



December 21, 2010

U.S. Department of Education  
400 Maryland Avenue, SW.  
Washington, DC 20202-4537  
[ICDocketMgr@ed.gov](mailto:ICDocketMgr@ed.gov)

Re: Comments on the Beginning Postsecondary Students Longitudinal Study  
OMB Control Number: 1850-0666

On behalf of the nearly 100,000 bipartisan members and donors of the American Association of University Women (AAUW), I am pleased to share AAUW's comments on the proposed Beginning Postsecondary Students (BPS) Longitude Study as part of the National Postsecondary Student Aid Study (NPSAS). Since its founding in 1881, AAUW has been committed to making the dream of higher education a reality for women. AAUW's 2009-2011 Public Policy Program affirms our commitment to "a strong system of public education that promotes gender fairness, equity, and diversity... and advocates increased support for, and access to, higher education for women and other disadvantaged populations (and) increased access to higher education."<sup>1</sup>

AAUW strongly supports the administration's commitment to making higher education affordable and accessible for all Americans. More students than ever are entering postsecondary education and many are finding it difficult to afford this education. To ensure that higher education is an engine for workforce training and productivity we must help students find affordable programs that lead to economically secure careers.

The NPSAS is the primary source of information used by the federal government and others to inform public policy on programs such as Pell Grants and Stafford loans. Given the importance of these programs, expanding what information is collected is extremely important. The BPS will focus on issues of persistence, degree attainment, and employment outcome for first-time postsecondary students.

With changes in the workforce over the last century, higher education is becoming less of a luxury and more of a necessity. By 2018, an estimated 15 million jobs will likely require postsecondary education.<sup>2</sup> As the skill requirements of jobs continue to increase, so too should access to postsecondary education for all students. This is very important to women, who now make up the majority of college students, comprising 57 percent of undergraduates and 60 percent of graduate students in 2009.<sup>3</sup>

AAUW places particular importance on the three following areas: ensuring students can access an affordable education; managing debt; and protecting students.

### **Improving Affordability**

Ensuring and increasing access to affordable higher education is imperative to helping students obtain financial security and economic independence. Of the nation's 20 million college students,<sup>4</sup> 11 million receive some form of federal financial aid.<sup>5</sup> This aid plays a vital role in helping students attend college; financial barriers prevented 3.2 million high schools graduates from completing their bachelor's degrees between 2000 and 2010.<sup>6</sup> AAUW supports the full funding of the Pell Grant award program and an increase in the

income protection allowance to reflect the ever-growing costs of postsecondary education. The income protection allowance is the amount of money students can make without that income counting against their financial aid package. This allows students to keep more of their income when their determining eligibility for financial aid.

In addition, every student must have access to all the federal loans for which they are eligible – even during tight economic times. Congress and the administration should continue to make access to student loans a priority. In this economic climate, students who have exhausted all available aid may increasingly be forced to turn to risky, expensive private loans or leave school altogether because of lack of funds.

### **Managing Debt**

In addition to increasing access to education, AAUW is also concerned about students' debt from paying for their education. Because student aid—and family incomes—have not risen at the same rates as college tuition, the dream of a college education has become more of a challenge in recent years, placing burdens on both students and their families. Approximately two-thirds of college graduates take out student loans, averaging \$23,000 in debt per student.<sup>7</sup>

Heavy borrowing for higher education has a substantial impact on graduates' lifestyle and career decisions. In 2002, student loan debt caused 14 percent of young graduates to postpone marriage; 30 percent to hold off on buying a car; 21 percent to delay having children; and 38 percent to defer buying a home.<sup>8</sup> Further, students report debt levels that would deter them from pursuing lower-paying public service careers that are critical to the well-being and future of the nation.<sup>9</sup> High levels of student debt also increase the likelihood of default. In a ten-year follow-up study of student borrowers who graduated in 1992-93, it was shown that those who graduated with \$15,000 or more in loans were nearly three times as likely to default as those who owed less than \$5,000.<sup>10</sup>

Loan repayment is an even more significant burden for women, who earn less on average over the course of their lives than their male counterparts. In 2009, the average woman who worked full time earned just over 77 cents for each dollar earned by her male counterpart.<sup>11</sup> AAUW's report, *Behind the Pay Gap*, found that college-educated women earn five percent less than men one year out of college and 12 percent less than men 10 years out of college, even when they have the same major and occupation as their male counterparts and when controlling for factors known to affect earnings such as education and training, parenthood and hours worked.<sup>12</sup> These findings suggest that sex discrimination not only continues to be a problem in the workplace, but that it affects the incomes of even the most educated women immediately out of college. Since women are more likely to borrow than men and will make less on average after graduation, female students are more likely to struggle with their loan debt.<sup>13</sup>

### **Protecting Students**

AAUW supports the BPS study's inclusion of new institutions, particularly its inclusion of for-profit institutions. We share the President's goal of having more students graduate from college in the coming years, which will require supporting public, non-profit, and successful for-profit programs. However, AAUW does not support expanding access to institutions that overburden students with debt and take advantage of taxpayer-supported financial aid, while at the same time failing to prepare students for the workforce.

Students attending for-profit schools account for only 10 percent of all undergraduate students, but received 23 percent of all federal student aid during the 2008-2009 school

year.<sup>14</sup> Students at these schools default on loans at twice the rate of students at other types of institutions even after controlling for demographic characteristics.<sup>15</sup> Many students accrue this debt and do not even obtain a degree – the average graduation rate at private for-profit colleges was 38 percent in 2008, compared to 56 percent for all 4-year institutions that same year.<sup>16</sup>

This is why AAUW supports the administration's effort to define gainful employment and hold schools accountable for serving their students. AAUW was pleased by the administration's proposal to require for-profit schools to provide prospective students with their programs' graduation and job placement rates, so students and their families can best determine the relative value of these potential programs. AAUW believes using both a debt-to-income measure and repayment rate allows for-profit schools to demonstrate they are preparing students for gainful employment in a recognized occupation, while also providing flexibility and acknowledging that occupations have different earnings trajectories and that program costs vary. Both measures also ensure that students are making real progress on paying off their loans and can pay off their debt in a reasonable amount of time.

The BPS study presents a tremendous opportunity to measure and assess the challenges faced by first-time postsecondary students in staying in school and earning affordable and meaningful college degrees. This study will allow policy-makers and educators to understand these challenges and act accordingly to better serve the interests of students.

Thank you for the opportunity to submit comments on this important issue. I look forward to working with you on postsecondary education issues. If you have any questions, please feel free to contact me at 202-785-7720, or Beth Scott, regulatory affairs manager, at 202-728-7617.

Sincerely,



Lisa M. Maatz  
Director, Public Policy and Government Relations

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<sup>1</sup> AAUW. (June 2009). *2009-11 AAUW Public Policy Program*. Retrieved December 14, 2010, from [http://www.aauw.org/advocacy/issue\\_advocacy/principles\\_priorities.cfm](http://www.aauw.org/advocacy/issue_advocacy/principles_priorities.cfm).

<sup>2</sup> U.S. Department of Labor. Bureau of Labor Statistics. (December 11, 2009). *Economic News Release. Employment and Total Job Openings by Postsecondary Education or Training Category, 2008-18*. Retrieved December 20, 2010, from <http://www.bls.gov/news.release/ecopro.t09.htm>.

<sup>3</sup> U.S. Census Bureau. (April 20, 2010). *Census Bureau Reports Nearly 6 in 10 Advanced Degree Holders Age 25-29 are Women*. Retrieved July 2, 2010, from <http://www.census.gov/newsroom/releases/archives/education/cb10-55.html>.

<sup>4</sup> Sallie Mae. (2010). *How America Pays for College*. Retrieved November 18, 2010, from <https://www.salliemae.com/NR/rdonlyres/D5D78A1C-BBB8-4D97-AE9B-7EC35558AD5F/13388/SLMGallupReportHowAmericaPaysforCollege81010FINAL.pdf>.

<sup>5</sup> U.S. Department of Education. (June 2009). *U.S. Department of Education Expands Its Student Loan Servicing Capacity*. Retrieved November 18, 2010 from <http://www.ed.gov/news/press-releases/us-department-education-expands-its-student-loan-servicing-capacity>.

<sup>6</sup> U.S. Department of Education Advisory Committee on Student Financial Assistance (May 2008) *Shifts in College Enrollment Increase Projected Losses in Bachelor's Degrees*. Retrieved September 24, 2009, from <http://www.ed.gov/about/bdscomm/list/acsfa/mofpolicybulletin.pdf>.

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- <sup>7</sup> College Board. (2010). *Trends in Student Aid*. Accessed November 5, 2010, from [http://trends.collegeboard.org/downloads/Student\\_Aid\\_2010.pdf](http://trends.collegeboard.org/downloads/Student_Aid_2010.pdf).
- <sup>8</sup> Baum, Sandy and Marie O'Malley (February 6, 2003). *College on Credit: How Borrowers perceive Their Education Debt: Results of the 2002 National Student Loan Survey*. Retrieved September 24, 2009, from [http://www.nelliemae.org/pdf/nasls\\_2002.pdf](http://www.nelliemae.org/pdf/nasls_2002.pdf).
- <sup>9</sup> Swarthout, Luke. (April 2006). *Paying Back, Not Giving Back: Student Debt's Negative Impact on Public Service Career Opportunities*. Retrieved September 24, 2009, from <http://pirg.org/highered/payingback.pdf>.
- <sup>10</sup> Dillon, Erin. (October 23, 2007). *Hidden Details: A Closer Look at Student Loan Default Rates*. Retrieved September 24, 2009, from [http://www.educationsector.org/analysis/analysis\\_show.htm?doc\\_id=559757](http://www.educationsector.org/analysis/analysis_show.htm?doc_id=559757).
- <sup>11</sup> U.S. Census Bureau (September 2010). *Income, Poverty, and Health Insurance Coverage in the United States: 2009*. Retrieved September 29, 2010, from <http://www.census.gov/prod/2010pubs/p60-238.pdf>.
- <sup>12</sup> AAUW. (2009). *The Gender Pay Gap*. Retrieved September 29, 2010, from <http://www.aauw.org/learn/research/statedata/index.cfm>.
- <sup>13</sup> Price, Derek V. (2004). *Borrowing Inequality: Race, Class, and Student Loans*. Boulder, CO: Lynne Rienner Publishers.
- <sup>14</sup> U.S. Department of Education. (August 2010). *Student Financing of Undergraduate Education: 2007-08; Table 5.2-B*. Retrieved September 9, 2010, from <http://nces.ed.gov/pubsearch/pubsinfo.asp?pubid=2010162>.
- <sup>15</sup> U.S. Federal Register. (June 18, 2010). *Program Integrity Issues; Proposed Rule. Volume 75, No. 117*. Retrieved December 14, 2010, from <http://frwebgate1.access.gpo.gov/cgi-bin/PDFgate.cgi?WAISdocID=eYUNqz/2/2/0&WASAction=retrieve>.
- <sup>16</sup> U.S. Department of Education. (April 2010). *Enrollment in Postsecondary Institutions, Fall 2008; Graduation Rates, 2002 and 2005 Cohorts; and Financial Statistics, Fiscal Year 2008*. Retrieved December 14, 2010, from <http://nces.ed.gov/pubs2010/2010152rev.pdf>.