

# UNLOCKING THE DOORS TO HIGHER EDUCATION AND TRAINING FOR MASSACHUSETTS' WORKING POOR FAMILIES

DECEMBER 2007

Crittenton Women's Union  
One Washington Mall  
Boston, MA 02108  
[www.liveworkthrive.org](http://www.liveworkthrive.org)



This policy brief was produced by Crittenton Women’s Union with support from the Working Poor Families Project. This national initiative supported by the Annie E. Casey, Ford, Joyce, and Mott Foundations, partners with nonprofit organizations to investigate the economic conditions and public policies concerning working poor families.

For more information, please visit [www.workingpoorfamilies.org](http://www.workingpoorfamilies.org).

**This policy brief was prepared by:**

Elisabeth D. Babcock, MCRP, Ph.D.

Amy Goodman

Ruthie Liberman

Mary Prenovost

Deborah C. Youngblood, Ph.D.

# TABLE OF CONTENTS

Introduction..... 3

Who are Massachusetts’ working poor families? ..... 5

Why should Massachusetts invest in working poor families?..... 7

Promote Alignment between Educational Systems ..... 9

Supportive Pathways ..... 12

Reduce Financial Barriers to Education ..... 15

Conclusion ..... 18

## INTRODUCTION

Despite being one of the wealthiest states in the nation, poverty is a grave and worsening problem in Massachusetts. Working poor families—many of whom are headed by single women—face enormous challenges to meet the state’s increasing cost of living, leaving low-income families further and further behind. While the Federal Poverty Level for a family of three was \$16,600 in 2006, the Massachusetts Family Economic Self-Sufficiency Standard (MassFESS) revealed that a single-parent family with two young children would need an income of between \$48,000 and \$58,000 a year to afford basic needs without public assistance.<sup>1</sup> This high cost of living explains how almost one-quarter of Massachusetts families with at least one earner are not able to afford housing and meet their families’ basic needs from earnings alone.<sup>2</sup>

Post-secondary education and training are essential to self-sufficiency in Massachusetts. In our knowledge-based economy, the majority of jobs that pay family-sustaining wages require some form of education or training beyond a high school diploma. Unfortunately, there are still 1.4 million people aged 25-54 without at least an associate’s degree.<sup>3</sup> In other words, nearly half of the state’s 3.2 million workers lack the skills required by employers to obtain jobs with family-sustaining wages.<sup>4</sup>

Labor economists predict that there will be major labor shortages in the near future as baby boomers age out of the labor force.<sup>5</sup> Immigration was the only reason the Commonwealth’s labor force grew during the 1990’s.<sup>6</sup> Yet, almost one-third of new adult immigrants in Massachusetts have no high school diploma or GED and over 40 percent of those who attempt to enroll each year in adult education services are unable to do so because of inadequate resources and funding.<sup>7</sup>

While state policymakers have long recognized the importance of higher education and training, the steady erosion in funding for public higher education has made it increasingly unaffordable for working poor families. In fact, Massachusetts spends far less on post-secondary education and training than other states. It ranks 49<sup>th</sup> in its higher education spending as a percentage of state income, and 47<sup>th</sup> in its spending per capita.<sup>8</sup> Moreover, many of the financial assistance programs in place focus on traditional students who enter post-secondary education immediately following high school, have parental support during their education, and generally are not responsible for supporting families of their own.

It is time for Massachusetts policymakers to focus on students outside this traditional system, namely adult students supporting themselves and their families. These learners face a unique set of challenges in obtaining education that leads to jobs with self-sufficiency level wages. With a commitment to their success, the Commonwealth can ensure that this population can address Massachusetts’ workforce challenges and ‘skills gap,’ thereby bringing their families out of the cycle of working poverty, reducing government subsidies, and strengthening the economy.

In 2004, The Women’s Union produced *Investing in Massachusetts Working Families: A Framework for Economic Prosperity*, a report in partnership with the Working Poor Families Project (WFPF), a national initiative focused on state workforce development policies. The first report, described the state of working poor families in Massachusetts, the barriers they face, and the effectiveness of policies and programs geared toward helping working families become self-sufficient.

This second report is produced by Crittenton Women's Union (CWU)<sup>1</sup> in partnership with the Working Poor Families Project (WFPF). The WFPF supports state nonprofit groups in a two-part process that begins with an in-depth assessment of the economic conditions and state policies affecting working families and is followed by recommendations to strengthen those conditions and policies.

The following assessment goes beyond the earlier report by highlighting the importance of post-secondary education and training for low-income working adults with families; enumerating the specific barriers that these learners face to obtaining that education; and identifying policy recommendations that would help them complete post-secondary education and training to secure employment at self-sufficiency level wages. This report focuses on four policy recommendations:

- Improve alignment between education systems to promote efficient transitions to college
- Invest in career counseling, guidance and support for nontraditional students<sup>2</sup>
- Make permanent and increase funding for the Educational Rewards Grant and Loan Programs
- Offer two years' (or equivalent credit) free community college for degree or certificate program with priority given to nontraditional students

---

<sup>1</sup> Crittenton Women's Union was formed on July 1, 2006 after two Boston-based nonprofit organizations, Crittenton, Inc. and The Women's Educational and Industrial Union, merged.

<sup>2</sup> Researchers frequently refer to "young single parents, financially independent adults, welfare recipients, students of color and immigrant backgrounds, first-generation college students, and older and disabled students" as *non-traditional students* (Purnell & Blank, pg. 1, December 2004). Members of working poor families fit into the category of nontraditional students.

## WHO ARE MASSACHUSETTS' WORKING POOR FAMILIES?<sup>3</sup>

According to *Investing in Massachusetts Working Families: A Framework for Economic Prosperity*, in 2001 there were more than 28 thousand working families in Massachusetts whose incomes were below the Federal Poverty Level (FPL).<sup>9</sup>

In 2005, there were more than 32 thousand working families in Massachusetts with a combined income that fell below the FPL (\$15,735 in 2005).<sup>10</sup> Because the FPL does not vary according to family type or geographic location, and does not account for the state's high cost of living, this measure captures only a portion of those families who struggle in Massachusetts—working hard, playing by the rules, and yet still unable to meet basic household needs.

A more accurate measure of a family's ability to provide for its basic needs is the Massachusetts Family Economic Self-sufficiency Standard (FESS), developed by The Women's Union in 1998, updated in 2003, and updated again in 2006 by Crittenton Women's Union.<sup>4</sup> Unlike the FPL, it is sensitive to family configuration, and is adjusted by state region for cost of living. It assesses the costs of basic living expenses including housing, food, health care, childcare, transportation, miscellaneous items, and taxes. According to the FESS, an adult with two children needs \$48,513 to be self-sufficient in Worcester, and \$58,133 to be self-sufficient in Boston.<sup>11</sup>

Throughout this report, the term “low-income” is used to refer to families earning less than 200 percent of the FPL. There are close to 117-thousand families, or 16 percent of all Massachusetts working families, that fit this definition.<sup>12</sup> In most areas in Massachusetts, however, a family would require closer to 300 percent of the FPL to be self-sufficient. The following chart compares the FESS and the Federal Poverty Level for a family of one adult, one preschool-aged child, and one school-aged child in five regions across Massachusetts.

2006	Boston	Lowell	Worcester	Springfield	North Adams
Federal Poverty Level	\$16,600	\$16,600	\$16,600	\$16,600	\$16,600
200% Federal Poverty Level	\$33,200	\$33,200	\$33,200	\$33,200	\$33,200
<b>FESS</b>	<b>\$58,133</b>	<b>\$57,384</b>	<b>\$48,513</b>	<b>\$46,573</b>	<b>\$44,229</b>
<b>% of Poverty Level</b>	<b>350%</b>	<b>346%</b>	<b>292%</b>	<b>281%</b>	<b>266%</b>

<sup>3</sup> A “working family” is defined as a family where all family members age 15 and over have a combined work effort of 39 or more weeks in the last 12 months, or all family members age 15 and over have a combined work effort of 26 or more weeks in the last 12 months and one currently unemployed parent looked for work in the previous four weeks. The federal government defines family income as income from all family members age 15 and over.

<sup>4</sup> The Women's Union had developed MassFESS prior to the merger and CWU continues to prepare current MassFESS updates.

It is clear from the FESS that families must earn over 200 percent of the FPL to support themselves in Massachusetts without relying on government subsidies or supports. As a result, many more than the 117 thousand families classified as low-income by the FPL definition are unable to cover basic expenses.

It is worth noting that the challenges faced by low-income working families in Massachusetts have been exacerbated in recent years as the discrepancy between wages and the cost of living has increased. For example, the cost of supporting a family of three in Worcester (used as a proxy measure for statewide average) increased 16.3 percent from \$40,598 in 2003 to \$48,513 in 2006. At the same time that the cost of living increased, from 2003-06 low-wage workers (in the 20<sup>th</sup> percentile of earners) saw their wages decrease from \$10.84 to \$10.08, a 7 percent decline.<sup>13</sup> Not only have wages decreased for the lowest wage earners, but also for the first time since 1992, unemployment in Massachusetts was higher than the national rate in 2006.<sup>14</sup>

In addition, there have also been substantial changes in the structure of the Commonwealth's economy over the past couple decades. As discussed in *Investing in Massachusetts Working Families: A Framework for Economic Prosperity*, the manufacturing industry previously was the second largest in the state economy, but since 1990, it has declined to sixth place.

According to a recent report by the Massachusetts Budget and Policy Center, industries such as leisure and hospitality are surpassing manufacturing in the number of state jobs for the first time in history. The education and health services supersector and the professional and business services supersector account for a majority of jobs in the state.<sup>15</sup> However, there are considerable wage-earning consequences as manufacturing jobs decline and health services jobs and leisure and hospitality jobs increase.

On average, manufacturing jobs (\$1,256/week) pay more than education and health services jobs (\$885/week) and leisure and hospitality jobs (\$390/week). As the largest growth in jobs is occurring in the high-wage and high-skill professional and business services sector<sup>16</sup> and the largest share of unfilled jobs is and will continue to be mid-range jobs (retail trade and health services),<sup>17</sup> the need for access to post-secondary education and training is imperative to sustain the dynamic labor force on which Massachusetts' economy depends.

Labor economists predict that despite increases in immigration, there will be major labor shortages in the near future as baby boomers age out of the labor force.<sup>18</sup> Immigration was the only reason the Commonwealth's labor force grew during the 1990's.<sup>19</sup> Yet, almost one-third of new adult immigrants in Massachusetts have no high school diploma or GED. It is estimated that the existing pool of prime-aged skilled laborers "is equal to the next 17 years of high school graduating classes".<sup>20</sup> To meet labor demands, it is necessary to invest in the current workforce, and post-secondary education and training are fundamental in creating a skilled workforce and strong economy.

## WHY SHOULD MASSACHUSETTS INVEST IN WORKING POOR FAMILIES?

Post-secondary education is required for most jobs that pay self-sufficiency level wages. This is particularly true within the knowledge-based economy of Massachusetts, where 38 percent of job postings in 2005 required at least an associate's degree.<sup>21</sup> Further, 59 percent of the 87 occupations meeting the Commonwealth Corporation's "critical vacancies" criteria in 2006 require some post-secondary degree or certification.<sup>22</sup>

The 2007 Crittenton Women's Union "Hot Jobs, Good Wages" report identified 26 high demand occupations, based on an analysis of the Massachusetts labor market, that pay at or near self-sufficiency level wages for a typical family. Seventeen of these 26 occupations require post-secondary education or training, including an associate's degree, post-secondary vocational award, or long-term on-the-job training. Clearly, appropriate post-secondary education and training will provide graduates with greater career prospects and an opportunity to earn wages that support self-sufficiency.

Educational attainment is closely linked with wages. Nationwide in 2004, high school graduates over age 25 earned \$30,610 per year on average, while those with associate's degrees earned \$37,480 on average.<sup>23</sup> The influence of education on wages is even greater for women.

Women with an associate's degree annually earn 47 percent more on average than those with only a high school diploma, while for men the gain is 30 percent.<sup>24</sup> This may be partly the result of the difference in job opportunities for women in the labor market.<sup>25</sup> For high school graduates, a trade job is one of the few possibilities for a living wage, but these jobs are often traditionally male-dominated. Thus, women with high school diplomas may be more limited in finding a living wage job than their male counterparts.

Women with an associate's degree annually earn 47 percent more on average than those with only a high school diploma, while for men the gain is 30 percent.

If policymakers make a relatively small investment in educational supports for working poor families now to help them break the cycle of poverty, the rewards are big: the economy will be strengthened with a more skilled labor force, and the government will save on the many thousand of dollars spent over a lifetime on subsidies for these families.

As cited in the recent report from Public Higher Education Network of Massachusetts (PHENOM), after World War II the federal government gave millions of veterans the opportunity to go to college for free, estimated to have generated \$6.90 for each dollar that the government spent on the program.<sup>26</sup>

A recent report from the National Center on Education and the Economy quantified how much education contributes to the U.S. economy and found a one percent increase in the post-secondary education completion rate raises real GDP per worker by 0.1 percent.<sup>27</sup> If college

completion rates are increased by 2.5 percent (from 25 to 27.5 percent) the GDP per worker would increase by 1 percent or about \$125 billion for the economy overall.<sup>28</sup>

Despite the importance of post-secondary education in Massachusetts, there are still 1.4 million people aged 25-54 without at least an associate's degree.<sup>29</sup> In other words, nearly half of the state's 3.2 million workers lack the skills required by employers to obtain jobs with family-sustaining wages.<sup>30</sup>

Massachusetts policymakers are starting to recognize the importance of post-secondary education and training and are taking many steps as evidenced by Governor Patrick's "Readiness Project," the Pathways to Success by 21 program, and the Workforce Competitiveness Trust Fund (WCTF), to facilitate more effective education training and employment opportunities in Massachusetts. However, much still needs to be done to meet the particular needs of working poor families.

As state policymakers consider the education and skills gap, they must include a focus on helping nontraditional students access and succeed at post-secondary education and training. There are three major factors behind the discouraging progress of low-income working adults' attainment of at least a two-year degree or equivalent level certificate: (1) lack of alignment between state educational systems; (2) the personal and family challenges facing nontraditional working poor adult students, including the lack of guidance and support to help them move forward; and (3) high costs associated with obtaining post-secondary education in Massachusetts.

Nearly half of the state's 3.2 million workers lack the skills required by employers to obtain jobs with family-sustaining wages.

The following section outlines the problems and policy recommendations to create better alignment between the various education systems to support more successful transition to higher education. In addition, this report considers the challenges and policy recommendations to help low-income working adults remain enrolled in college and graduate with a degree or certificate. And finally, the report addresses financial barriers impeding nontraditional students from pursuing post-secondary education and training.

## PROMOTE ALIGNMENT BETWEEN EDUCATIONAL SYSTEMS

In 2004, there were 746 thousand Massachusetts adults who did not have a high school diploma or GED.<sup>31</sup> Before these individuals can benefit from post-secondary education and training, they often must enroll in Adult Basic Education (ABE) and/or English for Speakers of Other Languages (ESOL) to improve their literacy, math, and English skills. Massachusetts has a particularly low percentage of adults who are engaged in Adult Basic Education Programs compared to other states. In 2007, Massachusetts was the 44<sup>th</sup> lowest performing state on this measure.<sup>32</sup>

According to a study by the Massachusetts Department of Education in 2007, over 40 percent of those who attempt to enroll each year in ABE services are unable to do so because of inadequate resources and funding.<sup>33</sup> Even for those able to enroll in an adult education program, this does not necessarily lead to higher education. As asserted by Julie Strawn “adult education services are not typically aimed at preparing students either for careers or for post-secondary education or training, yet a majority of adult education students have these goals.”<sup>34</sup>

Only 30 percent of students in adult education programs who wanted to pursue post-secondary education (or 1.7 percent of all adult education students) actually met this goal.<sup>35</sup> The state needs to reach more individuals with high quality ABE programs by increasing funding for these services, as well as setting higher goals and measuring performance in successfully transitioning students to higher education or training.

Even individuals who have a high school diploma or GED often require remedial or developmental education before they can enroll in post-secondary courses. Massachusetts requires placement testing at community colleges and mandates placement in non-credit developmental classes if students do not pass. In 2005, 37 percent of students entering college from public high schools were required to take a remedial course before tackling college level material.<sup>36</sup>

Over 40 percent of those who attempt to enroll in Adult Basic Education services are unable to do so because of inadequate resources and funding.

While a crucial step in preparing students to be successful, the amount of developmental education that a student needs is inversely related to his or her chances of graduating with a degree.<sup>37</sup> To achieve the goal of moving lower-skilled adults to family-sustaining jobs more quickly and cost-effectively, education systems must be coordinated and administrative partnerships must be formed between adult education programs and community colleges to foster transitions with greater efficiency and ease.

## IMPROVE ALIGNMENT BETWEEN EDUCATION SYSTEMS TO PROMOTE EFFICIENT TRANSITIONS TO COLLEGE

**Appoint a high-level state council or organization to promote the connection and integration of adult education, developmental education, and college and training programs.**

- North Carolina and Oregon, where most adult education programs are provided by community colleges, have established an agency that oversees community colleges to facilitate coordination between adult education and developmental education programs.<sup>38</sup> Kentucky, like Massachusetts, provides adult education services through the K-12 system. Policymakers in Kentucky have created an umbrella organization entitled the Council on Post-secondary Education that supervises the adult education agency as well as community and technical colleges.<sup>39</sup> A similar council in Massachusetts could better support successful innovations already in place and adopt best practices from other states around the country.

**Formalize a system for creating linkages between all ABE programs and college partners.**

- One example of this concept already at work, The New England ABE-to-College Transition Project, has nine sites around the state in which ABE programs work directly with community colleges. These relationships aim to make the smooth transitions by offering direct instruction and counseling to address social barriers faced by nontraditional adult students. A 2005 study found that of the project graduates, 69 percent (116 out of 168 students) had enrolled in or were expected to attend post-secondary education. Massachusetts should continue to expand and strengthen these programs and provide opportunities for private post-secondary institutions to participate as well.
- Another opportunity to connect ABE programs and colleges is exemplified by the I-BEST program in Washington that combines ESOL and ABE with technical training. Compared to traditional ESOL students, the students who participate in this program earn five times more college credits and are 15 percent more likely to complete workforce training.<sup>40</sup> Massachusetts should consider implementing similar types of collaboration that combines the strengths of the adult education system to provide basic academic support with contextualized job-focused training at community colleges or job training programs. This type of alignment can make it easier to support dual enrollment in adult education and credit-granting college programs.
- Coordinated systems can help direct students to the most appropriate types of support, as well. Kentucky adopted standard screening tests which direct lower-level students and higher-level students to separate programs. The lower-level students who score below the tenth grade level are sent to an adult education program. There is no cost to students, and they receive an individualized track. Higher-level students who score at or above the tenth grade level and have a diploma or GED are able to begin college work while receiving support from the college's developmental learning program.<sup>41</sup>

- The Maine Compact for Higher Education is attempting to institutionalize a model of coordination between adult education programs and colleges that helps adult education students and developmental education students transition to college and college-level courses. This model also provides counseling and support services for students to help them transition successfully and graduate with a degree.<sup>42</sup>

## SUPPORTIVE PATHWAYS

In addition to aligning systems to successfully move more working poor adults into post-secondary education, the state must also ensure that nontraditional working poor adult students succeed in their education. Adult learners need a broad range of support services that community colleges are often not equipped to provide. A preliminary report of the Reach Higher Initiative found that in Massachusetts “community college resources are not consistently aligned to provide the intensity of career counseling, academic guidance, tutoring, mentoring, modular delivery, and learning communities that non-traditional learners need”<sup>5</sup>

Students who choose inappropriate academic or training pathways often hit unforeseen roadblocks. A recent article revealed that nearly one in five alumni of Gibbs College of Boston<sup>6</sup> have defaulted on their loans, the highest rate of any college in Massachusetts and close to the highest in the U.S.<sup>43</sup> Comparatively, only 0.5 percent of MIT alumni fail to pay their loans. Four out of the five schools that have the highest student default rates are for-profit vocational schools.

Four out of the five schools that have the highest student loan default rates are for-profit vocational schools.

As the article asserts, a possible explanation as to why so many alumni of these schools are defaulting on their loans may be because they cannot secure well-paying jobs after graduation. Tufts University (which is among the schools with the lowest default rate) individually counsels their students about loans and does not allow them to increase their loans until they have met with a counselor.<sup>44</sup>

Adults in working poor families have precious few resources to draw on as they face the obstacles that stand between them and post-secondary education and training. As a result, they must be resourceful with their time and money. It is important that working poor families be well informed about accessible post-secondary pathways that will lead to good jobs.

CWU has developed an interactive *Hot Jobs* web-tool that provides a detailed database of jobs that pay self-sufficiency wages in greater Boston. Since most of the specified jobs require post-secondary education and training, this tool can be used to identify an area of interest and then help direct the individual to an appropriate pathway.<sup>7</sup> In addition, there is a substantial need for supportive systems that guide and counsel students, particularly nontraditional students, on career pathways, educational opportunities and financial decisions.

<sup>5</sup> Reach Higher Initiative, p.17, June 2005.

<sup>6</sup> Gibbs College of Boston Inc. is a for-profit career training school that offers specialized associate degree programs in business, finance, technology, graphic arts, and media.

<sup>7</sup> For more information visit [http://www.liveworkthrive.org/online\\_tools.php](http://www.liveworkthrive.org/online_tools.php).

## INVEST IN CAREER COUNSELING AND GUIDANCE AND SUPPORT FOR NONTRADITIONAL STUDENTS

### **Fund career counseling and career exploration for adult students (through adult education and community college).**

- There is very little funding for counseling programs in most adult education programs.<sup>45</sup> As a result, the number of adult education students who make an effort to enter into post-secondary education is largely limited and the GED becomes the highest level of educational attainment for many of these students.<sup>46</sup> There is a great need to invest in career counseling and guidance programs to provide information about education and career directions for students in adult education programs and at community colleges.

### **Create a system for assisting lower-skilled adults over time and across systems through comprehensive career counseling and case management.**

- Others (e.g. Strawn, 2007) have called on centralized data systems that track individuals as they move through post-secondary education and public programs over time. Although targeted data collection is necessary, the state must institute follow-up measures to ensure success. To facilitate long-term tracking, the state should adequately fund and develop a comprehensive one-stop career-counseling model that incorporates a case management approach.

### **Increase childcare support for parents pursuing post-secondary education and/or training.**

- Increased and more flexible childcare assistance would help low-income working parents access and complete post-secondary education. For example, Massachusetts Transitional Aid to Families with Dependent Children (TAFDC) child care vouchers are valid only for time in work *or* time in school, but do not take into account parents trying to do both. One possible solution is to decrease the required work hours if the recipient is attending school. Additionally, the state could make it easier for community colleges to provide childcare centers on site, with reduced or free rates for students. There could also be additional funding targeted at covering childcare costs under the recently established Educational Rewards Grant Program. This program provides low-income individuals and displaced workers with the opportunity to apply for grants of up to \$3,000 to support post-secondary education in high-demand occupations.

### **Create funding stream for specialized supports for low-income adult learners.**

- Specialized academic and personal supports have been found to improve first-year retention rates.<sup>47</sup>
- One example is Northeastern University's personal coach service provided for 800 of the 3,000 eligible adult students in the School of Professional and Continuing Studies.<sup>48</sup> These students often face time and financial challenges as many of them work full-time and raise children. A personal coach works with the individual student to develop time management skills and helps to lay out a plan of action for

each semester. A recent pilot study found students with coaches were 15 percent more likely to return for their second year compared to students without coaches. Massachusetts policymakers could look to increase funds for specialized programs supporting adult students in working poor families.

**Train counselors to be sensitive to gender-specific issues regarding the balance of work and school.**

- Nontraditional students, especially single mothers, face unique challenges as they attempt to balance school, work, and family life. Counselors must be trained to create a supportive environment and give appropriate guidance to student mothers that extends beyond school-related issues.

**Cohort program to provide peer support for adult learners – provide incentives for colleges that graduate low-income students.**

- Offering students opportunities to come to together to form peer relationships, to study or to support one another has been shown to significantly influence retention rates.<sup>49</sup>

## REDUCE FINANCIAL BARRIERS TO EDUCATION

In order for nontraditional students to access and succeed in community college, they must have the resources to cover tuition costs and material expenses (such as books and supplies). Bunker Hill Community College estimates that average student expenditures for overall living expenses for full-time students are \$10,800 a year, more than four times the \$2,554 spent on tuition and fees.<sup>50</sup> This estimate focuses on costs for an individual student; those supporting families have even higher expenses. At the same time as the dollars allocated for Massachusetts grant aid decreased by nearly one-third between the 2001 and 2006 academic years, the real costs of public higher education increased.<sup>51</sup>

While post-secondary education and training becomes an increasingly critical stepping-stone to self-sufficiency, it is also becoming increasingly unaffordable for many working poor families. When shaping financial aid and tuition policies, the state must take into account all expenses that low-income working adults must pay in order to access education.

With an average cost of \$3,477 in 2005-06, Massachusetts' community colleges are among the most expensive in the nation.<sup>52</sup> At these rates, families in Massachusetts with incomes in the lowest 20 percent would need to pay 64 percent of their income for community college costs.<sup>53</sup> The rates are also increasing—tuition and fees as a percent of median family income in the state rose from 4.8 percent of median income in 2001 to 7.6 percent of median income in 2006.<sup>54</sup> Students cope with the “affordability crisis” by working one or more jobs and attending school part-time which prolongs the time they spend in school<sup>55</sup> and limits their access to scholarships and loans that are often only available to full-time students.

Massachusetts spends far less on post-secondary education and training than other states, ranking 49th in its higher education spending as percentage of state income.

Massachusetts also spends far less on post-secondary education and training than other states. It ranks 49<sup>th</sup> in its higher education spending as percentage of state income, and 47<sup>th</sup> in its spending per capita.<sup>56</sup> Furthermore, state financial aid resources have not been adequate to allow students to meet these high costs. The Commonwealth gives students \$51 for every \$100 in Pell Grants in 2006,<sup>57</sup> but this has significantly *decreased* from the 2002 rates of \$85 for every \$100 of federal investment.<sup>58</sup>

Congress recently passed the College Cost Reduction and Access Act that raised the maximum Pell Grant and cut interest rates on subsidized student loans in half. This act specifically expanded access to aid for nontraditional students and decreased the “work penalty” for working students, many of whom are supporting families. Massachusetts should adopt some of the positive changes made by Congress, specifically, increasing the Pell Grant maximums, substantially decreasing the “work penalty,” and lowering interest rates. There is a serious need

to build connections between state and federal funding sources supporting nontraditional students and to make better use of these funds.

The financial barrier posed by high costs and limited aid are especially severe for nontraditional students, who receive less financial aid but have greater needs than traditional students have. In the last two decades, the proportion of income required for a low-income family to pay for one year at public four-year colleges increased from 13 to 25 percent. High-income families have paid less than five percent of their income since 1980.<sup>59</sup> A national survey of adult learners through the Lumina Foundation revealed that a lack of financial aid was a common barrier to adult students' access to post-secondary education. They found that only one third received student loans, and nearly one third were unaware of financial aid available to them.<sup>60</sup>

Massachusetts policymakers have begun taking steps to reduce the financial barriers to education for low-income working adults such as the Educational Rewards Grant Program. We recommend that they continue to develop and strengthen this program, and modify other policies and proposals to target the needs of low-income working adults.

## **MAKE PERMANENT AND INCREASE FUNDING FOR THE EDUCATIONAL REWARDS GRANT AND LOAN PROGRAMS**

Under the new 2006 Educational Rewards Grant Program, low-income individuals and displaced workers are eligible for grants of up to \$3,000 to support post-secondary education in high-demand occupation fields.<sup>61</sup> The Educational Rewards Loan Program provides loans of up to \$10,000 for individuals to obtain post-secondary education in high-demand occupation fields.<sup>62</sup> Both the grants and loans are available for individuals enrolled less than half time, and can be used for books and living expenses along with tuition. This policy, part of the Economic Stimulus Act of 2006 advanced by the Workforce Solutions Group, is a tremendous step forward. Yet, there is a need for simplicity of program design, outreach to assure workers know about this program, and permanent and increased funding.

### **Expand the fund to reach more students.**

- The state should ensure that the maximum number of eligible low-income working adults take full advantage of the funds available, and to expand the fund to reach more students with incomes above 200 percent of the Federal Poverty Level. As previously discussed, a family living in Boston needs to earn an income that is 336 percent above the Federal Poverty Level in order to be self-sufficient; thus working poor adults with families whose incomes are between 200-336 percent of the FPL are not only unable to make ends meet, but are also unable to access programs which provide support for education that would lift them out of poverty.
- Not only should the program reach more students but the reward amount must also be increased. As previously discussed, Bunker Hill Community College estimates that although tuition and fees cost an average of \$2,554 a year, the average student

expenditures for overall living expenses for full-time students are \$10,800 a year.<sup>63</sup> This estimate focuses on costs for an individual student; those supporting families have even higher expenses. Thus, after paying for tuition and fees, the current \$3,000 grant given to students through the Educational Rewards program does not leave much to cover living costs that are also critical to success and completion of a post-secondary degree or certificate program. By increasing the reward amount, more money could be used to cover living costs for students and would be especially helpful for low-income students who support families.

#### **Maintain supports for living costs within the Educational Rewards Grant Programs.**

- In addition to the academic and financial barriers, low-income working adults supporting families face a host of other obstacles. Studies have found that education, particularly post-secondary education, positively affects the economic status of working poor families, but mothers with young children face hurdles that prevent them from advancing their education.<sup>64</sup> Making child care assistance more accessible to low-income parents, especially single mothers, will help facilitate educational success for working poor families. It is also necessary to explore whether the current 30 percent allocation stipulation to cover living costs provides sufficient coverage.

### **OFFER TWO YEARS' (OR EQUIVALENT CREDIT) FREE COMMUNITY COLLEGE FOR DEGREE OR CERTIFICATE PROGRAM WITH PRIORITY GIVEN TO NONTRADITIONAL STUDENTS**

Governor Patrick's proposal to make community college free for all Massachusetts residents is a laudable goal and its realization would significantly advance the educational attainment of those residents who need it most.<sup>65</sup> As the Governor's office develops a more specific proposal to implement this vision, funding priority should be given to students who are most in need of support, including low-income working adults.

#### **Give priority to nontraditional students who head working poor households.**

- Since the implementation of Governor Patrick's proposal may be challenged by budgetary constraints, the opportunity to attend community college for free should be made available first to nontraditional students, specifically adults in working poor families, especially single mothers.

#### **Give priority to those students who earn a GED.**

- Massachusetts should also consider implementing policies similar to those in Oregon. In that state, students who complete Adult Basic Education and earn their GED at Portland Community College receive a tuition waiver of up to 12 credits.<sup>66</sup> The state law also enables individuals taking these short-term modules to be eligible for financial aid.<sup>67</sup> This would be a way to make Governor Patrick's proposal for two years' of free community college more affordable by first offering free tuition and fees to those who complete the ABE program.

## CONCLUSION

In Massachusetts' economy, post-secondary education and/or training is all but required to obtain employment that pays family-sustaining wages without dependence on government subsidies and supports. Post-secondary education and training are key to breaking the cycle of poverty.

The state must provide more opportunities for low-income workers to increase their skills so that they can increase their upward economic mobility. In order to provide these opportunities, the state must narrow the education and skills gap by helping more adults with and without a high school credential prepare academically for some post-secondary education and make post-secondary education more affordable.

Policymakers must also promote more successful completion of post-secondary programs through funding comprehensive career counseling and case management; more affordable and flexible childcare for parenting students; and special programs such as cohort support groups to promote success in nontraditional students.

Access to and completion of post-secondary education and training is imperative to sustain the dynamic labor force on which Massachusetts' economy depends. If policymakers make a relatively small investment in educational supports for working poor families now to provide the opportunity to earn economic independence, the payoff will be substantial: the economy will be strengthened, the government will save on the many thousands of dollars spent over a lifetime on subsidies, and Massachusetts residents will enjoy a better quality of life.

- 
- 1 Crittenton Women's Union. *The Self-Sufficiency Standard for Massachusetts 2006*. Available online at [www.liveworkthrive.org/reports.php](http://www.liveworkthrive.org/reports.php).
  - 2 Albelda, Randy and Jennifer Shea. *Bridging the Gaps Between Earnings and Basic Needs in Massachusetts*. Boston, MA: The Center for Social Policy at the University of Massachusetts Boston, October 2007.
  - 3 American Community Survey, 2005. Population Reference Bureau analysis.
  - 4 Comings, John, Andrew Sum, and Johan Uvin. *New Skills for a New Economy*. Boston, MA: MassInc, 2000.
  - 5 The Boston Foundation. *Boston Unbound: Tapping Greater Boston's Assets and Talents to Create a World-leading Citistate—A Serious Worker Shortage?* May 2004. Available online at: <http://www.tbf.org/tbfggen1.asp?id=1926>
  - 6 MassInc. *The State of the American Dream in Massachusetts*. Boston, MA: MassInc, May 2002.
  - 7 Massachusetts Department of Education, September 2007.
  - 8 Lassen, Mary. *Massachusetts Community Colleges: The Potential for Improving College Attainment*. Boston, MA: The Boston Foundation, February 2007.
  - 9 Boyle, Hannah Bailey, Sheelah A. Feinberg, and Martin Liebowitz. *Investing in Massachusetts Working Families: A Framework for Economic Prosperity*. Boston, MA: The Women's Union, 2004.
  - 10 *Working Poor Families Project*, analysis generated by the Population Reference Bureau from American Community Survey 2005.
  - 11 Crittenton Women's Union. *The Self-Sufficiency Standard for Massachusetts 2006*. Available online at [www.liveworkthrive.org/reports.php](http://www.liveworkthrive.org/reports.php).
  - 12 *Working Poor Families Project*, analysis generated by the Population Reference Bureau from American Community Survey 2005.
  - 13 Massachusetts Budget and Policy Center. *The State of Working Massachusetts 2007: A Growing Economy; A Growing Divide*, September 2007.
  - 14 Massachusetts Budget and Policy Center. *The State of Working Massachusetts 2007: A Growing Economy; A Growing Divide*, September 2007.
  - 15 Massachusetts Budget and Policy Center. *The State of Working Massachusetts 2007: A Growing Economy; A Growing Divide*, September 2007.
  - 16 Massachusetts Budget and Policy Center. *The State of Working Massachusetts 2007: A Growing Economy; A Growing Divide*, September 2007.
  - 17 Massachusetts Department of Workforce Development. *Massachusetts Job Vacancy Survey 4th Quarter 2006*, August 2007.
  - 18 The Boston Foundation. *Boston Unbound: Tapping Greater Boston's Assets and Talents to Create a World-leading Citistate—A Serious Worker Shortage?* May 2004. Available online at: <http://www.tbf.org/tbfggen1.asp?id=1926>
  - 19 MassInc. *The State of the American Dream in Massachusetts*. Boston, MA: MassInc, May 2002.
  - 20 Strawn, Julie. *Policies to Promote Adult Education and Post-secondary Alignment*, September 2007, Prepared for the National Commission on Adult Literacy.
  - 21 The Reach Higher Initiative, *Preliminary Report of Findings*, June 2005, p 12.
  - 22 Commonwealth Corporation. *Where are the Critical Vacancies? Research and Evaluation Brief*, 5, 1, July 2007.
  - 23 Lassen, Mary. *Massachusetts Community Colleges: The Potential for Improving College Attainment*. Boston, MA: The Boston Foundation, February 2007, available online at <http://www.tbf.org/uploadedFiles/CommunityCollege.pdf>.
  - 24 Lassen, Mary. *Massachusetts Community Colleges: The Potential for Improving College Attainment*. Boston, MA: The Boston Foundation, February 2007, available online at <http://www.tbf.org/uploadedFiles/CommunityCollege.pdf>.
  - 25 Perna, Laura. As quoted in *Women reap more benefits from higher education, study finds, Black Issues in Higher Education*, July 2004.
  - 26 Subcommittee on Education and Health of the Joint Economic Committee. *A Cost-Benefit Analysis of Government in Post-secondary Education under the World War II G.I. Bill*, December 14, 1988. As cited in Public Higher Education Network of Massachusetts (PHENOM), *The Affordability Crisis in Massachusetts Public Higher Education*, October 2007.
  - 27 Uhalde, Ray, Jeff Strohl, and Zamira Simkins. *America in the Global Economy*. Washington DC: National Center on Education and the Economy, December 2006.
  - 28 Uhalde, Ray, Jeff Strohl, and Zamira Simkins. *America in the Global Economy*. Washington DC: National Center on Education and the Economy, December 2006.
  - 29 American Community Survey, 2005. Population Reference Bureau analysis.
  - 30 Comings, John, Andrew Sum, and Johan Uvin. *New Skills for a New Economy*. Boston, MA: MassInc, 2000.
  - 31 Massachusetts Senate. *Report of the Senate Task Force on Public Higher Education: Investing in Our Future*, 2005.
  - 32 Enrollment data from Annual Report to the U.S. Department of Education, 2003-04; Adults Without High School/GED from 2003 American Community Survey.

- 33 Massachusetts Department of Education, September 2007.
- 34 Strawn, Julie. *Policies to Promote Adult Education and Post-secondary Alignment*, 2007, Prepared for the National Commission on Adult Literacy.
- 35 U.S. Department of Education Office of Vocational and Adult Education. *Adult Education and Family Literacy Act Program Year 2003-2004 Report to Congress on State Performance*, op.cit. 2006
- 36 Sacchetti, Maria. "Colleges question MCAS success: Many in state school still need remedial help". The Boston Globe, June 26, 2005. Available at [http://www.boston.com/news/education/k\\_12/mcas/articles/2005/06/26/colleges\\_question\\_mcas\\_success/](http://www.boston.com/news/education/k_12/mcas/articles/2005/06/26/colleges_question_mcas_success/).
- 37 Adelman, Clifford. "The Kiss of Death? An Alternative View of College Remediation." National Crosstalk, 6, 3. San Jose, CA: National Center for Public Policy and Higher Education, 1998.
- 38 Mwase, Gloria. (unpublished report). *Realigning Remediation Programs: Achieving Greater Academic Success for Adult Learners*. Boston, MA: Jobs for the Future, 2007.
- 39 Mwase, Gloria. (unpublished report). *Realigning Remediation Programs: Achieving Greater Academic Success for Adult Learners*. Boston, MA: Jobs for the Future, 2007.
- 40 Aspen Workforce Strategies Institute. *Sector Initiatives and Community Colleges: Working Together to Provide Education to Low Wage Working Adults*, April 2007. Available at <http://www.aspenwsi.org/publications/07-009.pdf>
- 41 Mwase, Gloria. (unpublished report). *Realigning Remediation Programs: Achieving Greater Academic Success for Adult Learners*. Boston, MA: Jobs for the Future, 2007.
- 42 Harney, John O.. *Maine Compact for Higher Education*, Greater Expectations, May 2004.
- 43 Wallack, Todd. "Gibbs students lead Mass. Schools in loan defaults". Boston Business Journal, April 2007.
- 44 Wallack, Todd. "Gibbs students lead Mass. Schools in loan defaults". Boston Business Journal, April 2007.
- 45 Educational Testing Service. *Adult Education in America: A First Look at Results from the Adult Education Program and Learner Surveys*, 2007. Available at [http://www.ets.org/Media/Research/pdf/ETSLITERACY\\_AEPS\\_Report.pdf](http://www.ets.org/Media/Research/pdf/ETSLITERACY_AEPS_Report.pdf)
- 46 Strawn, Julie. *Policies to Promote Adult Education and Post-secondary Alignment*, 2007, Prepared for the National Commission on Adult Literacy.
- 47 Liebowitz, Martin and Judith Combes Taylor. *Breaking Through: Helping Low-skilled Adults Enter and Succeed in College and Careers*. Boston, MA: Jobs for the Future and National Council for Workforce Education, November 2004.
- 48 Schworm, Peter. "NU offers coaching for adult students". The Boston Globe, October 23, 2007.
- 49 Liebowitz, Martin and Judith Combes Taylor. *Breaking Through: Helping Low-skilled Adults Enter and Succeed in College and Careers*. Boston, MA: Jobs for the Future and National Council for Workforce Education, November 2004.
- 50 Schworm, Peter. "Free tuition not a cure-all, warn Mass. Educators". The Boston Globe, July 2, 2007.
- 51 The National Association of State Student Grant and Aid Programs (NASSGAP). *37th Annual Survey Report on State-Sponsored Student Financial Aid 2005-2006 Academic Year*. Available at [www.nassgap.org/survey/NASSGAP\\_Survey\\_Instrument\\_2005-06.pdf](http://www.nassgap.org/survey/NASSGAP_Survey_Instrument_2005-06.pdf)
- 52 The National Center For Public Policy and Higher Education. *Measuring Up, 2006*. Available at <http://measuringup.highereducation.org/>
- 53 The National Center For Public Policy and Higher Education. *Measuring Up, 2006*. Available at <http://measuringup.highereducation.org/>
- 54 Massachusetts Board of Higher Education. *MA State Colleges Key Performance Indicators Linear Trends, 2006*. Available at [http://www.mass.edu/library/Reports/SCLinearTrend2006Final\\_Feb2007.pdf](http://www.mass.edu/library/Reports/SCLinearTrend2006Final_Feb2007.pdf)
- 55 Public Higher Education Network of Massachusetts (PHENOM). *The Affordability Crisis in Massachusetts Public Higher Education*, October 2007.
- 56 Lassen, Mary. *Massachusetts Community Colleges: The Potential for Improving College Attainment*. Boston, MA: The Boston Foundation, February 2007.
- 57 National Center for Public Policy and Higher Education. *Measuring Up 2006: The National Report Card on Higher Education*. San Jose, CA: 2006.
- 58 National Center for Public Policy and Higher Education. *Losing Ground: A National Status report on the Affordability of American Higher Education*. San Jose, CA: 2002.
- 59 Advisory Committee on Student Financial Assistance. *Empty Promises: The Myth of College Access in America*. Washington DC: June 2002.
- 60 Lumina Foundation for Education. *Returning to Learning: Adults' Success in College is Key to America's Future*. Indianapolis, IN: March 2007.
- 61 Massachusetts Board of Higher Education. *Educational Rewards Grant Program*. Chapter 123 of the Acts of 2006 (Ch. 29 Sect. 2SSS of the M.G.L.) 2007. Available at <http://www.osfa.mass.edu/edrewards>.
- 62 Massachusetts Educational Financing Authority (MEFA). *Educational Rewards Loan Program*. Available at [http://www.mefa.org/getaloan/get\\_a\\_loan.aspx?id=693](http://www.mefa.org/getaloan/get_a_loan.aspx?id=693)

---

63 Schworm, Peter. "Free tuition not a cure-all, warn Mass. Educators". The Boston Globe, July 2, 2007.

64 Zhan, Min. (2006). *Economic Mobility of Single Mothers: The Role of Assets and Human Capital Development*. Journal of Sociology & Social Welfare, 127-150.

65 Sacchetti, Maria. "Patrick seeks free two-year state colleges". The Boston Globe, June 1, 2007.

66 Blair, Amy, Peace Bransberger, and Maureen Conway. *Sector Initiatives and Community Colleges: Working Together to Provide Education for Low-Wage Working Adults*. Update, 4. Washington, DC: The Aspen Institute, Workforce Strategies Initiative, April 2007.

67 Lassen, Mary. *Massachusetts Community Colleges: The Potential for Improving College Attainment*. Boston, MA: The Boston Foundation, February 2007.