

A LITERACY MANIFESTO AT SALLIE MAE

By William Nicoson

On March 28, Governor George W. Bush of Texas made a pilgrimage to Sallie Mae's imposing Reston home. No, Sallie Mae isn't a rich widow being courted for campaign contributions. She's SLM Holding Corporation, and SLM is short for student loan marketing. GWB wanted to talk to citizens about student literacy, and, at the suggestion of Congressman Tom Davis who represents most of Reston, chose Sallie Mae's rostrum from which to address the nation.

Executive Vice President Paul Carey tells me that Sallie Mae holds more loans for students at colleges, trade schools and graduate schools than any other U.S. financial institution. Currently it owns or manages loans for 5.3 million borrowers. Last year it realized over \$500 million in net income from about \$53 billion in its student loan portfolio. Some 1100 employees and consultants work at its Reston headquarters and another 2,700 are scattered through 5 other regional offices.

The Sallie Mae Trust for Education last year made \$725,000 in matching gifts, 80% of which were directed to educational institutions, and dedicated \$120,000 in scholarships for outstanding student achievers. Since 1990 the Sallie Mae Trust has been a major sponsor of Reading Is Fundamental, the premier U.S. literacy-promoting organization. The Trust has purchased more than 23,000 books for over 7,000 students at 54 school sites, and employees have dedicated time to encourage student interest in books and improve their reading skills.

GWB was therefore preaching to the choir. The message of his speech at Sallie Mae was that reading is indeed fundamental to learning and that, in early grades of high-poverty schools, the percentage of students deficient in basic reading skills constitutes a "national emergency" in education. He proposed a \$5 billion plan providing incentives for states to devise diagnostic programs testing literacy in schools receiving federal funds. Special training for teachers in reading instruction, tutoring intervention and after-school and summer school remedial efforts would be funded. GWB has stressed the importance of evaluation and accountability in his various initiatives to improve education.

Vice President Al Gore immediately claimed to be a member of the choir himself, denouncing the proposal as a warmed-over version of a program that he and President Clinton invented in 1996 which was subsequently enacted by Congress and is currently funded at \$260 million for annual block grants. GWB replied that his proposal at Sallie Mae was based on a program he put in place in Texas, designed to have "every child...reading by third grade." After GWB announced that initiative, he remembers candidate Bill Clinton getting off a train during the 1996 campaign, saying "everybody ought to read by the third grade."

Let the candidates contest their pride of invention. What's wonderful is agreement of candidates for both parties that learning and literacy must be a central concern of government. This territory

used to belong to Democrats, but Republicans seem certain to nominate a compassionate conservative who is just as determined to promote reading and learning skills for less fortunate students as is Sallie Mae to finance the use of those skills in higher education.

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