Investing in Indiana’s Adult Workers: Increasing Financial Aid Opportunities

Presented by

INDIANA INSTITUTE FOR WORKING FAMILIES

A Program of

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INDIANA COMMUNITY ACTION ASSOCIATION

Sponsored by

LUMINA Foundation for Education
• The Institute has done extensive research on adult workers and working families.

• Disconnect between the postsecondary education system and adult workers.

• Funding from Lumina Foundation for Education to examine the financial aid system
Investing in Indiana’s Adult Workers: Increasing Financial Aid Opportunities

- **Was released in June of 2009**
- **Report covered several areas including:**
  1. The Imperative for Educating Adult Workers
  2. Unique Characteristics of Adult Students and the Barriers They Face
  3. Status of Indiana’s Financial Aid Programs and Policies
  4. Best Practices Addressing Barriers to Postsecondary Education for Adult Students
  5. Policy Recommendations to Increase Access to Postsecondary Education for Adult Workers in Indiana
The United States is the **only country** competing in the global economy in which younger adults are less **educated** than the previous generation.
In Indiana

- Nearly 525,000 Hoosiers have not completed high school (or equivalent)

- Over 650,000 low-income Hoosiers have completed high school but have no college education

- Indiana’s two- and four-year institutions award fewer credentials and degrees relative to the population in need than the national average
As a result

- Indiana faces a significant problem with the skills and education levels of its workforce.

- Even if Indiana were to outperform all other states in high school and college completion rates for traditional-age students, the state would still fail short of meeting the need for a globally competitive workforce.
Hoosier Hot Fifty Jobs

- Produced by the Indiana Department of Workforce Development

- Current list of the fifty high-wage occupations projected to have the largest growth in Indiana from 2006-2016

- Thirty-seven of Indiana’s Hot Fifty Jobs require postsecondary education
The Imperative for Educating Adult Workers

Educational Attainment Level

- Less than High School: ($33)
- High School Diploma or GED: $268
- Some College (1-3 years): $467
- Bachelor's Degree: $865
- Master's Degree or Higher: $1,311

Thousands of Dollars
Education not only increases personal income, it improves:

– Work participation rates;

– Contributions to state and federal tax revenues;

– Economic competitiveness of the region and nation;

– Working conditions, fringe benefits, longer vacation time, and better health care; and

– Levels of civic engagement.
Adult Students

Who is an “adult student?”

• Officially defined by the federal financial aid system.
• Non-traditional or independent students.

A student is automatically considered an adult student if he or she:

• Is 24 years old or older;
• Is attending graduate school; or
• Is married, has dependent children, is a military veteran, or is an orphan or ward of the court.
Unique Characteristics and Barriers Facing Adult Students

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>Traditional Students</th>
<th>Non-Traditional Students</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>19-24 Years Old</td>
<td>25 Years Old and Older</td>
</tr>
<tr>
<td>Attend postsecondary education on a part-time basis</td>
<td>33%</td>
<td>39%</td>
</tr>
<tr>
<td>Enrolled in a certificate program</td>
<td>6%</td>
<td>12%</td>
</tr>
<tr>
<td>Enrolled in an associate’s degree program</td>
<td>26%</td>
<td>40%</td>
</tr>
<tr>
<td>Enrolled in a bachelor's degree program</td>
<td>61%</td>
<td>35%</td>
</tr>
<tr>
<td>Are Female</td>
<td>54%</td>
<td>57%</td>
</tr>
<tr>
<td>Are Minority</td>
<td>13%</td>
<td>19%</td>
</tr>
<tr>
<td>Have a GED</td>
<td>3%</td>
<td>9%</td>
</tr>
<tr>
<td>Have a GPA above 3.5</td>
<td>15%</td>
<td>19%</td>
</tr>
<tr>
<td>Require English remediation</td>
<td>3%</td>
<td>3%</td>
</tr>
<tr>
<td>Require math remediation</td>
<td>8%</td>
<td>10%</td>
</tr>
</tbody>
</table>
Unique Characteristics and Barriers Facing Adult Students

Individual barriers for adult students:

– Affordability
– Non-Tuition Costs
– Family and Work Commitments
– Aspiration
Unique Characteristics and Barriers Facing Adult Students

Tuition Costs and Fees of Indiana Postsecondary Institutions, for Academic Years 2000-2001 and 2007-2008

- **Public Two-Year Institutions**
  - 2000-2001: $2,415
  - 2007-2008: $2,819

- **Public Four-Year Institutions**
  - 2000-2001: $3,342
  - 2007-2008: $6,678

- **Private Four-Year Institutions**
  - 2000-2001: $13,965
  - 2007-2008: $24,505
In addition adult students face Institutional Barriers

– *Access to Courses and Student Support Services*
– *Physical Barriers*
– *Need for Remediation*
Financial Aid Program and Policy Barriers

- *Free Application for Federal Student Aid (FAFSA)*
- *The March 10th deadline*
- *Expected Family Contribution (EFC)*
- *Part-time enrollment*
### Status of Indiana’s Current Financial Aid Programs and Policies

<table>
<thead>
<tr>
<th>Income = $30,000</th>
<th>Dependent</th>
<th>Independent Single</th>
<th>Independent Single with Child</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Full-Time Average</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cost</td>
<td>$12,800</td>
<td>$12,800</td>
<td>$12,800</td>
</tr>
<tr>
<td>EFC</td>
<td>$1,089</td>
<td>$8,940</td>
<td>$1,837</td>
</tr>
<tr>
<td>Pell Grant</td>
<td>$3,260</td>
<td>Not eligible</td>
<td>$2,460</td>
</tr>
<tr>
<td>Calculated need</td>
<td>$8,451</td>
<td>$3,860</td>
<td>$8,503</td>
</tr>
<tr>
<td><strong>Half-Time Average</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total cost</td>
<td>$7,500</td>
<td>$7,500</td>
<td>$7,500</td>
</tr>
<tr>
<td>EFC</td>
<td>$1,089</td>
<td>$8,940</td>
<td>$1,837</td>
</tr>
<tr>
<td>Pell Grant</td>
<td>$1,630</td>
<td>Not eligible</td>
<td>$1,230</td>
</tr>
<tr>
<td>Calculated need</td>
<td>$4,781</td>
<td>None</td>
<td>$4,453</td>
</tr>
</tbody>
</table>
Indiana’s Financial Aid Programs

- Twenty-First Century Scholars is national model
- Indiana ranked in the top five states for providing the largest amount of financial aid per capita for of 18 to 24 years old (2005-2006)
- During the 2007-2008 academic year, Indiana allocated over $233.5 million in financial aid dollars through its state grant programs
Status of Indiana’s Current Financial Aid Programs and Policies

2007-2008 Financial Aid Expenditures by Program

- Frank O'Bannon Grant: 79%
- 21st Century Scholarship: 10%
- CVO Fee Remission: 8%
- Part Time Grant: 2%
- National Guard Grant: 1%
- Other*: Less than 1%
- Less than 1%

*Other includes various other financial aid programs and categories.
Financial aid for part-time adult students

– Part-Time Grant program

• Accounted for $5.35 million (2.23%) of the state’s $233 million in financial aid dollars during the 2007-2008 academic year
Financial aid for part-time adult students

- Children of Veterans and Public Safety Officers (7.8 % of total financial aid in 2007-2008)
- Indiana National Guard and Supplemental Grant (< 1%)
- Nursing Scholarship (<.5%)
Adequacy of Indiana’s Current Financial Aid Programs and Policies

The Institute evaluated adequacy of these programs and policies based on:

– Access
– Affordability
– Persistence
• **Findings:**
  
  – There is a distinct disconnect between the State’s goals for educating adult workers and the funding allocations allotted to the financial aid programs that benefit adults

  – Indiana is making an investment in college students – just not adult students
What are other states doing?

Best Practices for:

– Promoting Access
– Increasing Aspiration
– Promoting Affordability
– Promoting Persistence
The report includes 18 policy recommendations, which focus on five main areas:

I. Remove barriers within the State’s financial aid system which prevent adult students from qualifying for financial aid.

II. Increase the number of Hoosier adults enrolled in postsecondary institutions
III. Increase retention and completion rates of Indiana students by providing supportive services, incentives, and programs designed for adult students.

IV. Increase educational opportunities for low-income adults

V. Improve the collection of data and information on postsecondary education attendees
Conclusion

Ultimately, a skilled and educated workforce will increase Indiana’s economic competitiveness, bolster its economy, improve its communities, and increase the quality of life for Indiana’s working families.
For More Information

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