



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

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1. The Imperative for Educating Adult Workers
2. Unique Characteristics of Adult Students and the Barriers They Face
3. Indiana's Financial Aid Programs and Policies
4. Best Practices Addressing Barriers to Postsecondary Education for Adult Students



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

Findings of this paper are based upon:

- Secondary research of national and state data and information
- Primary research using ICHE and SSACI data



The Imperative for Educating Adult Workers

Educational Crisis

- The United States is the **only country** competing in the global economy in which younger adults **are less educated** than the previous generation.



The Imperative for Educating Adult Workers

In the US:

- One in three students -more than 1.2 million- drop out of high school each year
- Over 26 million adults lack a high school diploma
- Thirty percent of adults have no postsecondary credentials
- Eighty-eight million adults in the U.S. workforce lack sufficient education to obtain 21st century jobs



The Imperative for Educating Adult Workers

In Indiana:

- Nearly 525,000 Hoosiers have not completed high school (or equivalent)
- Over 650,000 Hoosiers 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



The Imperative for Educating Adult Workers

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 fall short** of meeting the need for a **globally competitive workforce.**



The Imperative for Educating Adult Workers

Indiana's economy:

- Indiana is a competitor in the global economy
- Economy is shifting to a knowledge- and service-based economy
- The state is losing high wage manufacturing jobs and gaining low-wage service sector jobs
- By 2014, “middle-skill jobs” will compose 55 percent of Indiana jobs



The Imperative for Educating Adult Workers

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



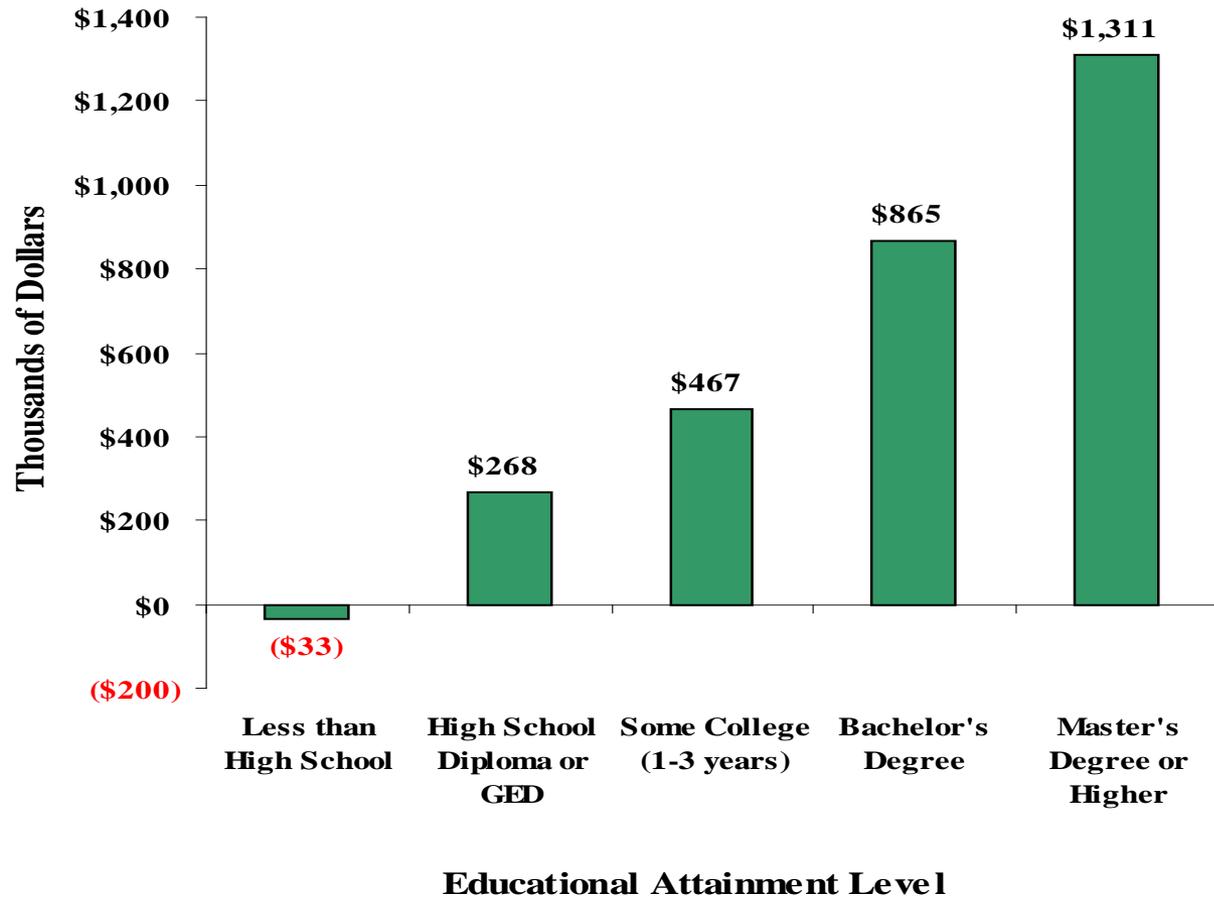
The Imperative for Educating Adult Workers

Education and training pays

- Median wage for a Hoosier worker with only a high school diploma was \$12.75 per hour in 2007
- A bachelor's degree holder earned nearly twice that amount – a median hourly wage of \$22.39



The Imperative for Educating Adult Workers





The Imperative for Educating Adult Workers

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.



Unique Characteristics and Barriers Facing Adult Students

**A closer look at adult students compared to
traditional-aged students and the barriers
they face**



Unique Characteristics and Barriers Facing Adult Students

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

Characteristics of Indiana Postsecondary Students 2001-2006

	Traditional Students	Non-Traditional Students
	19-24 Years Old	25 Years Old and Older
Attend postsecondary education on a part-time basis	33%	39%
Enrolled in a certificate program	6%	12%
Enrolled in an associate's degree program	26%	40%
Enrolled in a bachelor's degree program	61%	35%
Are Female	54%	57%
Are Minority	13%	19%
Have a GED	3%	9%
Have a GPA above 3.5	15%	19%
Require English remediation	3%	3%
Require math remediation	8%	10%



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

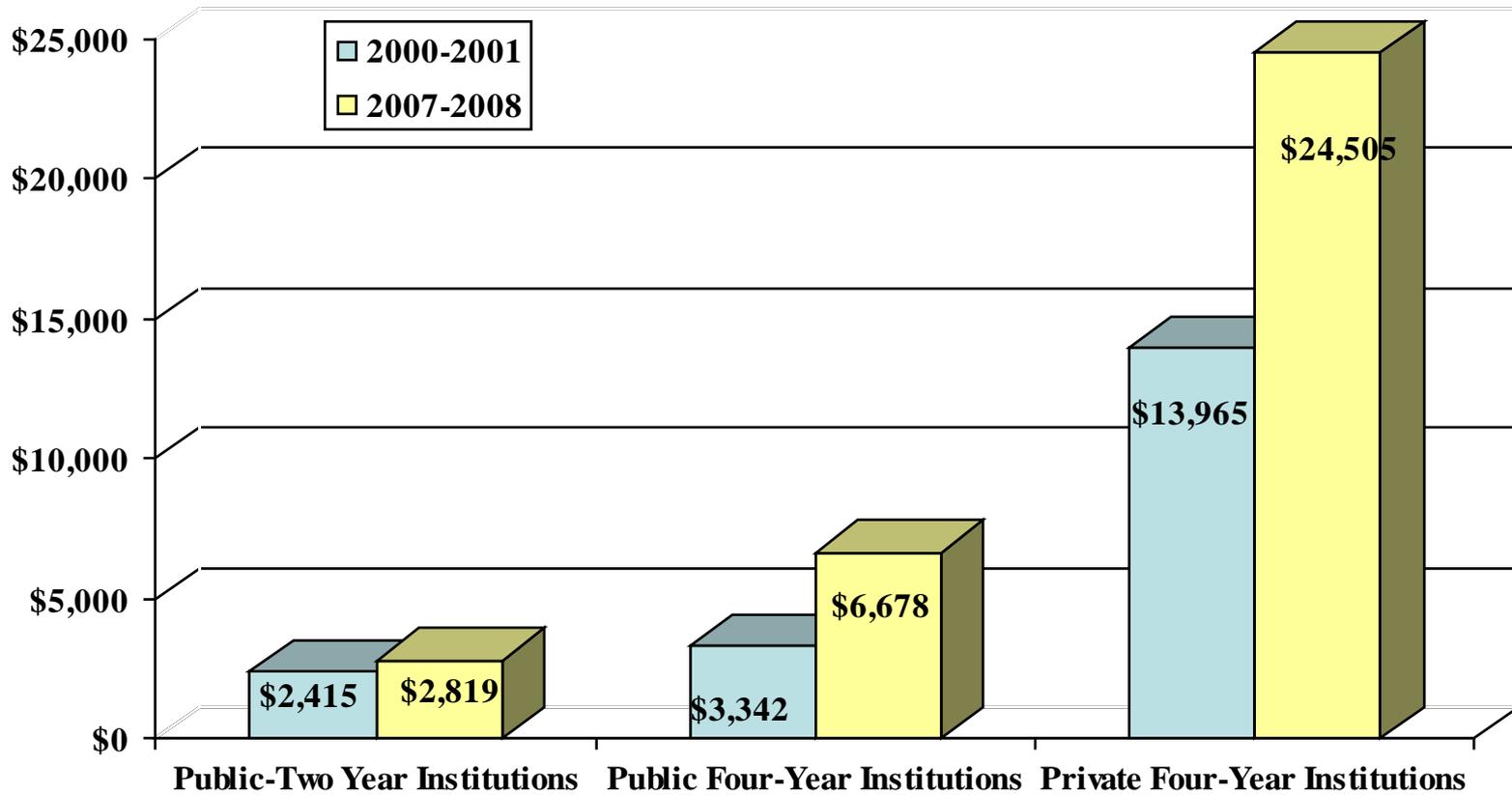
Individual barriers:

– Affordability

- Low-income adult students often find themselves in a double bind- wages/job
- Hoosier wages have remained stagnant for the last seven years, while postsecondary tuition and fees have rapidly increased
- From 2000-2007 Hoosier workers saw their median hourly wage increase by only 3 percent



Unique Characteristics and Barriers Facing Adult Students





Unique Characteristics and Barriers Facing Adult Students

Affordability- using median family income
– *After financial aid*

- a community college requires 24%
- a public-four year institutions require 30%
- a private four-year institution consumes 69%



Unique Characteristics and Barriers Facing Adult Students

Affordability

- Looking at the 40 percent of the state's population with the lowest median incomes – an average annual income of \$19,118

– After financial aid

- community college require 34% of family income
- public four-year institution require 43%
- private four-year institutions require 101%



Unique Characteristics and Barriers Facing Adult Students

Individual barriers

– *Non-Tuition Costs*

- child care;
- transportation;
- possible decreased wages from cutting back hours to attend classes; and
- books, materials, parking, associated fees, etc.



Unique Characteristics and Barriers Facing Adult Students

Individual barriers

– Family and Work Commitments

According to the 2008 *Indiana Adult Higher Education Attainment Research Study*:

- 56 percent of respondents stated that they were too busy to attend college
- 36 percent of all students and 45 percent of low-income students surveyed stated that the accessibility of on-site child care would make them more likely to attend courses



Unique Characteristics and Barriers Facing Adult Students

Individual barriers

– Aspiration

- Low self-esteem is a major barrier for adult students
- A family history with little or no exposure to educational opportunities beyond high school
- Lack of knowledge of how to gain access to postsecondary education institutions



Unique Characteristics and Barriers Facing Adult Students

Institutional Barriers

- *Access to Courses and Student Support Services*
- *Physical Barriers*
- *Need for Remediation*



Unique Characteristics and Barriers Facing Adult Students

Institutional Barriers

– Access to Courses and Student Support Services

- Most postsecondary educational institutions are structured to accommodate traditional-aged students
- Research shows that student support services are an essential component for increasing the retention and completion rates of adult students



Unique Characteristics and Barriers Facing Adult Students

Institutional Barriers

– Physical Barriers

- Physical location of a college or university when students don't live on campus
- Transportation becomes an additional cost when adults must commute



Unique Characteristics and Barriers Facing Adult Students

Institutional Barriers

– Need for Remediation

- In 2005-2006, 17,786 adult students were enrolled in at least one remedial course
- Of those, 15,400 were enrolled at public two-year systems



Status of Indiana's Current Financial Aid Programs and Policies

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

Financial Aid Program and Policy Barriers

- *Free Application for Federal Student Aid (FAFSA)*
 - FAFSA is difficult to navigate
 - Unfamiliar with forms and tax information
 - No access to guidance counselors or other supports
 - An independent analysis of State Student Assistance Commission of Indiana (SSACI) data, **found 69 percent of adult students** did not receive an award because of turning in the application late, turning it in with errors, or being ineligible.



Status of Indiana's Current Financial Aid Programs and Policies

Financial Aid Program and Policy Barriers

– *Free Application for Federal Student Aid (FAFSA)*

- *“One of the great headaches of the American dream is about to get less painful.”*
- Wednesday, the DOE unveiled a new FASFA
 - Cut $\frac{1}{4}$ of all questions, simplified others
 - Cut the online application from 30 screens to 10
 - Automatically download IRS data into FASFA form
 - Available 2010-2011 school-year



Status of Indiana's Current Financial Aid Programs and Policies

Financial Aid Program and Policy Barriers

– The March 10th deadline

- Far removed from fall enrollment
- Falls before tax deadline of April 15
- Lack of knowledge of financial aid policies and procedures
- Federal deadline for filing the FASFA is June 30



Status of Indiana's Current Financial Aid Programs and Policies

Financial Aid Program and Policy Barriers

– *Expected Family Contribution (EFC)*

- Income from the previous year is not a good indicator of the resources available
- Assets increase the amount that a family is expected to be able to contribute to their education



Status of Indiana's Current Financial Aid Programs and Policies

Comparison of Calculated Need for Dependent and Independent Students

Income = \$30,000	Dependent	Independent Single	Independent Single with Child
Full-Time Average			
Total cost	\$12,800	\$12,800	\$12,800
EFC	\$1,089	\$8,940	\$1,837
Pell Grant	\$3,260	Not eligible	\$2,460
Calculated need	\$8,451	\$3,860	\$8,503
Half-Time Average			
Total cost	\$7,500	\$7,500	\$7,500
EFC	\$1,089	\$8,940	\$1,837
Pell Grant	\$1,630	Not eligible	\$1,230
Calculated need	\$4,781	None	\$4,453



Status of Indiana's Current Financial Aid Programs and Policies

Financial Aid Program and Policy Barriers

– Part-time enrollment

- requires more time until completion
- subject to increased costs
- limited financial aid options



Status of Indiana's Current Financial Aid Programs and Policies

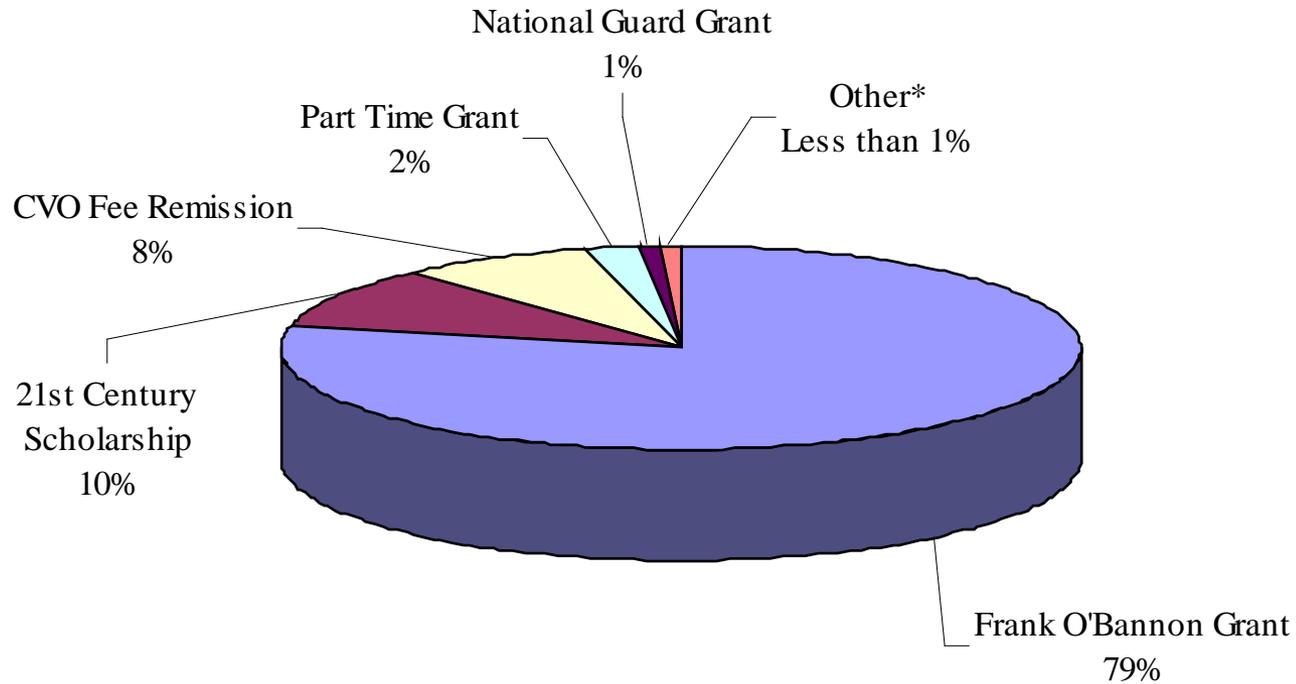
Indiana's Financial Aid Programs

- 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





Status of Indiana's Current Financial Aid Programs and Policies

Indiana's Financial Aid Policies

- The vast majority of dollars are governed by policies favoring:
 - full-time;
 - low-income; and
 - traditional-aged students.



Status of Indiana's Current Financial Aid Programs and Policies

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



Status of Indiana's Current Financial Aid Programs and Policies

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 ($<.5\%$)



Status of Indiana's Current Financial Aid Programs and Policies

Evaluation of Indiana's Current Financial Aid Programs and Policies

- *Access*
- *Affordability*
- *Persistence*



Status of Indiana's Current Financial Aid Programs and Policies

Program	Percent of Funding	Access	Affordability	Persistence
Frank O'Bannon		Inadequate	Inadequate	Neutral
<i>Explanation</i>	78.5 percent	Requires full-time enrollment	Covers only tuition and fees	No support services, counseling or incentives provided
Nursing Scholarship		Neutral	Adequate	Inadequate
<i>Explanation</i>	Less than 0.5 percent	Allows part-time enrollment; IN-school WCFA	Covers tuition and fees; Potential to cover non-tuition costs	Has a payback provision No support services
Minority Teacher/ Special Services Scholarship		Inadequate	Neutral	Inadequate
<i>Explanation</i>	Less than 0.5 percent	Requires full-time enrollment; In-school WCFA	Low award amount covers tuition and fees only	Has a payback provision No support services



Status of Indiana's Current Financial Aid Programs and Policies

Program	Percent of Funding	Access	Affordability	Persistence
Summer State Work Study Scholarship		Inadequate	Adequate	Neutral
<i>Explanation</i>	Less than 0.5 percent	Requires full-time enrollment	Funds are directly awarded to the student for tuition and fees and non-tuition costs.	No support services, counseling or incentives provided.
Indiana National Guard		Neutral	Inadequate	Neutral
<i>Explanation</i>	Less than 1 percent	Allows part-time enrollment	Covers tuition and fees only.	No support services, counseling or incentives provided.
Part-Time Grant		Adequate	Inadequate	Neutral
<i>Explanation</i>	2.3 percent	Allows part-time enrollment or less	Low award amount covers tuition and fees only.	No support services, counseling or incentives provided.
Children of Veterans and Public Safety Officers		Neutral	Inadequate	Neutral
<i>Explanation</i>	7.8 percent	Must be under 23 years old, Children of PSOs attend full-time, those of veterans may attend part-time.	Covers tuition and fees only.	No support services, counseling or incentives provided.



Status of Indiana's Current Financial Aid Programs and Policies

- **Audit 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
- Currently financial aid dollars do fund supportive services



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

What are other states doing?

Best Practices for:

- Promoting Access*
- Increasing Aspiration*
- Promoting Affordability*



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

What funding sources are being used?

- *Temporary Assistance for Needy Families (TANF)*
- *Maintenance of Effort (MOE) dollars*
- *Workforce Invest Act (WIA)*
- *State Lottery Proceeds*



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

Promoting Access

- *Kentucky's GoHigher Initiative*, statewide public information and marketing campaign to increase enrollment
- *Oklahoma's ReachHigher Initiative*, targeting students who attended college but did not complete a degree program
- *Washington*, providing more flexible scheduling of classes to meet the needs of working individuals



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

Increasing Aspiration

- *Connecticut College Transition Initiative* bridges adult education programs and postsecondary and training programs
- *Maine's College Transition Initiative* provides supportive services, counseling, and mentoring, to enable adults to transition to postsecondary institutions
- *Kentucky Orientation Program*, offers campus orientations containing program info, admissions procedures, financial aid options, learning style inventories, and career information



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

Promoting Affordability

- *Georgia Hope Grant*
- *Maine Parents as Scholars*
- *Washington State's Opportunity Grant*
- *Michigan's No Worker Left Behind*



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

Promoting Affordability

– Georgia's HOPE Grant

- Provides full tuition, HOPE-approved fees, and book allowance
- Available to students at all Georgia state schools
- Available to all students regardless of their high school grade point average or graduation date
- Part-time students are eligible



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

Promoting Affordability

– Maine Parents as Scholars

- Limited to parents who meet TANF eligibility guidelines
- Available for two- or four-year college programs
- Uses MOE funds to cover living stipends, housing, transportation, and support services
- To complement college financial aid



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

Promoting Affordability

– *Washington State's Opportunity Grant*

- Aimed at increasing access to postsecondary credentials at the associate's degree or below
- Grants cover tuition and fees plus \$1,000 annually for books, tools, and supplies
- Less than full-time students are eligible
- Public colleges receive \$1,500 for each full-time student receiving the Opportunity Grant program that must be used to provide supportive services



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

Promoting Affordability

– Michigan's No Worker Left Behind

- Targets more than 100,000 displaced workers
- Two years of free tuition at any Michigan community college or other approved training program
- Workers receive unemployment benefits while enrolled in training programs
- Limited to an associate's degree or a technical training program in a high-demand occupation, emerging industry, or entrepreneurship program



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

Promoting Persistence

- *Alabama Articulation and General Studies Program* creates a seamless transfer from two-year to four-year institutions of higher education.
- *Illinois' Student Success Grant* funds personal, academic or career counseling, remediation, assessment, mentoring, or other supportive services for students at risk, low-income, or disabled.
- *Louisiana Opening Doors*, uses TANF dollars to cover expenses that traditional forms of financial aid do not while providing a monetary incentive for students to perform well in school.



Best Practices and Solutions in Addressing Barriers to Postsecondary Education for Adult Students

- **Workforce-Contingent Financial Aid (WCFA) programs**
 - *Montana's Physician Loan Repayment Program* increases the payment for subsequent years of workforce participation. Awards begin at \$7,000 and end at \$11,000 in the fifth and final year.
 - *Pennsylvania's Primary Health Care Practitioner Repayment Program* forgave incremental percentages of debt for subsequent years of service. Payments start at 15 percent the first year. In the fourth year 100 percent of outstanding loans were paid.
 - *Oregon's Rural Health Services Program* pays 20 percent of a student's loans per year. Resulting in 100 percent of loan repayment after five years.



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

Conclusion:

- The US is experiencing an educational crisis
- To meet our goals of economic competitiveness, Indiana must invest in its adult workers
- Adult students encounter different barriers than their traditional-aged peers. Realizing these barriers exist is the first step to addressing the needs of adult students.
- An overview of Indiana's financial aid policies
- A look at what other states are doing to combat the education crisis
- What can Indiana do to increase the skill and educational attainment levels of its workforce?



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

Policy recommendations centered on:

- Removing barriers that prevent adults from qualifying for state financial aid
- Increasing the number of adults enrolling in postsecondary institutions
- Increasing retention and completion rates of adult students in Indiana
- Increasing affordability of postsecondary credentials for adults through financial aid
- Improving the collection of data and information regarding postsecondary students