

Lifelong Learning Endowments

Proposal

Grant students **lifelong learning endowments** that reward them for accumulating college credits while in high school with a fund they can use to pay for college, job retraining, or other later-in-life learning opportunities.

Introduction

More than half of incoming college freshman worry about their ability to pay for higher education. Nearly one-sixth say they turned down their first-choice institution for financial reasons. [Both rates have risen over the past decade](#). Amid this affordability crunch, those without a post-secondary education are being left behind, as [“the post-Great Recession economy has divided the country along a fault line demarcated by college education.”](#) Americans have responded by accumulating a student debt burden of more than \$1.4 trillion – a number more than [five times larger today than it was in 2004](#).

Meanwhile, technological change and economic forces are conspiring to place a [greater premium on adaptability and advanced job training](#). In the coming decades, jobs are expected to evolve more rapidly. [A growing number of students may need access](#) to advanced job and skills training years after they complete their initial round of post-secondary education.

At the same time, high school students face a dearth of relevance and rigor – especially during their junior and senior years, when their continued academic growth loses relevance in [most state accountability systems](#).

The growing value of postsecondary education, the increasing likelihood that workers will require advanced training after college, and the mounting questions about how to keep students engaged in the latter half of high school are all putting pressure on the conventional 4 + 4 high school-college continuum, but it remains a fact of life for the vast majority of students. This calls for new options that allow students to make the most of their time in high school, explore college and career pathways before receiving a diploma, overcome college affordability barriers, and receive public support for their lifelong learning needs.

Politicians in many states are looking to [create or expand](#) college and career-training subsidies. A lifelong learning endowment would improve upon those initiatives by giving students incentives to make the most of their high school years, thus helping states’ investments go further. It would help fill [gaps left by](#)

[existing programs](#), such as 529 college savings plans, by placing real resources in the hands of lower- or middle-income families, who [seldom receive meaningful benefits](#) from them. Importantly, these endowments would also be versatile – providing meaningful public support for [upskilling and retraining](#).

Idea Description

Before they enter high school, students could qualify for lifelong learning endowments, which would cover the cost of two or four years of post-secondary education. Advisors would help them navigate their secondary-school options – showing them they can maximize the value of their endowments if they make early progress toward a college degree through dual enrollment, early-college high schools, or apprenticeship programs that articulate to college credit while they’re still in high school.

Once they finish high school, students would be able to use their endowments to pay for a post-secondary education. If money remains after students complete that stage of their education, they could use the remaining funds to pay for graduate education or skills training later in life.

Consider Lucy, a low-income student who qualifies for a lifelong learning endowment. After meeting with an advisor, she would enroll in an [early-college high school program](#) that allows her to complete an Associate in Arts degree in general engineering. After high school graduation, she would receive funds for two years’ worth of college. That would enable her to pursue a bachelor’s degree in computer engineering with fewer affordability concerns than many low-income students currently face. If she qualified for other scholarships that helped defray her college costs, she might have money left over to return to school if she ever needed to learn a new computer coding language.

Considerations for Policymakers

How to target student populations. Policymakers should consider which students could qualify for the endowments. It may make sense to aim them at low-income and special needs students, who face greater barriers to college access and affordability. Policymakers may choose to require students to enter performance contracts to meet attendance, discipline, or academic requirements in order to receive their full endowment upon graduation. States could choose to offer endowments to other, less-disadvantaged students by, for example, rewarding community service, as [one Colorado gubernatorial candidate proposed](#).

Incentives for schools and post-secondary institutions. If students will have an incentive to accelerate high school coursework and earn post-secondary credits, high schools may need incentives to offer early-college programs or meaningful career pathways. For example, Florida [provides schools bonus funding](#) for each student who completes certain courses – including career education courses – that articulate to college credit.

Interaction with existing college aid programs. Many states offer grants, scholarships or subsidized loans to help students pay for higher education. A lifelong endowment could replace, supplement, or

leverage those programs. For example, Louisiana [could choose to convert its existing need-based college scholarship program](#) into a lifelong learning endowment. Or it could use lifelong learning endowments as a vehicle to provide additional matching funds to low-income students who qualify for [merit-based TOPS grants](#). If more students earn post-secondary credentials while still in high school, that can provide a financial relief valve for existing college scholarship programs, helping states' new or current investments go further.

Who would administer the endowments? For example, [most states](#) already have an agency that administers 529 college savings plans. These institutions could work with financial institutions administer the lifelong learning endowments.

Guidance for students. States would have to consider who should be tasked with guiding students toward post-secondary opportunities that allow them to make the most of their educational endowments. School counselors, select teachers, or dedicated college coordinators could fill this role.

Regulations. Restrictions on [education and training institutions with poor outcomes](#), rules governing what students can do with unused endowment funds, and other regulations would need to strike an appropriate balance between student flexibility and necessary public safeguards.

Expected Outcomes

Improved high school and college-completion outcomes. An evaluation of early-college high school programs found they can [significantly reduce dropout rates and increase college attainment](#). If students from disadvantaged backgrounds have more incentives to take advantage of structured programs that lead to post-secondary credits, and school systems have more incentives to offer them, attainment should improve.

Improved college affordability, reduced student debt burdens, and improved access to job training. The more college credits students earn before high school graduation, the fewer they'll have to finance after graduation. The endowments will also give students a head start toward financing the rest of their education – or future job training.

Increased college completion rates. A lack of academic preparation does not fully [explain the college attainment gap between low-income students and their better-off peers](#). In other words, financial factors may prevent some low-income students from finishing college. More flexible financial support, coupled with enhanced incentives to make progress toward a college credential before finishing high school, could therefore increase the number of students who earn bachelor's degrees.

Increased employment. Given the [strong connection between post-secondary education and employment](#), and the importance of education or advanced training to many of the [professions likely to grow in the future](#), improved access to higher education and advanced training can be an important lever to meet future workforce needs.