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Michael F. Shaughnessy

Laura W. Perna
University of Pennsylvania, lperna@gse.upenn.edu

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An Interview with Laura Perna: Reactions to President Obama’s State of the Union Address

Michael F. Shaughnessy –

Laura Perna is Professor, at the Graduate School of Education, at the University of Pennsylvania, located at 3700 Walnut Street in Philadelphia, PA 19104. She can be reached at lperna@gse.upenn.edu

1) First of all, Dr. Perna, could you tell our readers where you are and a bit about your education and experience.

I’m a professor at the Graduate School of Education at the University of Pennsylvania. I was previously on the faculty in the School of Education at the University of Maryland. I have a BS in economics and BA in psychology from the University of Pennsylvania, and a master’s degree in public policy and PhD in education from the University of Michigan. My scholarship focuses on understanding the ways that social structures, educational practices, and public policies separately and together enable and restrict college access and success, particularly for racial/ethnic minorities and individuals of lower socioeconomic status.

My recent publications include: Understanding the working college student: New research and its implications for policy and practice (2010, Stylus), Preparing Today’s Students for Tomorrow’s Jobs in Metropolitan America: The Policy, Practice, and Research Issues (2012, University of Pennsylvania Press), and The state of college access and completion: Improving college success for students from underrepresented groups (2013, Routledge, with Anthony Jones).

2) Now, overall, what is your global reaction to President Obama’s State of the Union speech?

In this speech, President Obama touched on a number of issues that are essential to the continued well-being of individuals and society. His attention to the ways that “chance of birth or circumstance” continues to obstruct the efforts of too many individuals to achieve the “American dream” is especially important.

3) Did he say anything positive, or was it the “same old, same old” stuff?

With regard to higher education, the speech reiterated several messages that he has previously communicated, particularly the importance of raising the nation’s overall educational attainment and ensuring the readiness of workers for jobs.

The speech also called attention to the need to improve the affordability of college and alluded to a proposed change in the Higher Education Act that could potentially improve the accountability of colleges for affordability – depending on the details and depending on the actual enactment of such a change.

In the speech, the president also announced a new College Scorecard. Clearly more must be done to improve college affordability, especially for students from the lowest-income families. Nonetheless, I’m skeptical that this tool (as I
understand it) will be helpful. The website provides a limited amount of information, and I’m not sure how a student from a low-income family or first-generation college student would actually use the information provided. One major challenge for students from low-income and first-generation college students is the complexity of, and lack of transparency in, our student financial aid system; there is little here that would appear to help address this issue. It’s also surprising that there is not an obvious link to encourage students to learn more about financial aid, and how to apply for available financial aid. The scorecard also provides only averages and considers issues in isolation.

For example, how can a student interpret the monthly loan repayment amount without knowing more about the likelihood of employment and average salaries? The Scorecard also considers only economic dimensions, with no attention to the other important dimensions that are important to consider in the college selection process.

4) In your mind, how good are American colleges and universities relative to say, Europe and England?

The United States offers students a remarkably diverse array of postsecondary educational options; this diversity is a clear strength of our system. Nonetheless, the outcomes of colleges and universities in the U.S. vary greatly (as reflected, for example, in graduation rates). That being said, the United States continues to be home to many of the world’s most outstanding colleges and universities.

5) This is kind of an opinion question, but what responsibilities do parents have in terms of saving for their children’s education?

A college education results in countless benefits for both the individuals who participate and society more generally. The private benefits justify the role of students and their families in paying the costs of attendance, while the societal benefits justify the need for government subsidies. Nonetheless, the ability of parents to contribute to the costs of attendance for their children through savings and other mechanisms varies.

For example, despite the tax advantages, college savings plans are not typically used by lower-income families as these families don’t have sufficient disposable incomes. It is also important to recognize the large number of students who are financially independent (that is, beyond the traditional 18 to 24 age range), and thus cannot rely on their parents to assist in the payment of college costs.

6) Marco Rubio, in his rejoinder talked about having $100,000 dollars in student loan debt. I find this inconceivable as I washed dishes and left my doctoral work only owing $10,000. But this was in 1983. Your thoughts?

It is unfortunate that he made this statement without providing any clarifying information; for the average listener, this statement is quite misleading. I would imagine that this statement refers to cumulative debt from many years of education, including undergraduate and post-baccalaureate, as $100,000 far exceeds the amount borrowed by most students. For example, Sandy Baum and Patricia Steele (2010) found that education debt exceeded $30,500 for 17% of 2007-08 bachelor’s degree recipients.

7) I am not sure how you can compare state universities with private colleges, but we will let you draw us a picture on this.

This question could be answered in many ways. There are certainly many differences in the finance models between public universities and private colleges. There are also many important differences within the public and within the private categories. The College Board’s annual Trends in College Pricing provides useful information about the distribution of both the sticker price (that is, published tuition, fees, room, board) and net price (that is, the cost of attendance less financial aid) at public and private colleges and universities.

8) Overall, in the big scheme of things- Is the 4 year college degree worth the time, energy, money and investment?

The benefits of earning a bachelor’s degree are not only substantial but have been increasing over time. These benefits are documented in several sources, including the 2010 Help Wanted report from Georgetown’s Center for
Workforce and the Economy.

The one caveat in answering this question is that degree completion rates for those who enter college are unacceptably low at too many colleges and universities. Although earnings increase even with some college (and not a degree), the benefits are far greater for those who finish a degree.

9) I once spoke on the campus of the University of Pennsylvania in Philadelphia- could you evaluate your own institution objectively?

While this question could be addressed in a number of ways, I'll respond in terms of Penn's affordability: One of the central principles of the Penn Compact outlined by President Amy Gutmann is increasing access, and there are a number of initiatives on campus designed to achieve this goal. Perhaps most notably, Penn is one of a relatively small number of colleges and universities with a “no loan” policy, meaning that no undergraduate receives a loan as part of their financial aid package. As such, the University invests substantial amounts of money into providing grants to financially needy students. That being said, the share of Pell grant recipients on campus has been slowly rising but remains low (13% of undergraduates in fall 2010, according to the U.S. Department of Education’s College Navigator website).

10) What have I neglected to ask?

There are many other important dimensions of this topic. Some pertain to other aspects of federal policy (e.g., the future funding of the Pell grant, the process of applying for federal financial aid). Others pertain to state policies for ensuring college affordability (e.g., trends in state appropriations to public colleges and universities, tuition setting policies). Some pertain to institutional efforts to control the increase in college costs and allocate funds for need-based grant aid. Still others pertain to the strategies that students use to pay college costs and the implications of these strategies for their college experiences (e.g., working while enrolled).