

The New York Times  
(March 2, 2006)

## Fuel for a Knowledge-Based Economy: Reauthorizing the Higher Education Act

By: FRANCE A. CORDOVA

With the Higher Education Act (HEA) up for reauthorization, it is time for the wider public to understand how it serves the public interest. Vital sectors of our economy—including communications, health, service, manufacturing, defense and security—have become increasingly dependent on the rapid generation and translation of new knowledge to produce competitive technologies and innovative products. What drives the knowledge engine? Institutions of higher education. California's Silicon Valley, Massachusetts's Route 128, North Carolina's Research Triangle Park—all are built around research universities. In California, one in three biotech companies was started by a **University of California** scientist; one in four of all U.S. biotech firms is within 35 miles of a UC campus.

The Federal Reserve chairman Alan Greenspan has said, "The U.S. system of higher education must remain the world's leader in generating scientific and technological breakthroughs and in preparing workers to meet the evolving demand for skilled labor." Consider this: The National Center for Education Statistics estimates that 1.3 million people received their baccalaureate degrees in 2004. According to the 2000 Census, each of these individuals can expect to earn an additional \$600,000 more in his or her lifetime compared to those who received only a high school education. This translates into an additional \$780 billion that will ultimately be pumped into the national economy—based on just one year's graduating class—because of a college education.

As higher education becomes increasingly important to our knowledge-based economy, so too does the HEA. The HEA finances student loan and grant programs to reduce financial barriers; provides resources to institutions that address underrepresented students and their needs; and strives to enhance the quality of higher education. It broadens access to higher education, ensuring not only that more students of diverse social and economic backgrounds are enrolled in our colleges and universities, but that they succeed.

The accessibility, affordability and quality of higher education loom large on the nation's agenda. A poll conducted for The Chronicle of Higher Education showed that nearly 93 percent of those interviewed agreed that higher education institutions are one of the most valuable resources in the U.S. Both presidential party platforms speak to the importance of higher education; the candidates talk about the relationship of high technology jobs to universities. During the recent presidential campaign, the Associated Press asked both George W. Bush and John Kerry how they would make college more affordable for students. Between them, the candidates proposed a number of ideas, including financial aid for low-income students, financial incentives for math and science students, reforms

in K-12 to insure academic preparation, tax credits, state fiscal help, and service in lieu of tuition.

Between 2000 and 2015, the college-age population is expected to increase by 16 percent, or 2.6 million students. Eighty percent are projected to be minorities, half of these Latino. Further, in 1999-2000, 40 percent of all undergraduates were first generation college-goers. Many of these students lack understanding about admissions and financial aid. The need is great: 10.5 million applications for federal student aid were filed in the 2000-01 academic year.

Social and cultural barriers to entry into college are being overcome as states and universities join forces to improve preparation of K-12 students, but state budget pressures threaten gains that have been made in providing financial aid. A continued federal commitment, such as that historically provided by the HEA, is needed to level the playing field. Low income students, for example, have a six-year graduation rate of 54 percent, compared to 77 percent of high income students—a gap that has closed by only 10 percent in the past three decades. The same report indicates that the average Latino graduation rate is only 47 percent.