

1-30-2015

Editor's Column

Nick Hillman

University of Wisconsin - Madison, nwhillman@wisc.edu

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Recommended Citation

Hillman, Nick (2015) "Editor's Column," *Journal of Student Financial Aid*: Vol. 44: Iss. 3, Article 1.

Available at: <http://publications.nasfaa.org/jsfa/vol44/iss3/1>

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Editor's Column

This year marks the 50th anniversary of the Higher Education Act, the landmark law establishing today's federal student aid system. Signed into law on November 8, 1965, its roots are firmly planted in President Johnson's War on Poverty efforts. For example, the law established the first nationwide grant program to help low-income students pay for college (which later became the Federal Pell Grant). It also established Talent Search (later incorporated into TRIO) to help low-income families financially and academically prepare for college, and created the guaranteed loan system (which later became Stafford Loans and ultimately Direct Loans) to help students cover additional costs of attending college.

When signing the law, President Johnson shared a vision of a more inclusive higher education system, where "...a high school senior anywhere in this great land of ours can apply to any college or any university in any of the 50 States and not be turned away because his family is poor." Financial aid would become one of the federal government's most important policy tools for reducing inequality, but history shows the vision has largely remained unfulfilled. Inequalities in college access and completion have actually *widened* over time. When comparing low-income children born in the 1960s to those born in the 1980s, college participation rates grew by only 10 percentage points (from 19% to 29%), and completion rates increased by only 4 percentage points (5% to 9%). Alternatively, college entry rates increased by 22 percentage points (from 58% to 80%) and completion rates by 18 percentage points (36% to 54%) for upper-income children (Bailey & Dynarski, 2011).

Fifty years after Johnson signed the Higher Education Act, college opportunities are still largely out of reach of our nation's lowest-income families. Like so many other areas of our nation's economy, the gains in college access and completion have primarily gone to the wealthiest members of society. Financial aid can be a tool to help combat these inequalities, but it can also worsen these inequalities. The articles in this issue of the *Journal* wrestle with this conundrum, as the authors help us understand the challenges and opportunities associated with the Expected Family Contribution (EFC) calculation and policies related to financial awareness/preparation.

Robert Kelchen examines the characteristics of the nation's neediest aid recipients: those who have zero EFC. This topic is largely under-examined in academic literature and its practical significance is timely in light of recent efforts to simplify the FAFSA and proposals to modify how EFC is calculated. Importantly, this study helps us see that the financial conditions of the lowest-income families do not substantially change from year to

year (e.g., 8 in 10 zero-EFC students maintain a zero EFC the following year). This means federal aid can be targeted to low-income families very early on, which is the subject of George-Jackson and Gast's article on financial awareness and preparedness (FAP). Their synthesis of more than a decade of literature shows that inequalities in FAP occur very early in children's lives and are drawn along lines of race and class. Sylvia Ramirez explores how these inequalities can be reversed on college campuses in her review of Joshua Wyner's *What Excellent Community Colleges Do: Preparing All Students for Success*.

These articles will offer student aid administrators and researchers new perspectives on the causes and consequences of our broken student aid system. As college becomes more expensive, the financial burdens are falling more heavily on students (and their families). Wealthier families are in the best position to navigate these trends, which in turn perpetuate their class advantages and can exacerbate inequality. Policies designed to help the lowest-income students (e.g., zero-EFC students) could go even further to identify, commit, and support students' progress through college. Regardless of what the future holds, student aid policy has a long way to go to fulfill President Johnson's vision of advancing opportunity, but I am hopeful that federal policymakers and campus leaders will continue to make progress and use research like the work published in the pages of this issue of the *Journal* to guide the way.

Nicholas Hillman
Associate Editor