

Education: A Pathway Out of Poverty

Attaining a post-secondary degree or certificate has become increasingly important for securing opportunities to get higher paying jobs in the United States in the 21st century. According to the U.S. Bureau of Labor Statistics (BLS), in 2011, persons without a high school diploma earned a median income of \$451 a week in the job market; high school graduates, \$638 a week; associate degree or technical certificate holders, \$768 a week; bachelor's degree graduates, \$1,053 a week; master's degree graduates, \$1,263 a week; professional degree (such as a law degree) holders, \$1,665 a week; and doctoral degree graduates, \$1,551 a week. Also according to the BLS, the more education a person has, the less likely he or she will become unemployed.

Americans can take pride in the great progress made in ensuring access to college: more than 70% of our young people start some kind of advanced training or education within two years of receiving their high school diplomas. Yet for too many, the journey ends long before graduation day. They become college dropouts.

Drop Out Rates

Until a decade ago, the U.S. led the world in college graduation rates. The current rate of non-completion of educational programs is very alarming. The “Pathways to Prosperity” study by the Harvard Graduate School of Education in 2011 shows that only 56% of students who enter America’s colleges and universities graduate within six years, while only 29% of students who enter two-year programs complete their degrees within three years. These numbers are worse for minorities and low-income students.

Today, out of every 100 9th graders in Wisconsin, 81 of them will graduate from high school. Of those 81 students, 35 of them will enter a 4-year college, but only 10 of them will graduate; and 15 of them will enter a 2-year college program, but only 5 of them will graduate. Wisconsin’s high school graduation rate (81% versus 69% nationally) is better than the national rate, but the rates of completion of higher education are abysmally similar. The U.S. currently ranks 12th globally in the number of young adults who hold a minimum of an associate’s degree.

According to the “Pathways to Prosperity” study, reasons students cited for dropping out of school included cost; inability to cope with the competing demands of study, family, and jobs; and not being prepared for the rigors of academic work. Another study done by the Pew Research Center found that financial barriers play a key role in students’ decisions to drop out of college. Their report showed that 66% of students had halted their education to support a family, 57% preferred to work and make money, and 48% simply couldn’t afford college.

Through discussions that Grace Jones, Couleecap’s Executive Director, has had with the Student Assistance staff at Western Technical College, we know that many students in our area are low-income and struggling to attend school, work, and afford to live.

Cost of Going to School

In America, college tuition and fees today are 559% of their cost in 1985. In other words, the cost of college has nearly sextupled (while consumer prices have roughly doubled). What does it cost to attend a higher educational institution today? Listed below are the 2012-2013 academic year costs for three local institutions:

- Western Technical College - for a full-time student, tuition/fees, housing, and meals will cost approximately \$8,505.60.
- University of Wisconsin-La Crosse - for a full-time undergraduate student, tuition/fees, housing, and meals will cost approximately \$14,754.
- Viterbo University - for a full-time undergraduate student, tuition/fees, housing, and meals will cost approximately \$29,480.

The majority of college students today take out student loans to help pay for their educational costs, and many low-income students rely on Pell grants to help cover their educational costs. Congress has steadily lowered interest rates on subsidized undergraduate Stafford loans since 2007, when the first rumbles of the 2008 recession began. After hitting a low of 3.4 % last year, those rates were scheduled to return to the normal 6.8% rate in July 2012. Thankfully, Congress agreed to keep these interest rates at 3.4% for one more year, but then they must again decide whether to let the rate double in July 2013. Pell grants, which go to low-income students and don't need to be repaid, have wound up under the Congressional knife. Now, they can only be issued for 12 full-time semesters and can no longer be used year round.

Acquiring a good education, leading to a good job, provides a pathway out of poverty. However someone living in poverty struggles to meet their basic needs and pay for further education. Students from low-income families are underrepresented in the educational pipeline. In 2010, the immediate college enrollment rate of high school graduates from low-income families was only 52% compared to 82% of high school graduates from high-income families. One way that Couleecap is helping low-income people obtain further education and training is through our Skills Enhancement Program.

There is help: Couleecap's Skills Enhancement Program

Couleecap's Skills Enhancement Program helps low-income adults (at least 18 years old), who are working at least 20 hours per week, acquire the skills necessary to obtain higher paying jobs and health benefits. The program can assist with the costs associated with returning to school and furthering an education or participating in trade development and certificate programs. The program may be able to help pay for books, tuition and class fees, as well as transportation and child care costs associated with returning to school. Couleecap has operated this program since 2005. The Skills Enhancement Program is currently funded with grants from the Wisconsin Community Action Association (WISCAP), the Department of Workforce Development, and the Great Rivers United Way. This funding allows Couleecap to assist 12 individuals per year; however the demand for this type of help is much higher.

To address the higher demand for this program, the Robert & Eleanor Franke Charitable Foundation, Inc. recently awarded \$6,250 to Couleecap which will allow the Skills Enhancement Program to serve more people. Couleecap is grateful for this additional support and pleased to have the Franke Foundation as a partner in helping to address the needs of the working poor in our area by offering individuals the opportunity to develop the skills needed to pursue higher paying jobs with access to employer-sponsored health care.

Since 2005, Couleecap has helped more than 100 people obtain their educational goals through this program. Here is just one testimonial from someone that Couleecap's Skills Enhancement Program assisted:

"At the time when I had first found out about this program, I was a 20-year old single mom, living on my own, working part-time at a pizza place for about minimum wage. I had been working there almost four years at that time. This program is a life changing experience. I was given the opportunity of a lifetime that most people don't get. I was able to go back to school without having to pay one penny out of my own pocket. There is no way I could have paid it on my own. I took a CNA (Certified Nursing Assistant) class at Western Technical College in La Crosse, which at the time, worked out good because it was a short commute from where I used to live. I completed the course, graduated, and passed my state exam to get my license. I was then able to land a job in my field two months after my test. I was making \$11.90 starting pay, and benefits became available after the first few months. I was able to save money to put towards bigger, important purchases, that I never had the money to save up for, prior to my schooling, for example, a newer car. My car is over 17 years old and I've had it for about four or five years now and have stuck more money into repairs than planned.

It's a lot less stress knowing I can pay all of our bills and still live fairly comfortably now. I'm happier, therefore so is the rest of the family! It also gave me a great sense of accomplishment. My family and friends were all so proud of me, as was I. I hope that my story can bring inspiration to others who are currently in the same type of situation I was. Education is never a waste of time or money if you put the effort into it. You can find ways to adapt and make the time, and with programs like this, you don't need to worry about the money. Bettering your life for yourself and your family is ALWAYS worth it."

Couleecap, Inc. is a private non-profit 501(c)3 charitable organization created in 1966. Our mission is to fight poverty and promote self-sufficiency, economic development, and social justice. We are *People Helping People*, and everyday our *actions* make a difference in the lives of people and families throughout the Coulee Region. We currently implement more than 50 contracts in the areas of housing, emergency assistance, child and family development, business development, employment, transportation, and health. Each year, Couleecap helps more than 37,000 people work towards self-sufficiency.

Presented by Shelly Teadt, Director of Planning, Couleecap, Inc. Westby WI 54667

References:

- Complete College America; The Completion Shortfall, 2011; www.completecollege.org.
Daily Nebraskan; Congress Lays Aside Differences, extends Student-Loan Interest-Rate Discounts, August 2012; www.dailynebraskan.com.
Jones, Grace E., Couleecap Executive Director; Director's Report, July 2012; www.couleecap.org.
Mandel, Todd, Couleecap Community Development Director; Couleecap has Funds to Help with Continuing Education and Improving Skills, June 2012; www.couleecap.org.
Reuters; Why College Students Stop Short of a Degree, March 2012; www.reuters.com.
The Hudson Institute and CNA; Pathways to Boosting the Earnings of Low-Income Students by Increasing Their Educational Attainment, January 2009; www.hudson.org.
University of Wisconsin-La Crosse, Admissions; Cost of Attendance, 2012; www.uwlax.edu.
U.S. Bureau of Labor Statistics; Employment Projections, 2011; www.bls.gov.
U.S. Department of Education, National Center for Education Statistics; The Condition of Education, 2012; www.nces.ed.gov.
Viterbo University; 2012-2013 Undergraduate Catalog, 2012; www.viterbo.edu.
Western Technical College; Tuition/Fees and Student Housing, 2012; www.westerntc.edu.
WHY Y Radio; Why Students Drop Out of College, May 2012; www.whyy.org.

Special Thanks to Chad Dull, Dean – Instructional Support Services at Western Technical College, for his final review of this paper.