

NEWSLETTER

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EdFed Testimonials

Mindy S., Vermont says...

"All I have to say is thank you so much for all your help, EdFed! I would have wasted unnecessary money on my student loans if it was not for them. They helped me save about \$29,500 on my student loans!"

BILL MAY INCREASE FEDERAL FINANCIAL AID

- GITANJALI HAZARIKA

Legislators from Wisconsin are hoping that President Bush will sign a bill to decrease student loan interest rates and increase student grant eligibility this week.

If passed, this piece of legislation, the College Cost Reduction Act of 2007 (H.R. 2669), will provide the single largest investment in higher education since the 1944 GI Bill. If the bill is signed into law, nearly 70,000 Wisconsin college students will benefit from a boost to their share of federal financial aid. Almost 68,000 of the 76,000 Wisconsin students who take out loans to attend college each year receive Pell Grants.

Introduced by U.S. Rep. Steve Kagen (D-WI), the College Cost Reduction Act was overwhelmingly approved in both the House and the Senate and is expected to go into effect next month. The bill aims to increase Pell Grants without burdening taxpayers by reducing interest rates on student loans by half over the next four years.

Under the act, interest rates would ultimately be reduced from 6.8% to 3.4%, enabling students to save about \$4,000 in interest payments over the lives of their loans. Additionally, the federal grant ceiling would rise to \$5,400 by 2012, increasing by \$1,900 each year for the next five years.

Apart from allowing for loan forgiveness after 10 years of public service in specific fields, including nursing and firefighting, the legislation would also make repaying debts and loans more affordable for new college graduates.

Wisconsin Republicans Jim Sensenbrenner and Paul Ryan voted against the bill. They are concerned, they said, that the bill will hurt financial institutions and argued that universities should concentrate on lowering their tuition rates instead.

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COLLEGE BOARD STUDY: THE BENEFITS OF HIGHER EDUCATION

- ROSHAN TOLANI

The College Board recently released a report on a study it conducted regarding the rewards higher education offers to individuals, their families, and society.

The report, titled "Education Pays: The Benefits of Higher Education for Individuals and Society," was released during a panel discussion on Capitol Hill. It reveals that citizens who complete higher education receive more monetary and non-monetary benefits. It also says that college graduates help other individuals in their communities.

The first part of the College Board report highlights several positives associated with higher education, while the second part focuses on statistics. The report also sheds light on prevailing demographic disparities in postsecondary education.

The College Board's report makes the following observations:

- Those who obtain higher education have more opportunities to gain monetary and non-monetary benefits.
- With every level of education, employee access to health benefits and pension plans increases.
- About 70% of full-time employees with at least a bachelor's degree are eligible for pension plans.

- Higher education lowers unemployment and poverty levels.
- As education levels increase, tolerance for others' opinions also increases.
- Those with higher levels of education participate in civic duties such as volunteer work, voting, and blood donation.
- The children of parents who have obtained higher education participate in more extracurricular activities.
- Workers with lower levels of education who live in areas where others have higher levels of education have better chances of earning more.
- Those who enroll in college at 18 and graduate in four years earn enough in 11 years to compensate for borrowing to pay for college tuition and make up for wages forgone while in college.
- College graduates who work full-time year-round pay about 134% more in federal taxes than workers who have only graduated from high school.

The findings of the report should play a significant role in motivating U.S. policymakers to make higher education accessible to all segments of society.

NEWSLETTER

NEWS IN BRIEF

CARSON TO INTRODUCE BILL TARGETING TEXTBOOK COSTS

Publishers and universities will be required to disclose their hidden textbook costs if Rep. Julia Carson (D-IN) has her way. Carson is expected to table a bill shortly that will create "an open discourse on the costs of higher education and eventually ensure that students will be able to access affordable study materials." The escalating costs of textbooks are making acquiring a college education difficult for many students, says a report published by the Government Accountability Office. The average price students at four-year institutions have to pay for their textbooks—approximately \$898—is calculated to be equal to almost 27% of their tuition costs. Rep. Carson said the problem intensifies at two-year institutions, where the average cost of textbooks equals almost 72% of students' total tuition costs.

STANFORD DEVELOPS INTERNATIONAL OUTREACH PROGRAM

A new International Outreach Program (IOP) at Stanford University headed by Reinhold Steinbeck is reinventing methods for helping students learn. In a joint effort by Stanford University and several African and Latin

American universities, researchers are looking for new ways to prepare "students for work in the borderless world of the future." The IOP, which is based at the Freeman Spogli Institute for International Studies (FSI), is supporting the pilot project under the guidance of political science professor Coit Blacker. Professor Blacker said the project aims at "expanding Stanford's outreach efforts into other regions with new interdisciplinary content and innovative approaches to learning and teaching."

BOOHER NEW SCHOLARSHIP DIRECTOR AT INDIANA UNIVERSITY

Sarah Booher has been chosen to head the Office of Scholarships for Indiana University's Bloomington campus. The new Office of Scholarships will fall under the administrative purview of the university's enrollment management and will serve as a repository of information for IU academic scholarship initiatives available to high school students with strong academic backgrounds. Roger Thompson, IU's vice provost for enrollment management, stated that Booher's passion for helping students achieve their goals as well as her "strong understanding of high school students [and] their families" make her the right candidate for the leadership role.