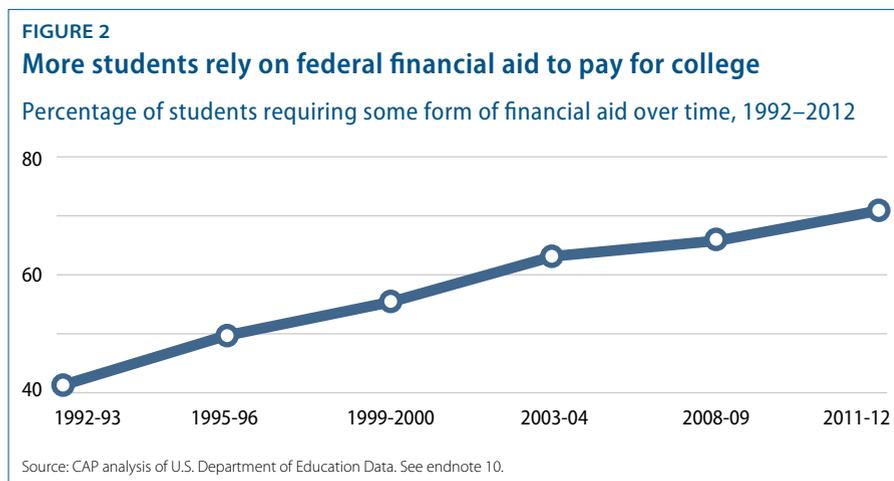
- **Provide an early guarantee of federal financial aid:** Students and families should receive an early guarantee of available aid when the student is in the eighth grade based on information from their federal income tax return. Receiving federal financial aid should not require students to fill out forms providing income data when this information is already collected and reported through the tax system. The IRS would notify families about their eligibility for federal financial aid before the student starts high school, and the U.S. Department of Education would develop and provide detailed information on the cost of college, net price, types of aid available, and repayment options.

- **Build a financial aid calculator that works within the IRS income tax system to determine aid:** Currently, financial aid eligibility is determined based on FAFSA information and the formula that determines expected family contribution, or EFC. Under College for All, students would not need to contribute anything upfront for tuition and fees. Instead, students would be guaranteed a mix of grants and loans depending on the family's income history. Grant aid would target students with the greatest need in order to eliminate the psychological barriers of preparing for college, such as worrying about costs. A new calculator should be created that can work with IRS data points to determine the amount of available grant aid based on multiple years of income data. The balance of the aid would be provided in the form of loans.
- **Permit states and institutions to use income data for families to make a more accurate assessment of financial need:** Under the new aid system, students and families could elect to share income information with colleges and universities to help institutions make better and more informed decisions regarding what types and amounts of aid to provide students.
- **Target and communicate tuition support and grant aid:** In order for an early guarantee of federal financial aid to be most effective, tuition support and grant aid needs to be increased. Families need to know that the immediate cost of college is covered. For low- and moderate-income families, it is important to explicitly communicate how much federal aid they will receive in the form of grants that do not have to be repaid. Grant funding should be targeted in a way that incentivizes the most students to attend and complete a postsecondary degree or certificate. The program could be piloted by first targeting the neediest students who are eligible for the maximum Pell Grant award.
- **Pilot an early guarantee of aid already granted under current law:** The Higher Education Act of 1965, which authorized the federal student aid system, includes an authority for a demonstration program that would allow several states to award Pell Grants in conjunction with an information campaign targeting low-income students in the eighth grade.¹⁰ The Department of Education would then track these students through college and monitor their progress. The Obama administration should work with Congress to have funds appropriated in order to implement a pilot program as quickly as possible to take advantage of state tax and benefit information systems.

The amount of financial aid available to students should be an incentive and make the decision to attend college easier, but the complicated process of applying for aid and a lack of information stand in the way. Together, these recommendations would simplify and streamline the federal aid system and ensure that it fulfills the goal of getting the students most in need to and through college.

Background

America's federal financial aid system was created to help increase the college-going rate and ensure that students could access postsecondary education regardless of income. Tuition increases that make college more expensive have led to a greater reliance on federal aid. In the 2011-12 school year, approximately 70 percent of students relied on some form of aid, up from around 40 percent of students two decades ago.¹¹



The availability of financial aid has helped increase the U.S. college-going rate across all income levels.¹² But despite enrollment growth, the gap in degree attainment between low- and high-income groups has also increased.¹³ One of the most critiqued components of the financial aid system is the FAFSA—the form students must complete in order to receive aid. In recent years, there have been several attempts to simplify and streamline the form, including increasing the eligibility threshold for students to qualify for a family contribution of zero dollars, thereby significantly shortening the form for some; eliminating repetitive

questions; introducing skip logic that eliminates some questions based on answers to other questions; introducing an online tool that allows some aid applicants to transfer their tax information from the IRS; and eliminating reliance on paper forms in favor of the online application.¹⁴

Currently, there are several proposals calling for more changes, including reducing the form from 110 questions to just two.¹⁵ But these proposals neglect one important fact: A majority of the FAFSA questions regarding income are already answered annually through federal income tax filings. Focusing on changes to the FAFSA itself fails to consider the significant number of students and families who make financial and academic assumptions and decisions about college long before the second half of the high school senior year—when the FAFSA is filed.

Timing inefficiencies leave students and families in the dark about college affordability

The lack of cost visibility and clarity in the current federal financial aid process does not help students and families who are unaware of available aid and fear that college is unaffordable. After making great strides in college attainment since the early 1950s, the United States has begun to lose headway.¹⁶ Skyrocketing college costs and questions pertaining to the value of higher education have coincided with a decline in the college attendance rate among low-income students and a slowing of the rate among middle-income students.¹⁷ Media horror stories regarding high college costs and student-loan debt increasingly promote the idea that college is for the select few rather than for all Americans.

In this respect, the biggest fault in the current federal financial aid system is timing. Often, key pieces of information that play a role in college decision-making such as price, available aid, and academic requirements are not addressed until a student's senior year when it is already too late for families to effectively save for college or for students to take the right courses in order to be well prepared for college. High school seniors are not informed of financial aid eligibility until the second half of their senior year, typically after students have already applied to colleges. It is critically important that low- and moderate-income families know how much they will receive in grant funds—aid that does not have to be repaid. Likewise, families further up the income scale need to be aware of tuition costs, loan eligibility, and how much they should be saving. Without this knowledge in advance of deciding where to apply to college, a student or family might assume college is not affordable and limit their choices or discount college as an option altogether.

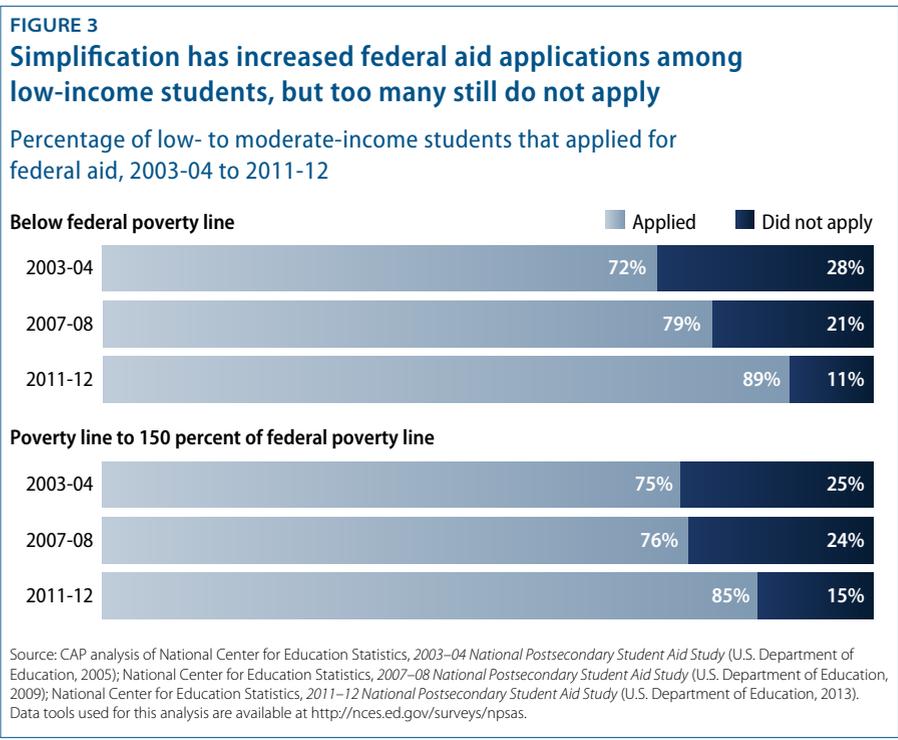
Research shows that low-income parents are significantly more likely to overestimate college costs and low-income, first-generation students are often unaware of available aid—all factors that discourage college enrollment.¹⁸ The U.S. Department of Education has found that the complexity of applying for aid discourages many eligible students, including an estimated 2 million students in a single academic year who would have qualified for a Pell Grant but never completed an application.¹⁹ Informing families of cost, grant, and loan eligibility would allow them to make decisions early on and plan accordingly.

Timing inefficiencies can be seen in student decisions and outcomes

There are a surprising number of students who do not apply for federal financial aid, even though they would be eligible for the Pell Grant program. Analysis of federal data from the U.S. Department of Education shows that in the 2011-12 school year, 10 percent of students below the federal poverty level, or FPL, and 15 percent of students at or up to 150 percent of the FPL—students who should be eligible for Pell Grant aid—did not apply for it.²⁰ The percentage of eligible students who did not apply for federal financial aid has improved somewhat since the 2003-04 school year when 28 percent of students below the FPL and 25 percent of students at or up to 150 percent of the FPL who were attending college did not apply for aid.²¹

The percentages of students who did not apply for federal aid are further differentiated by type of institution. Public two-year colleges, or community colleges, have the highest percentage of students at or below the FPL who did not apply for aid.²² While community colleges have lower tuition than public and private four-year colleges, the students served by community colleges are much more likely to be low-income, have children, and work full- or part-time to cover tuition and living expenses.²³ At community colleges in the 2011-12 school year, 14 percent of first-year U.S. citizen students who were below the FPL and 21 percent of students at or up to 150 percent of the FPL never applied for federal financial aid.²⁴ Again, the percentage has somewhat improved from the 2003-04 school year when the share of low- and middle-income community college students who did not apply for aid was at or above 30 percent.²⁵ But it is important to note that in the 2003-04 school year, a greater percentage of students below the FPL did not apply for aid than students at or up to 150 percent of the FPL.²⁶ In the 2011-12 school year, students at or up to 150 percent of the FPL had a greater likelihood of not applying for fed-

eral financial aid, potentially indicating that moderate-income students who are not in extreme poverty believe their incomes are too high to be eligible for federal financial aid and are thus less likely to apply despite being Pell Grant eligible.²⁷ Eliminating the need for a complicated application process would help guarantee that every student who is entitled to grant funds receives them.



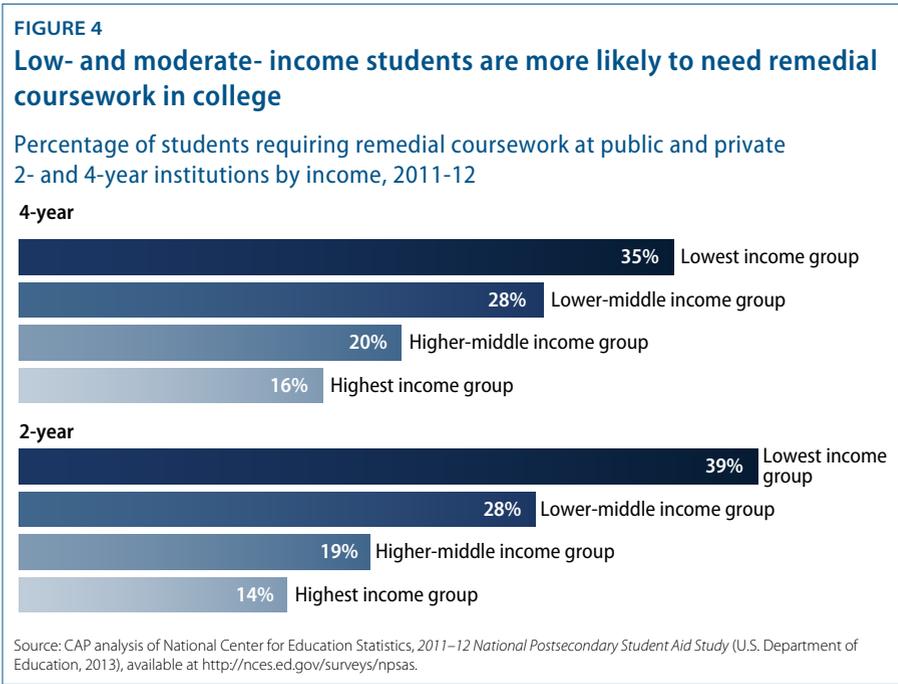
Public colleges and universities offer the most affordable quality option for students. Yet many low-income students are more likely to enroll in high-tuition, high-debt, for-profit institutions. Research shows that low-income students are likely to be overrepresented at for-profit institutions but underrepresented at public and private nonprofit four-year institutions.²⁸ For-profit colleges are appealing to low-income students in part because they offer flexibility, including rolling starts and open admission. Students can enroll at any time because the application process does not require adherence to rigid deadlines and advanced planning.

Eliminating the need for complex financial aid forms and providing an early guarantee of aid could help reduce the appeal of these schools. The overrepresentation of low-income students is problematic because for-profit schools have relatively high dropout rates, high tuition and borrowing, and a high level

of student defaults. For example, a 2012 Senate Health, Education, Labor and Pensions Committee investigation found that more than half of students enrolled at for-profit schools left without a degree or diploma within four months of enrolling.²⁹ Associate degrees at for-profit institutions make up the majority of for-profit enrollments, and as of 2010, for-profit institutions had a 62 percent withdrawal rate. Students who attended a for-profit college accounted for 47 percent of all federal student-loan defaults, indicating that students are unable to find employment or earnings that allow them to repay their loans.³⁰ Moreover, for-profit schools pursue students using aggressive recruiting practices that target students who are unaware of the full range of college opportunities and their associated costs.³¹ The goal of the federal financial aid system should be to incentivize students to enroll in schools that provide affordable, quality education and offer a greater likelihood of completing a degree.

Sound academic and financial decisions require clear information

Many low- and moderate-income students are not academically prepared for college-level studies. Nationwide, approximately 20 percent of entering students took at least one remedial course. A greater portion of students at community colleges took remedial coursework than students at four-year colleges—approximately 27 percent to 15 percent, respectively.³² However, low- and moderate-income students are significantly more likely to need remedial coursework upon entering postsecondary education. At four-year colleges, 35 percent of low-income students and 28 percent of moderate-income students took at least one remedial course in their first year of college, while only 15 percent of students from the highest-income group reported taking a remedial course. At community colleges, 39 percent of low-income students and 28 percent of moderate-income students took at least one remedial course compared with 14 percent of students from the highest-income group.³³



The lack of college readiness can have serious consequences for completing college because a majority of students who need to take remedial coursework never earn a degree.³⁴ Research suggests that both poor academic and financial preparation for college are partly attributable to a perception that college is unaffordable and therefore not an option for which one needs to prepare. Alternatively, an early awareness of financial aid, which puts college on the radar for students and families, corresponds to improved levels of academic achievement and educational aspiration.³⁵ Awareness of available aid for college could increase academic aspirations and achievement in high school, which would make students better prepared academically when enrolling in college.

In an effort to help families save for college, states offer several savings plans, the largest of which is called the 529 college savings plan. However, very few families take advantage of this plan.³⁶ Earnings in a 529 plan are exempt from federal income taxes as long as they are used for approved educational purposes. The 529 plan also has a marginal effect on need-based financial aid and may offer other incentives. According to a study by the Government Accountability Office, or GAO, in 2010, less than 3 percent of families used a college savings plan. Even among families who considered saving for education a priority, fewer than 1 in 10 had a 529 savings plan. Those families who did have tax-exempt savings tended to be wealthier.³⁷

Studies have shown that even small amounts of college savings increase academic preparation and expectations of college completion.³⁸ Increased knowledge of savings plans and early awareness of financial aid eligibility and college costs could help improve how families approach college.

Early notification and awareness of grant aid could increase access and completion

Available evidence shows a link between aid awareness and application.

Comparing FAFSA completions with projected graduation rates shows that approximately 62 percent of the 2014 high school graduation class completed the FAFSA.³⁹ However, these numbers vary widely by state. The District of Columbia ranks highest with 74 percent of graduating seniors completing the FAFSA, and Tennessee comes in second with 71 percent of seniors completing the form.⁴⁰ Utah comes in last place with 38 percent of the state's graduating seniors completing the FAFSA.

States and regions with high completion rates stand out from the rest because they offer region-specific aid in addition to federal aid. The District of Columbia requires students to complete the FAFSA in order to be eligible for the District of Columbia Tuition Assistance Grant, or DC TAG, which provides up to \$10,000 toward the difference between in-state and out-of-state tuition at public four-year universities or up to \$2,500 per academic year toward tuition at private colleges in the District of Columbia; historically black colleges and universities, or HBCUs; and two-year colleges nationwide.⁴¹

Tennessee requires students to complete the FAFSA in order to be eligible for the HOPE Scholarship, which provides Tennessee students with financial aid to make college in the state more affordable.⁴² According to the Tennessee Student Assistance Corporation, while using the FAFSA as the standard application for the HOPE Scholarship, the state's Pell Grant awards increased approximately \$52 million between 2004 and 2009. This shows that students are more likely to apply for aid and, by implication, consider postsecondary education when they are aware of available financial aid toward the cost of attending college and believe a college education is affordable.⁴³

Several examples show a link between aid visibility and increased access to postsecondary education. In a widely discussed experiment on financial aid, H&R Block tax professionals provided low- and middle-income families with assistance in completing the FAFSA.⁴⁴ Following FAFSA completion, some of the families were provided with estimated financial aid eligibility and information about local colleges. The findings suggest that families who received assistance and information about aid were significantly more likely to submit the FAFSA, enroll in college, and receive a greater amount of aid. However, only providing financial aid eligibility without assistance in completing the FAFSA had no effect on submissions. The study suggests that not only is the FAFSA itself a barrier but decreased college access among low- and middle-income families also stems from a lack of knowledge regarding potential aid and college affordability.⁴⁵

In another example, the state of Indiana implemented a need- and performance-based scholarship program—Indiana's 21st Century Scholars—that provides students with an early commitment of up to four years of paid tuition at an Indiana college. The commitment is made in the seventh or eighth grade if the students commit to academic success, a drug- and alcohol-free lifestyle, and participate in college preparation activities. Participating scholars have a higher high school graduation rate and significantly higher college enrollment rate than

nonscholars—particularly among low-income populations.⁴⁶ A follow-up study found negligible differences between 21st Century Scholar enrollees and all other postsecondary students in college enrollment and completion, suggesting that the program may have played a role in helping low-income, mostly first-generation students beat the odds and successfully complete college.⁴⁷

For low- and moderate-income students who are more likely to be price sensitive, awareness of grant aid is important. Research shows that need-based aid has positive effects on attendance, persistence, and completion of college, particularly at public universities.⁴⁸ Importantly, the greater the grant aid, the greater the effect it had on attendance and completion. For middle- and upper-income families who are able to save, research shows that children with a savings account are two times more likely to attend college and experience higher levels of academic achievement.⁴⁹ In this respect, providing families with detailed information tailored to their economic position and needs provides the best opportunity for them to prepare.

Recommendations

The federal government should create a system that provides students and families with an early guarantee of federal financial aid through the tax system, eliminating the need for students to fill out additional forms in order to receive aid. The early guarantee would remedy financial aid timeline inefficiencies; increase transparency of college costs and available aid; incentivize students to enroll in and complete postsecondary education; encourage robust academic preparation for college; and spur families who are able to do so to begin saving for college.

Provide an early guarantee of federal financial aid

Students and families should receive an early guarantee of available aid when the student is in the eighth grade based on information provided on their income tax return. Using the tax return to determine financial aid eligibility is ideal because it does not require students and families to file additional forms and would enable families to begin college planning much earlier in a student's education. Studies show that solely using adjusted gross income and family size as the main drivers for determining grant and loan eligibility have minimal impact on aid awards and are already collected through the income tax form.⁵⁰

Congress should require that the financial information available to the IRS on income tax returns be used to determine federal student aid eligibility beginning when a student is in eighth grade, as noted above. The U.S. Department of Education would provide the IRS with clear and detailed messaging on the cost of college for different institution types within the state of citizenship, the net price, the types of aid, and how the aid would be repaid upon exit from postsecondary education. This information would be included with the early guarantee of aid sent in the income tax return through the IRS. Providing information that is tailored to a family's individual financial circumstances would allow early financial and academic planning with the expectation that college is affordable and attainable.

Build a financial aid calculator that works within the IRS income tax system to determine aid

Currently, the FAFSA serves as a method of inputting variables based on a family's individual economic situation into a formula, which then determines expected family contribution, or EFC, and Pell Grant eligibility. The current EFC formula looks at the student and family's income and assets in the prior year to determine a student's financial circumstances and, therefore, need for aid.

A new financial aid calculator should be created that can use multiple years of income data from the tax history of the student's family in order to determine eligibility for grants and other aid. The determination should consider multiple years of earnings since a family's economic circumstances and ability to save must be considered across time rather than in one specific moment.

Considering multiple years of income information rather than a single year would prevent families from manipulating income in order to receive higher levels of grant aid. Students below the income threshold for filing a tax return should be assumed to be low income for purposes of determining the aid amount. For independent students, the aid amount should be based on the past three years of tax returns on a rolling basis. Taxpayers with stagnant or declining wages should be informed annually of eligibility. While income volatility is a concern, research on income trends show that low-income families that are eligible for grant aid remain consistently low income over the course of their children's schooling.⁵¹ Independent students, adults, and students interested in graduate or professional education could simply check a box on the tax form to indicate that they are considering pursuing postsecondary education and would like further information based on the earnings data provided in their tax form and the level of education they would like to pursue. A similar calculator would enable them to learn how much grant and other aid they would be eligible to receive.

Permit states and institutions to use income data for families to make a more accurate assessment of financial need

To enable a more rational system of aid awards, students and families should be able to share data from their tax records in order to help states and institutions make better and more informed decisions about what types of aid to provide students and in what amounts. Tools could be developed to help states and institu-

tions analyze the relative need of the students in their aid applicant pool so that aid decisions would be made based on a composite picture of families' economic circumstances. This approach would keep the focus not on the specific circumstances of a particular student at a single moment but consider the relative need of each student over time for a more accurate assessment.

Today, states and institutions rely on the EFC from the FAFSA to determine how to distribute financial aid resources. Allowing students and families to share data from their tax records would help streamline and automate aid distribution without requiring additional burdensome forms. States could elect to share information on state aid programs and eligibility—as well as state public college information, including in-state tuition rates and required high school coursework for admission—at the same time that federal aid information is provided in order to give students and families even more incentive and understanding of affordability and access.

Target and communicate tuition support and grant aid

In order for an early guarantee of federal financial aid to be most effective, tuition support and grant aid need to be increased—particularly for low-income families. Families need to know that the immediate cost of college is covered. For low- and moderate-income families, it is important to explicitly communicate how much federal aid they will receive in the form of grants that do not have to be repaid. Grant funding should be targeted in a way that incentivizes the most students to attend and complete a postsecondary degree or certificate. The program could be piloted by first targeting the students who are most in need and thus eligible for the maximum Pell Grant award.

Available evidence shows a link between awareness of aid and improved access and success among low- and moderate-income students.⁵² Under the new system, it is important that grant aid is clearly communicated and targets students with the greatest need so that they enter high school knowing that college is financially within reach.

Research also shows that even a modest sum of college savings increases educational aspirations and preparation.⁵³ For families further up the income scale—who may not be eligible for grants and may eventually have to repay some of the aid—it is important to communicate the importance of saving for college, as well as the availability of tax-exempt savings plans such as the 529 plan.

Pilot an early guarantee of aid already granted under current law

The Higher Education Act of 1965, which authorizes the federal student aid system, includes an authority for a demonstration program that would allow several states to award Pell Grants in conjunction with an information campaign targeting low-income students in the eighth grade.⁵⁴ The U.S. Department of Education would track these students through college and monitor their progress. Congress should appropriate the necessary funds so that the secretary of education could award grants to states in order to fund administrative expenses required to pilot an early guarantee under demonstration authority.

The pilot should provide an early guarantee using state income tax systems to demonstrate that such a system would be more efficient and result in more effective targeting. The pilot would first target the students most in need—those eligible for the maximum Pell Grant award—in order to evaluate program process and outcomes. Among Pell Grant recipients, the average adjusted gross income is 123 percent of the FPL, or roughly a yearly salary of \$20,000 dollars or less.⁵⁵ Students qualify for an automatic zero EFC and the maximum Pell Grant award if the income of the student’s parents is no more than \$24,000.⁵⁶ The pilot would prioritize students from families meeting these income requirements.

Focusing on the neediest students when they are in the eighth grade would provide the ability to assess the program’s effect on high school academic and college access, as well as persistence outcomes. The demonstration program declares that students targeted for an early commitment be eligible for the free and reduced lunch program. These targeted students would come from families earning \$24,000 per year or less and, as a result, they would qualify for the free and reduced lunch program, meeting the requirements under current law. The pilot could also help develop the program on a broader scale so that it could eventually be applied to all students.

Conclusion

Each year, the federal government offers billions of dollars in federal financial aid to ensure equal access to postsecondary education regardless of income. Although the United States has come a long way in simplifying access to federal financial aid, barriers still exist. In order to increase both college completion and college-going rates, students and families need to be fully informed of available aid and options long before the senior year of high school—preferably by the eighth grade.

The current system functions as a system of barriers that discourages millions of low- and moderate-income students from pursuing and completing college. Improving overall degree attainment with the goal of strengthening the U.S. economy requires a radical new approach—one that rewrites how the nation approaches college access and completion. For too many families, college is seen as unattainable. An early guarantee of aid is critical in both eliminating the barriers of the current system and improving overall degree completion rates, thus allowing the United States to remain competitive in a changing global economy.

About the authors

David A. Bergeron is the Vice President for Postsecondary Education at the Center for American Progress. Prior to joining CAP, Bergeron served in a variety of positions at the U.S. Department of Education, including serving as the acting assistant secretary for postsecondary education. In this position, Bergeron acted as the education secretary's chief advisor on higher-education issues and administered more than 60 grant and loan programs that provide nearly \$3 billion annually to institutions of higher-education and community-based organizations.

Antoinette Flores is a Policy Analyst on the Postsecondary Education team at the Center. Her work concentrates on increasing access to quality higher-education credentials and ensuring that all students have the financial and academic support necessary to complete their programs. Prior to joining CAP, Flores worked on communications for the National Council of Higher Education Resources.

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As progressives, we believe America should be a land of boundless opportunity, where people can climb the ladder of economic mobility. We believe we owe it to future generations to protect the planet and promote peace and shared global prosperity.

And we believe an effective government can earn the trust of the American people, champion the common good over narrow self-interest, and harness the strength of our diversity.

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We develop new policy ideas, challenge the media to cover the issues that truly matter, and shape the national debate. With policy teams in major issue areas, American Progress can think creatively at the cross-section of traditional boundaries to develop ideas for policymakers that lead to real change. By employing an extensive communications and outreach effort that we adapt to a rapidly changing media landscape, we move our ideas aggressively in the national policy debate.

