



## Spellings: colleges need to be more accountable

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“The need [is] to make colleges and universities more accountable for results and, at the same time, increase need-based aid,” said U.S. Secretary of Education Margaret Spellings while commenting on the College Board’s annual report on the cost of higher education, “Trends in College Pricing 2006.” Spellings categorically stated that accountability for providing quality education to students must be maximized in view of the fact that escalating tuition costs make higher education one of the most expensive investments many families make. More and more jobs require postsecondary education, and Spellings opined that families wanting to send their children to college should be able to do so with the help of financial aid. She asserted that she, with the help of Congress, aims at improving the financial aid system in order to help more needy students avail themselves of its benefits. At the same time, she urged institutions and colleges to streamline their costs. Spellings stated that although the “amount of Pell aid available to students has grown from \$9.96 billion in 2001-02 to an estimated \$12.77 billion for 2006-2007,” more aid is still needed.

### Advanced degrees equal higher salaries

A U.S. government report confirmed the common knowledge that well-educated people enjoy better jobs and larger paychecks. Census Bureau statistics show that the higher a student climbs academically, the higher his or her pay expectations will be. According to recent data, the average annual salary for college graduates is \$51,554, nearly \$32,385 higher than that of high school dropouts, while those with high school diplomas (or the equivalent) earn an average of \$28,645 per year. Workers with advanced degrees earn an average of \$78,093. Educators and economists commenting on the report stated that the availability of state financial aid should be emphasized not only to create and enhance a strong middle class but also to enable children with natural talents and aptitudes from low-income families to enter college. The report also stated that escalating tuition costs for four-year public universities, coupled with discrepancies between high school education requirements and the educational background students need in order to enter college, prevent students from opting to pursue higher education. Washington, DC, boasts the highest percentage of citizens with bachelor’s degrees, with 47% of adults holding four-year degrees; in contrast, a mere 15% of West Virginian adults are college graduates.

### Boalt adopts loan forgiveness plan for needy students

Law students who chose to embark on public interest legal careers sometimes draw annual salaries as low as \$25,000. In a bid to discourage the urge to abandon public service legal careers in favor of private sector careers, the Boalt Hall School of Law at the University of California, Berkeley, has introduced a new loan forgiveness program to mitigate the growing loan burden on students entering the public interest sector. New graduates employed in government or public interest jobs and earning \$58,000 or less may now have up to \$100,000 in loans forgiven. The loan forgiveness option also extends proportionately to alumni with incomes above \$58,000 who work in qualifying



legal careers. The law school will pay up to 100 percent of loan payments for qualifying alumni over a period of up to 10 years, as long as they remain eligible, until \$100,000 in loan payments have been made by the law school. According to a recent *Wall Street Journal* report, the average student graduates from college with \$17,000 or more in education debt, an amount that increases considerably when students go on to borrow money for professional school.

### **Tuition fee increases slow; federal aid still fails to keep pace**

Although tuition fee increases for four-year public colleges in the U.S. have slowed, the rate of tuition increases remains higher than the inflation rate, the College Board stated in its annual survey. The proportion covered by grants (mainly Pell Grants, the most relied-upon federal subsidy) fell by an average of 4.9% (\$120 per student), showing that the availability of financial aid has failed to keep pace with inflation, adding to the burden on middle- to low- income families. The report stated that tuition and fees for the 2006-2007 academic year averaged \$5,836, revealing an increase of 6.3% from the previous year, while the average tuition cost at private schools was \$22,218, showing a 5.9% increase. The board stated that undergraduate and graduate students received an average of \$4,433 this year in grants; however, the share of tuition covered by grants has seen a gradual decline, from 48% in 2001-2002 to 42% in 2005-2006.

### **PHEAA's new office in Cumberland County**

The Pennsylvania Higher Education Assistance Agency (PHEAA) opened the doors of its newest customer service center in Mechanicsburg, PA. The center, whose opening will create many new jobs in Pennsylvania, is housed in a 44,000-square-foot area currently accommodating 500 staff members with room to accommodate more in the future. The center aims to handle 3.5 million inquiries from students and families annually, including Title IV loan and loan guaranty questions. At present, the PHEAA has nearly 2,700 workers in central Pennsylvania.