

College Access for the Working Poor: Overcoming Burdens to Succeed in Higher Education

BY COURTNEY MCSWAIN AND RYAN DAVIS

July 2007

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Executive Summary

The dialogue on higher education affordability and access has gained increased momentum recently, as national discussions focus on the persistent barriers that prevent many people from enrolling in and successfully completing postsecondary degrees. For individuals from working poor families—those whose wage earners are an active part of the workforce but are often unable to meet basic economic needs—postsecondary opportunities remain largely elusive.

Expanding access to higher education is critical to improving the lives of the working poor, as jobs in today's economy increasingly require some higher education. The nation also needs higher educational achievement levels from this substantial sector of the population—about 14 percent of individuals ages 24–64—in order to meet the growing demands for a more highly skilled workforce. Today, however, the working poor face obstacles that continue to derail their efforts to attend, pay for, and complete college. As detailed in this report, working poor adults enroll in college at lower rates and are less likely to complete college. Even when accounting for financial aid, they struggle to meet the rising prices of higher education.

The good news is there are many examples of programs and practices—such as improved counseling, child-care services, and flexible course schedules—that help the working poor overcome these obstacles.

This report takes one of the most comprehensive looks to date at the higher education experiences, financial challenges, and attendance and completion rates of the working poor. The data, findings, and

recommendations in this report will help the public and our policymakers understand the challenges facing the working poor and give them guidance as they explore and develop the policies and practices that are needed to raise the expectations, enrollment, and completion rates of the working poor.

Who are the Working Poor?

The working poor are in many ways similar to poor adults who are not working. However, in other areas they differ, and often work-related problems take on an added significance. Therefore, the working poor must be understood alongside their counterparts who are poor and do not work (the nonworking poor) and those who work but earn higher incomes (the working nonpoor). These comparisons often underscore the precarious economic position of the working poor and the unique issues they may face. Working poor adults are a fluid population; they may change their work status by losing a job, by having their hours increased or reduced, or by finding a job with more pay. Given this fluid nature, their demographic characteristics often fall between those of their nonworking and nonpoor counterparts while at times sharing similarities

with both. These characteristics affect the children of working poor adults as they consider enrolling in college. We describe the following findings in greater detail in this report:

- **Like other poor adults, working poor adults are younger, more likely to be members of racial and ethnic minority groups, and less likely to be married.** In most ways, working poor adults are quite similar to their nonworking counterparts and different from those who are more affluent. For example, as of 2005, 40 percent of working poor adults were between the ages of 24 and 34 years, whereas slightly more than one-quarter of working nonpoor adults were in this age group. More than one-third of working poor adults identified their race as non-White, compared with 20 percent of the working nonpoor who did so.
- **Yet, working poor adults are less likely than nonworking poor adults to enroll in college and attain a degree.** In 2005, only 6 percent of working poor adults ages 24–64 were enrolled in school at some level, whereas more than double the percentage—13 percent—of the nonworking poor were enrolled. Furthermore, 22 percent of nonworking poor adults had attained an associate’s, bachelor’s, or advanced degree, compared with 18 percent of working poor adults. Part of the reason for this disparity may lie in the fact that one-quarter of the nonworking poor who were enrolled in school were enrolled in post-baccalaureate programs; these students may have been enrolled in school full time and did not work or worked only part time while enrolled.

Working Poor Adults

Many working poor adults do enroll in postsecondary education, but they face a number of challenges in paying for their expenses and taking the courses they need to complete a degree.

- **Heavy work and family responsibilities may prevent these students from attending college full time, despite the fact that they view college as their main priority.** In 2003–04, 43 percent of working poor adults who were enrolled as undergraduates saw themselves primarily as students working to meet their expenses. Despite their commitment to education, however, many working poor adults could enroll in classes only on a half- or less-than-half-time basis. Only 37 percent enrolled exclusively full time, compared with those who did not work as much (and were poor), nearly half of whom enrolled exclusively full time.
- **Most working poor adults are unable to cover the price of postsecondary attendance out of pocket, but the amount of financial aid they receive does not meet their financial need.** In 2003–04, working poor adults had an average expected family contribution (EFC) of \$900, which reflects their constrained ability to contribute to the cost of their college enrollment from their own resources. Like poor students in general, most working poor students receive some form of financial aid to help meet their need. Nonetheless, even when all aid was awarded, working poor adults were left with a nearly \$4,000 gap to fill in 2003–04.

- **Enrollment patterns may also impact working poor adults' ability to receive federal need-based grants.** For working poor adults in particular, it appears that financial aid awards may be limited, at least in part, by the tendency for these students to attend less than full time. For instance, only 54 percent of working poor adults received a grant in 2003–04, with an average amount of nearly \$3,000. For comparison, 67 percent of nonworking poor adult students, who are more likely to attend full time, received a grant, whose average amount was slightly more than \$3,500.
- **Part-time enrollment also poses a risk to students in their ability to persist through college and eventually attain a postsecondary credential.** Six years after beginning college in 1995–96, nearly half (50 percent) of working poor adult students who began in a degree or certificate program had left without attaining a credential. Working poor adults most often cited financial concerns and changes in family status as reasons for leaving. Together, these observations illuminate the precarious position in which working poor adults find themselves: Despite working long hours to provide for their families, their incomes still teeter on the brink of poverty. They understand that enrolling in college and earning a degree will help them improve their skills and increase their earnings potential. However, given their work and other responsibilities, it is difficult for them to enroll full time, thus making it harder for them to receive financial aid and complete the classes necessary for a degree.

Working Poor Youth

The financial stress that characterizes the lives of working poor adults reaches into the lives of their children. Because educational attainment among working poor adults is generally low, youth from working poor families are frequently the first in their families to go to college and often struggle to navigate the college-going process. Although it is difficult to concretely categorize the working poor among younger college students, we approximate the population by looking at those who are considered financially dependent for federal financial aid purposes and have family incomes that fall between 100–200 percent of the federal poverty level. As we discuss in this report:

- **Traditionally aged working poor college students often contend with barriers associated with being a first-generation college student.** Among the students with family incomes slightly above the poverty level, between 37 percent of dependent working poor students in 2003–04 were first-generation college students, compared with 19 percent of youth from higher-income families. Children from working poor families can sometimes face a climate of discouragement from community members, high school personnel, and even extended family, which may inhibit otherwise qualified students from pursuing postsecondary education or from pursuing degrees at the highest levels.
- **Working poor families have limited resources to pay the cost of college enrollment, and few working poor youth are able to rely on their parents for financial support.** In 2003–04, working poor dependent undergraduates and their families were expected to

contribute slightly more than \$2,000 on average toward their price of attendance, a large amount considering their low family incomes. To meet the rest of their expenses, working poor youth relied, in part, on grants and loans. Fifty-five percent of working poor students, compared with 61 percent of students below the poverty level, received Pell Grants. Reflecting the differences in family incomes, those with the lowest family incomes received slightly higher average amounts. But working poor students still had to come up with almost \$4,300 on average to meet their remaining need.

- **Financial constraints coupled with obstacles associated with being a first-generation college student may keep many youth from working poor families from completing their degrees.** Twenty-eight percent of working poor dependent students who began a degree or certificate program in 1995–96 received a bachelor's degree by 2001. This compares with 44 percent of higher-income youth earning bachelor's degrees and 33 percent of those below the poverty level. Working poor students were more likely than the other groups to earn associate's degrees, but they were also more likely to leave school without attaining any degree or certificate. Working poor college students and recent graduates noted the importance of intrinsic motivation, coupled with having a mentor or advocate, in helping them overcome financial and personal obstacles while in college. Additionally, students emphasized the importance of outreach programs, targeted toward youth from low- and modest-income backgrounds, that offered comprehensive information about college and financial aid.

College success is not beyond the reach of youth from working poor backgrounds. But it is unclear just how many such students, discouraged by high prices or lack of support, simply give up on the idea of pursuing higher education. These students, like their adult counterparts, often find themselves in a precarious position—reaching for the education that many of their parents have not attained, yet lacking the financial and auxiliary support to help them achieve their goal.

Recommendations

The public and private sectors can work together to help more people from working poor families reach their educational goals by easing the financial burden for families, enhancing campus support services offered to students from working poor backgrounds, and broadening mentoring programs that can reach out to students to lessen the isolation that they feel while pursuing higher education. New strategies need to be developed to address the challenges of college access and success that confront working poor students. These strategies often must be targeted in distinct ways for working poor adults as compared with working poor youth.

Working Poor Adults

- **Provide tax relief for working poor students.** Working poor adults would significantly benefit from federal policies that:
 - Make the Hope and Lifetime Learning education tax credits refundable to allow any credit amount above an individual's tax liability to be refunded to them. Further, working poor students would benefit

from policies that allow students who are enrolled at least half-time to claim expenses such as room, board, and books under these education tax credits—a proposal similar to the expansion of tax credits offered to Gulf Opportunity Zone college students in 2006;

- Make federal, state and institutional grant aid fully tax free; and
- Increase the exempted amount that working independent students can earn under federal need analysis, thereby increasing their eligibility for Pell Grants.

- **Offer additional institutional support for working poor students.**

Colleges and universities that serve substantial populations of working poor adults can better serve these students by changing their institutional policies and practices in order to:

- Offer evening or weekend hours for financial aid offices, academic advising, and other student services;
- Keep computer labs and libraries open extended hours and during between-term breaks to provide access to e-mail and other Internet resources; and
- Ensure that core academic classes are offered at a range of times that allow flexibility for adults with work and child care responsibilities.

- **Target support for working poor students who are single parents.**

The triple threat facing many working poor adult college students—being poor, employed, and a single parent—requires specific assistance that will:

- Allow postsecondary education to meet the Temporary Assistance for Needy Families work requirements—under current law, welfare recipients have to work, do community service, or take vocational education classes for 20 hours a week, but college courses that lead to a postsecondary degree not directly tied to vocational training are not counted; and
- Increase the allowances for child care in determining financial need, thereby making it more feasible for single parents to afford their tuition, living, and child care expenses.

Working Poor Youth

- **Reduce the financial burden on working poor parents under need analysis.**

The seemingly arcane topic of federal student aid need analysis is, in fact, an important element of increased opportunity for working poor youth. These students would benefit from changes that:

- Increase the income allowed to qualify for a zero EFC; and
- Allow for higher levels of student earnings without reducing aid levels.

- **Provide additional institutional support for first-generation college students.** Beyond the excellent support offered through the federal TRIO programs, which provides pre-college outreach to first-generation and other historically disadvantaged students, institutions also can assist first-generation students by:

- Conducting more outreach into low-income communities to teach “college knowledge” and encourage students to pursue higher education; and
- Offering mentoring and support programs for low-income and first-generation college students, including both practical information on study skills and paying for college and general emotional support.

In addition to these specific strategies targeted to the distinct groups of working poor adults and working poor youth, we also recommend that broader strategies be implemented to help ease the financial burden and enhance support services so that more working poor can reach their educational goals. These broader strategies include increasing investment in federal grant aid so that more money is available to help students farther up on the need ladder. Further, increased investments in statewide initiatives are needed, to reach out to adult workers and their employers to promote postsecondary enrollment and to target awareness of financial aid opportunities toward working poor adults and their children.

The working poor occupy a precarious position in American society—working hard and contributing to the nation’s economy, but in many ways falling behind because of their limited educational attainment. In our society, the greatest individual rewards—higher pay, more leisure time, better health, and an overall good quality of life—most often go to those who have received a college education. As a nation, we gain perhaps even more from that college education because of civic benefits such as higher rates of voting and volunteering, increased workforce productivity, and higher taxes contributed by college-educated citizens. It is essential, therefore, that the working poor have the same opportunities to enter and complete college as do other populations. ❧

Introduction

The discussion on higher education affordability and access has gained increased momentum recently, as several reports and initiatives have focused on reforming higher education to maintain the nation's global competitive advantage. In its report, *A Test of Leadership: Charting the Future of U.S. Higher Education*, the Commission on the Future of Higher Education (often called the Spellings Commission) declared American higher education to be one of the nation's greatest success stories but noted that many challenges threaten the nation's ability to ensure that postsecondary educational opportunities are accessible to all, not only to those who can afford them (U.S. Department of Education 2006).

As the nation deliberates the challenges facing the higher education system, it is important to consider those for whom postsecondary education remains largely elusive, such as individuals from working poor families. Broadly, working poor families can be described as those for whom substantial work efforts do not garner the income needed to meet basic economic needs. Many among the working poor struggle to meet basic expenses such as housing, food, and utility costs and experience difficulties securing health insurance or frequently delay medical care (Acs and Loprest 2005). Adults among the working poor often labor in jobs that offer few benefits such as paid sick or vacation leave and that provide little stability or support in the event of sudden emergencies (Conlin and Bernstein 2004).

For the working poor, being unable to provide for the needs of one's family presents a departure from one of the nation's most valued promises: that of the social and economic rewards accompanied by hard and earnest work (Waldron, Roberts, and Reamer 2004). For these Americans,

hard work has not proven sufficient to secure economic stability. Further, the growing income schism between workers at the top and bottom of the income scale suggests that it will become increasingly difficult for families to move beyond poverty (Mishel, Bernstein, and Allegretto 2006). Strengthening educational opportunities for the working poor is one key step to improving the lives of these hardworking families. Indeed, Federal Reserve Chairman Ben Bernanke singled out educational disparities as "likely the single greatest source of the long-term increase in inequality" in our country (Aversa 2007).

Expanding access to higher education, in particular, is critical to improving the lives of the working poor, as jobs in today's economy increasingly require some higher education. Pursuing education beyond high school can be a financially daunting task, however. College prices have risen more rapidly than the rate of inflation since the early 1980s (College Board 2006), placing a disproportionate burden on families with the lowest incomes (National Center for Public Policy and Higher Educa-

tion 2006). This situation has prevented many working poor adults from pursuing their own educational goals and from being able to financially support their children in college.

This report examines the higher education experiences of those among the working poor, discussing the experiences of both low-income workers who seek postsecondary degrees themselves, as well as the experiences of youth from working poor backgrounds. We begin by defining the adult working poor population, looking at the individual characteristics of those who work and earn incomes that place them below or slightly above poverty. We then move on to describe the characteristics of individual adults among the working poor who are able to enroll in postsecondary education, describing their means of paying for college as well as the additional support that often is needed to help them juggle work and family responsibilities while enrolled.

Next, we discuss the experiences of youth from working poor families. The financial stress that characterizes the lives of working poor adults reaches into the lives of their children, and the stories told by students from working poor families highlight the challenges many of these students face in affording college. Moreover, because the majority of working poor adults has never enrolled in postsecondary education, youth from working poor families are largely first-generation college students who must contend with additional barriers such as a lack of information about attending college, negative community perceptions about college, and dealing with feelings of cultural dislocation while enrolled.

This report uses data from the U.S. Census Bureau's American Community Survey (ACS) to describe the working poor within the U.S. population. In addition, data from the U.S. Department of Education's 2003–04 National Postsecondary Student Aid Study (NPSAS) and the 1995–2001 Beginning Postsecondary Students Longitudinal Study (BPS) are used to explore enrollment, attainment, and financial aid characteristics of working poor college students. Finally, this report draws on qualitative data gained from interviews and focus groups to further illuminate the experiences of these students in higher education (see the appendix for a full description of data sources and methodology).

Together, these observations illuminate the “catch-22” in which working poor adults find themselves: Despite working long hours to provide for their families, their incomes still teeter on the brink of poverty. They understand that enrolling in college and earning a degree will help them improve their skills and increase their earnings potential. However, given their work and other responsibilities, it is difficult for them to enroll full time, thus making it harder for them to receive financial aid and complete the classes necessary for a degree. ❧

Defining the Adult Working Poor Population

The term “working poor” is not consistently defined. In general, the term can be applied to adults who are substantially tied to the workforce but do not earn enough to make ends meet. Different analyses exploring the experience of the working poor may define this population differently and may look at working poor adults as individuals or within the context of a family unit.¹ Not even the U.S. Census Bureau attempts to offer a single definition. Rather, it suggests three possible definitions: (1) those “who worked but who nevertheless fell under the official definition of poverty”; (2) those “who were in poverty and had at least one working family member”; and (3) “people who may not necessarily be in poverty according to the official measure of poverty, but who fall below some percentage of the poverty level (U.S. Census Bureau 2006).”

This section uses two main measures to identify adult workers ages 24–64 in the United States who can be counted among the working poor:

1. The level of work that constitutes substantial ties to the workforce, and
2. The level of income that leaves people without sufficient economic means to meet their needs.

Because there is little agreement on where these thresholds rest, the goal of this study is to take a broad approach—describing working poor adults who work at least slightly more than part time and have family incomes that place them at or below 200 percent of the poverty level. This approach allows similar populations of working poor adults to be derived from different data sets. Additionally, because this study

focuses on working poor adults enrolled in postsecondary education, it is important to include those who may not work full time but who work at levels significant enough to cause hardships while enrolled.² It also was determined that persons at or below 200 percent of the poverty level are economically vulnerable and may experience difficulties gaining access to and succeeding in higher education.

¹ For instance, the U.S. Department of Labor’s Bureau of Labor Statistics (2006a) defines the working poor as those who have spent 27 weeks in the labor force, either working or looking for work, and who have incomes below the official poverty threshold. Other researchers define the population of low-income workers more broadly, including those who have modest and high work levels (based on the number of hours worked annually) but incomes below 200 percent of the poverty level (Acs and Loprest 2005; Acs and Nichols 2005). Many studies focus exclusively on working poor persons who are caring for families (Acs and Loprest 2005; Acs and Nichols 2005).

² For instance, King (2006) found that undergraduates who work more than 20 hours per week in off-campus jobs are likely to experience reductions in persistence and degree attainment.

The definition of working poor used for this report is not without its limitations. Specifically, it is important to note its circular nature; that is, as work level increases, so does the chance that income will increase. Thus, it is plausible that some people counted among the working poor have low incomes because they work less. Further, this report uses individuals as the unit of analysis rather than families, and it is plausible that some people counted among the working poor may be secondary earners in a family, working fewer hours but still contributing to the family's income.

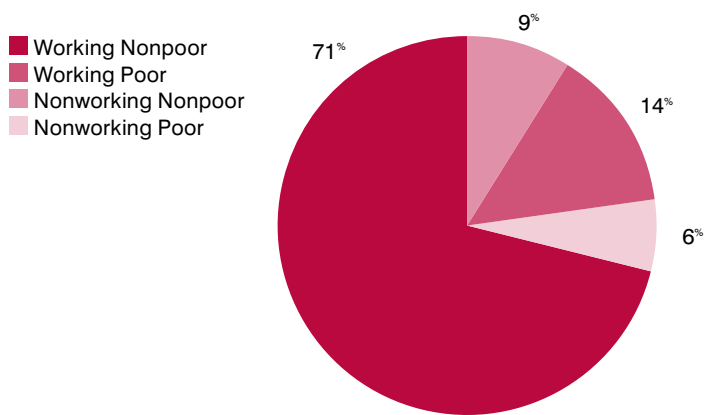
The circular nature of this definition also underscores the variable nature of the working poor population, in terms of both work status and poverty level. As of 2005, for example, 14 percent of the U.S. population ages 24–64 fit the definition of a working poor adult and 6 percent fit the definition of a nonworking poor adult (**FIGURE 1**).³ Qualitative data suggest, however, that these groups are fluid and workers may, at any time, change their work status or their poverty status by losing a job, having their hours increased or reduced, or finding a better job.

For those in college, the situation is even more complex. A student may, for example, enroll full time one semester and then take off a semester to earn money for school. One working poor student explained that, while he was currently working full time, he would prefer to work part time and

³ Unless otherwise noted, data in this section are from the 2005 *American Community Survey* (U.S. Census Bureau 2005a). When using ACS data, people were considered working if they were employed at least 27 weeks during the 12 months prior to the survey and usually worked 25 hours a week or more. A person was considered poor if his or her poverty status was at or below 200 percent of the poverty level adjusted for family size.

FIGURE 1

Distribution of U.S. Population Ages 24–64 by Work and Poverty Status, 2005



NOTE: EIGHTEEN PERCENT OF CASES WERE MISSING WORK DATA. INDIVIDUALS CONSIDERED WORKING ARE THOSE WHO WORKED AT LEAST 25 HOURS PER WEEK AND AT LEAST 27 WEEKS DURING THE PAST 12 MONTHS. INDIVIDUALS CONSIDERED POOR ARE THOSE WITH INCOMES AT OR BELOW 200 PERCENT OF THE POVERTY LEVEL.
SOURCE: U.S. CENSUS BUREAU 2005A

enroll in school full time. As he put it, “It’s hard to be a full-time worker and a full-time student.” This comment underscores the trade-offs many adults must make to pursue postsecondary education; these trade-offs may place them, at various times, among the working poor or nonworking poor populations, and it is important to keep this fluidity in mind.

FIGURE 2

Selected Demographic Characteristics of U.S. Population Ages 24–64 by Work and Poverty Status, 2005

	NONWORKING POOR	WORKING POOR	WORKING NONPOOR	ALL U.S.
AGE				
24–34	41%	40%	26%	27%
35–44	27%	32%	29%	27%
45–64	32%	28%	46%	46%
GENDER				
MALE	41%	54%	57%	49%
FEMALE	59%	46%	44%	51%
RACE				
WHITE	65%	64%	80%	76%
BLACK OR AFRICAN AMERICAN	18%	17%	10%	11%
AMERICAN INDIAN/ALASKA NATIVE	1%	1%	1%	1%
ASIAN	5%	4%	5%	5%
OTHER, INCLUDING TWO OR MORE RACES	11%	14%	5%	7%
HISPANIC ETHNICITY				
HISPANIC/LATINO	22%	30%	11%	15%
NOT HISPANIC/LATINO	78%	70%	90%	86%
CITIZENSHIP				
NATIVE-BORN U.S. CITIZEN	79%	72%	87%	84%
U.S. CITIZEN BY NATURALIZATION	6%	8%	7%	7%
NOT A U.S. CITIZEN	16%	21%	6%	9%
MARITAL STATUS				
SINGLE, WIDOWED, DIVORCED	54%	47%	32%	34%
MARRIED	40%	47%	67%	63%
SEPARATED	6%	6%	2%	3%
DISABILITY				
WITH A DISABILITY	19%	10%	6%	13%
WITHOUT A DISABILITY	81%	90%	94%	87%
PRESENCE AND AGE OF OWN CHILDREN				
WITH OWN CHILDREN UNDER 6 YEARS OLD	9%	7%	7%	8%
WITH OWN CHILDREN 6 TO 17 YEARS OLD	25%	33%	23%	24%
WITH OWN CHILDREN UNDER 6 AND 6–17 YEARS OLD	14%	13%	5%	8%
NO OWN CHILDREN	52%	47%	65%	60%
PERCENTAGE WORKING FULL TIME*				
WORKING FULL TIME	N/A	53%	69%	67%
NOT WORKING FULL TIME	N/A	47%	31%	33%

*PERCENTAGE TAKEN OF THOSE DEFINED AS WORKING. "ALL U.S." COLUMN, FOR THIS VARIABLE EXCLUDES THOSE WITH MISSING WORK DATA.
 NOTE: EIGHTEEN PERCENT OF CASES WERE MISSING WORK DATA. UNLESS OTHERWISE NOTED, "ALL U.S." COLUMN INCLUDES ALL INDIVIDUALS 24–64, INCLUDING THOSE WITH MISSING WORK DATA. INDIVIDUALS CONSIDERED WORKING ARE THOSE WHO WORKED AT LEAST 25 HOURS PER WEEK AND AT LEAST 27 WEEKS DURING THE PAST 12 MONTHS. INDIVIDUALS CONSIDERED POOR ARE THOSE WITH INCOMES AT OR BELOW 200 PERCENT OF THE POVERTY LEVEL. PERCENTAGE TOTALS MAY NOT ADD TO 100 DUE TO ROUNDING.
 SOURCE: U.S. CENSUS BUREAU 2005A

Demographic Context

Given the fluid nature of the working poor population, their demographic characteristics often fall between their nonworking poor and working nonpoor counterparts and, at times, share similarities with both (FIGURE 2). For the most part, the working poor and the nonworking poor are quite similar in comparison to the working nonpoor. For example, both groups counted as poor were younger than workers who were not poor; 40 percent of working poor adults and 41 percent of nonworking poor were between the ages of 24 and 34 years, whereas slightly more than a quarter of working nonpoor adults were in this age group. This is important to consider because, for the average worker, earnings typically are lower at the beginning of the work life, increase in the middle years, and decrease in later years. Younger workers also tend to suffer more severe impacts during economic downturns, which may be reflected in their overall incomes (Mishel, Bernstein, and Allegretto 2006).

Overall, the poor were less frequently married but more often had children than those who were working and not poor in 2005. The working poor were slightly more likely to be married and had a higher proportion of men than the nonworking poor. But both groups included larger proportions of individuals who were not U.S. citizens compared with workers who were not poor. In addition, the working poor, like the nonworking poor, more often included ethnic minorities when compared with workers who earn higher incomes. Both groups of poor individuals had higher proportions of Blacks and Hispanics than working nonpoor individuals. The working poor had the highest proportion of Hispanic ethnicity in comparison with both groups—30 percent were Hispanic, compared with 22 percent of the nonworking poor and 11 percent of the working nonpoor.⁴ The age, racial, and ethnic composition of these groups are important because these demographic characteristics can

be correlated with low-income status. Specifically, race and ethnicity frequently are correlated with poverty, as the earnings of Black and Hispanic workers historically have been lower than those of Whites (U.S. Department of Labor 2006b).⁵

Educational Enrollment and Attainment

While the working and nonworking poor populations are similar in terms of demographics, they differ in their educational enrollment and attainment levels (FIGURE 3). At first glance, the higher proportions of the nonworking poor adults who were enrolled in school in 2005 and the relatively high educational attainment levels of this group compared with the working poor may seem surprising. Thirteen percent of the nonworking poor ages 24–64 were enrolled in school at some level, whereas only 6 percent of working poor adults were enrolled.⁶ Further, 22 percent of nonworking poor adults had attained an associate's, bachelor's, or advanced degree, compared with 18 percent of working poor adults. It is important to note, however, that more than a quarter of the nonworking poor who were enrolled in school were enrolled in post-baccalaureate programs. Their work and low-income status may be due to the fact that post-baccalaureate students are often enrolled in school full time and do not work or work only part time while enrolled.⁷

⁴ In ACS data, race and Hispanic ethnicity are separate questions. A person whose ethnicity is defined as Hispanic may be of any race.

⁵ In examining earnings inequalities, some researchers point to the lingering impact of discrimination or the relatively lower amount of work experience of minority youth as reasons for observed disparities. In addition, earnings inequalities could be related to the dearth of employment opportunities available to certain groups, especially those living in low-income neighborhoods (Holzer 2000; Holzer and Martinson 2005).

⁶ The current school enrollment of adults in 2005 includes educational enrollment at any level, although the majority were enrolled in postsecondary education (FIGURE 3). There is a slight variation in enrollment among the working poor by degree of work. For instance, 9 percent of those working less than full time were enrolled, compared with 5 percent of those working full time.

⁷ Although a substantial proportion of nonworking poor students who were enrolled were in post-baccalaureate programs, this represented only 3 percent of the entire nonworking poor population.


FIGURE 3

Selected Educational Characteristics of U.S. Population Ages 24–64 by Work and Poverty Status, 2005

	NONWORKING POOR	WORKING POOR	WORKING NONPOOR	ALL U.S.
CURRENT SCHOOL ENROLLMENT				
NO, HAS NOT ATTENDED IN LAST 3 MONTHS	87%	93%	94%	94%
YES, PUBLIC SCHOOL OR PUBLIC COLLEGE	10%	5%	4%	5%
YES, PRIVATE SCHOOL OR PRIVATE COLLEGE	3%	1%	2%	2%
GRADE ATTENDANCE LEVEL (OF THOSE ENROLLED)				
GRADE 5 TO 8	1%	2%	1%	1%
GRADE 9 TO 12	7%	9%	4%	6%
COLLEGE UNDERGRADUATE	65%	73%	60%	63%
GRADUATE OR PROFESSIONAL SCHOOL	27%	17%	36%	30%
EDUCATIONAL ATTAINMENT				
LESS THAN A HIGH SCHOOL DIPLOMA	24%	26%	7%	13%
HIGH SCHOOL DIPLOMA	33%	37%	26%	29%
SOME COLLEGE, NO DEGREE	21%	20%	22%	21%
ASSOCIATE'S DEGREE	7%	7%	9%	8%
BACHELOR'S DEGREE	11%	8%	23%	19%
ADVANCED DEGREE	4%	3%	14%	10%

NOTE: EIGHTEEN PERCENT OF CASES WERE MISSING WORK DATA. UNLESS OTHERWISE NOTED, "ALL U.S." COLUMN INCLUDES ALL INDIVIDUALS 24–64, INCLUDING THOSE WITH MISSING WORK DATA. INDIVIDUALS CONSIDERED WORKING ARE THOSE WHO WORKED AT LEAST 25 HOURS PER WEEK AND AT LEAST 27 WEEKS DURING THE PAST 12 MONTHS. INDIVIDUALS CONSIDERED POOR ARE THOSE WITH INCOMES AT OR BELOW 200 PERCENT OF THE POVERTY LEVEL. PERCENTAGE TOTALS MAY NOT ADD TO 100 DUE TO ROUNDING.
 SOURCE: U.S. CENSUS BUREAU 2005A

Like working poor adults, workers who were not poor were less likely to be enrolled in school. However, when enrolled, they were more often enrolled in graduate or professional school and had attained far higher degree levels than the working poor. The differences in educational attainment suggest one reason for the disparity between the earnings of working poor and working nonpoor adults, even for those working full time. Among poor adults who worked full time in 2005, the average annual earnings were slightly over \$19,000, compared with slightly over \$56,000 for nonpoor full-time workers. Both working poor and working nonpoor adults most frequently worked in office and administrative support occupations. But working poor adults in this field earned close to \$20,000 annually, on average, compared with close to \$38,000 for working nonpoor adults. This disparity likely reflects the additional earnings associated with higher levels of education, particularly a bachelor's degree or advanced degree (Institute for Higher Education Policy 2005). Part of these differences also may be related to age, given that the working poor tend to be younger than the working nonpoor, but the majority of the working poor are over age 35.

The need for postsecondary training will only increase in the future; economic projections suggest that the fastest job growth will occur in areas that require at least some higher education.⁸ For the working poor as a group, working itself makes it difficult to invest the time needed to improve skills and move into better-paying jobs. As one student interviewed for this report noted, being among the working poor is a “catch-22” in which people do not earn enough money to make ends meet but do not have enough time to obtain more education and improve their situation. For those who do enroll in college, financial and time constraints make paying for school and taking multiple classes a challenge. The following section explores some of these and other barriers confronted by working poor adults who have enrolled in postsecondary education. 

⁸ The fastest-growing occupations between 2004 and 2014 are expected to be professional and related occupations in fields such as computer science, health care, education, and library science (U.S. Department of Labor 2005). Additionally, employers increasingly seek employees with cognitive and problem-solving skills and often assume that applicants with some higher education are most likely to have these skills (Urban Institute 2000).

Working Poor Adults and Postsecondary Enrollment

Despite many barriers, many working poor adults do enroll in college. This section focuses on working poor adults among the undergraduate student population and uses data collected by the U.S. Department of Education's National Center for Education Statistics (NCES). The discussion that follows is limited to those who were financially independent while enrolled in 2003–04.

Demographic Characteristics of Working Poor Adult Students⁹

As in the general population, working and nonworking poor adult students often look similar demographically (FIGURE 4). Together, these two groups contrast with working nonpoor students in many of the same ways. For instance, they tend to be younger and to include more women and racial or ethnic minorities compared with working nonpoor students. The similarities between working and nonworking poor student groups again underscore the likelihood that these populations are fluid, with people moving from one group to another at various points in their undergraduate careers.

Additionally, the overwhelming majority of poor students, both working and nonworking, are single, while the majority of working nonpoor students are married. Some of this difference is perhaps due to the relatively younger composition of the poor adult student population. But large proportions of poor students care for dependents as single adults; for example, 38 percent of those among the working poor in 2003–04 were unmarried with dependents, compared with 31 percent of nonworking poor students and 13 percent of workers who were not poor. Caring

for dependents while enrolled in college can present difficulties for any student but can be especially challenging for those who are single and earning low incomes. One problem repeatedly expressed by adult working poor students in interviews and focus groups was the difficulty of finding adequate care for their young children and dealing with the challenges of single parenthood. In 2003–04, average monthly child care costs were nearly \$400 for adult working poor students. For low-income families, child care can be the deciding factor in whether a person can enroll in college (Gooden and Matus-Grossman 2001).

Enrollment Patterns

Although adult working poor and nonworking poor students resemble one another demographically, their attendance patterns differ (FIGURE 5).¹⁰

⁹ Unless otherwise noted, data in this section are from the National Postsecondary Student Aid Study 2003–04 (NCES 2004). Students were considered to have worked if they were employed at least 25 hours per week for all or most weeks during the 2003–04 academic year. Students were considered poor if their family incomes were at or below 200 percent of the poverty level adjusted for family size.

¹⁰ Unless otherwise noted, data in this section are from the National Postsecondary Student Aid Study 2003–04 (NCES 2004). Students were considered to have worked if they were employed at least 25 hours per week for all or most weeks during the 2003–04 academic year. Students were considered poor if their family incomes were at or below 200 percent of the poverty level adjusted for family size.

FIGURE 4

Selected Demographic Characteristics of Independent Undergraduate Students by Work and Poverty Status, 2003–04

	NONWORKING POOR	WORKING POOR	WORKING NONPOOR	ALL INDEPENDENT UNDERGRADUATES
AGE				
23 AND YOUNGER	21%	18%	7%	14%
24–34	52%	55%	47%	50%
35–44	17%	18%	27%	21%
45 AND OLDER	10%	9%	20%	14%
GENDER				
MALE	35%	37%	43%	38%
FEMALE	65%	64%	57%	62%
RACE/ETHNICITY				
WHITE	53%	50%	66%	59%
BLACK OR AFRICAN AMERICAN	21%	24%	14%	18%
AMERICAN INDIAN/ALASKA NATIVE	1%	1%	1%	1%
ASIAN	6%	4%	4%	5%
HISPANIC/LATINO	14%	17%	12%	14%
NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER	1%	1%	0%	1%
OTHER	2%	1%	1%	1%
MORE THAN ONE RACE	2%	2%	2%	2%
MARITAL STATUS				
SINGLE, WIDOWED, DIVORCED	69%	71%	39%	54%
MARRIED	25%	23%	59%	42%
SEPARATED	6%	6%	2%	4%
DEPENDENTS BY MARITAL STATUS				
NO DEPENDENTS, UNMARRIED	38%	33%	27%	30%
NO DEPENDENTS, MARRIED/SEPARATED	8%	7%	24%	16%
DEPENDENTS, UNMARRIED	31%	38%	13%	23%
DEPENDENTS, MARRIED/SEPARATED	23%	22%	37%	31%
CHILDCARE				
% WITH DEPENDENT CHILDREN IN CHILD CARE	13%	17%	12%	13%
AVERAGE MONTHLY CHILD CARE COSTS	\$340	\$387	\$447	\$399
PERCENT WORKING FULL TIME	N/A	76%	88%	50%

NOTE: STUDENTS CONSIDERED WORKING ARE THOSE WHO WORKED AT LEAST 25 HOURS PER WEEK AND ALL OR MOST WEEKS WHILE ENROLLED. STUDENTS CONSIDERED POOR ARE THOSE WITH INCOMES AT OR BELOW 200 PERCENT OF THE POVERTY LEVEL. PERCENTAGE TOTALS MAY NOT ADD TO 100 DUE TO ROUNDING.

SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS 2004

FIGURE 5

Selected Enrollment Characteristics of Independent Undergraduate Students by Work and Poverty Status, 2003–04

	NONWORKING POOR	WORKING POOR	WORKING NONPOOR	ALL INDEPENDENT UNDERGRADUATES
ATTENDANCE INTENSITY				
EXCLUSIVELY FULL TIME	48%	37%	21%	34%
EXCLUSIVELY HALF-TIME	19%	27%	27%	24%
EXCLUSIVELY LESS THAN HALF-TIME	13%	16%	34%	22%
MIXED	21%	20%	19%	20%
JOB ROLE (OF THOSE WITH JOBS WHILE ENROLLED)*				
STUDENT WORKING TO MEET EXPENSES	75%	43%	23%	43%
EMPLOYEE ENROLLED IN SCHOOL	25%	57%	77%	57%
UNDERGRADUATE DEGREE PROGRAM				
CERTIFICATE	13%	11%	6%	10%
ASSOCIATE'S DEGREE	43%	47%	39%	43%
BACHELOR'S DEGREE	35%	33%	37%	34%
NOT IN A DEGREE PROGRAM	10%	10%	18%	14%
INSTITUTION TYPE				
PUBLIC TWO-YEAR	47%	48%	50%	49%
PUBLIC FOUR-YEAR	23%	20%	18%	21%
PRIVATE NOT-FOR-PROFIT TWO YEAR	9%	9%	13%	10%
PRIVATE FOR-PROFIT	13%	15%	11%	12%
OTHER/ATTENDED MORE THAN ONE INSTITUTION	9%	8%	8%	9%

*NONWORKING POOR STUDENTS MAY HAVE WORKED LESS THAN 25 HOURS PER WEEK OR WORKED HALF OR LESS THAN HALF WEEKS WHILE ENROLLED. NOTE: STUDENTS CONSIDERED WORKING ARE THOSE WHO WORKED AT LEAST 25 HOURS PER WEEK AND ALL OR MOST WEEKS WHILE ENROLLED. STUDENTS CONSIDERED POOR ARE THOSE WITH INCOMES AT OR BELOW 200 PERCENT OF THE POVERTY LEVEL. PERCENTAGE TOTALS MAY NOT ADD TO 100 DUE TO ROUNDING. SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS 2004

In 2003–04, nearly half of those among the nonworking poor were able to enroll full time exclusively. In comparison, 37 percent of working poor students enrolled full time, while 43 percent enrolled exclusively half-time or less than half-time (the remaining percentage had mixed attendance patterns).¹¹ The attendance patterns of working poor students point to the challenge of juggling long work hours while taking multiple courses.

Yet working poor students still had a higher proportion enrolled full time than did working nonpoor students, at 21 percent. This disparity points to a key difference between working students who are poor and those who are not. Although working poor students attend college more often on a half-time basis, these students largely view themselves primarily as students, while workers with higher incomes see themselves primarily as employees enrolled in school. In 2003–04, 43 percent of working poor

students saw themselves primarily as students, in contrast to working nonpoor students, 77 percent of whom saw themselves as employees enrolled in school. This is reflected in the fact that 18 percent of working nonpoor students were not enrolled in a degree program, compared with 10 percent of working poor students.

The competing obligations with which adult working poor students must deal with often necessitate a postsecondary environment that offers adequate personal and academic support. Public two-year institutions (community colleges) serve many of these needs, and independent students, regardless of work and poverty status, largely attended community colleges in 2003–04. The lower price of attendance compared with other postsecondary institutions and the flexibility these colleges offer in scheduling classes are important to working poor students who face time and financial constraints.

¹¹ In looking at attendance patterns for working poor students by their degree of poverty, the percentage of those enrolled full time was only slightly higher for those at or below the poverty threshold (40 percent) than for those slightly above the poverty threshold (34 percent).

Still, not all attend a community college—slightly more than a fifth of all independent students, and those among the working poor, attended a public four-year institution in 2003–04. And 13 and 15 percent of nonworking poor and working poor students, respectively, attended private for-profit institutions. Interviews with students provided some insight into why working students may find private for-profit institutions particularly amenable to their lifestyle. As one student interviewed for this report discussed, the private for-profit institution she attends offers personalized assistance with completing forms and applications and a greater selection of evening classes than other institutions she considered. In addition, she is enrolled with other working adults who are similarly situated, both economically and socially. These features have made it easier for her to become acclimated to college after spending many years out of school.

Financing Postsecondary Education

Clearly, the ability to pay for college is a pressing issue for most college students, and working poor adults are no different. **FIGURES 6, 7 AND 8** illustrate the postsecondary expenses that independent students face, by work and poverty status, and their relative ability to pay those expenses.¹²

The total price of attendance calculated for each student takes into account the tuition and fees of an institution as well as certain non-tuition expenses such as books, supplies, transportation, and living expenses for those who live on or off campus (Choy 2004).¹³ This price represents the expected expenses a student will have to pay in order to attend a given institution—although this amount may or may not fully represent a student’s expenses, depending on individual circumstances or living standards (Choy and Berker 2003). For example, the calculated price of attendance is adjusted to take into account a student’s attendance pattern. Therefore the price of attendance faced by a part-time student would be lower than that of a full-time student. As seen in **FIGURE 6**, working poor adult students faced a total price of attendance of slightly more than \$9,000 on average, an amount that fell in the middle of the price for their nonworking and nonpoor counterparts. This likely reflects the variation in attendance patterns among these groups.

Most college students apply for some form of financial aid to cover those expenses. In determining a student’s need for financial aid, an expected family contribution (EFC) is calculated, which represents what a student is expected to pay toward the price of attendance. The EFC is calculated using a formula that considers a student’s family income, family size, assets, and number of family members enrolled in college (Choy and Berker 2003). The EFC is meant to compare families’ relative ability to pay for postsecondary education in order to allocate federal financial aid (Choy and Berker 2003). In 2003–04, working poor adult students had an EFC of \$900, only slightly higher than poor students

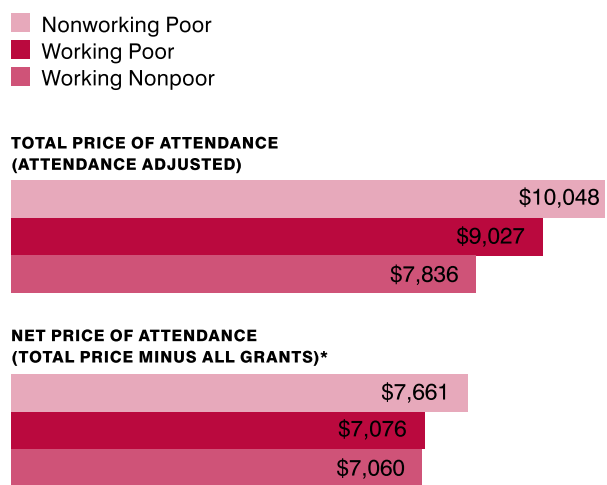
who did not work, and more than \$12,000 lower than those working with higher incomes. This amount represents the averages of all working poor independent students, including the 51 percent who had a zero EFC, and reflects the large proportion of working poor students not expected to contribute to their price of attendance.

Once determined, a student’s EFC is subtracted from the price of attendance in order to determine the student’s need for financial aid. Working poor students have fewer resources to contribute to their own postsecondary expenses than do those who work but are not poor, and they also have greater need for financial aid. The financial aid that students receive often is not enough to allow them to meet the full price, and many are left with remaining need after all aid is taken into consideration. Like the price of attendance, the financial need that adult working poor students faced in 2003–04 was slightly lower than that of the nonworking poor and higher than that of the working nonpoor, a point also likely affected by the attendance patterns that vary among these groups of students. Nonetheless, the amount of remaining need still was significant for working poor students, nearly \$4,000 on average (again falling between the amounts for the nonworking poor and the working nonpoor).¹⁴

Because of their relatively high need levels, a majority of both working and nonworking poor students received grants, from a variety of sources (only a small percentage of working students who were not poor received grants). A smaller proportion of working poor students (54 percent) received a grant than nonworking poor students (67 percent),

FIGURE 6

Average Total Price of Attendance and Net Price of Attendance for Independent Undergraduate Students by Work and Poverty Status, 2003–04



* AMOUNT AVERAGED ACROSS ALL STUDENTS INCLUDING THOSE WITH ZERO GRANTS.
 NOTE: STUDENTS CONSIDERED WORKING ARE THOSE WHO WORKED AT LEAST 25 HOURS PER WEEK AND ALL OR MOST WEEKS WHILE ENROLLED. STUDENTS CONSIDERED POOR ARE THOSE WITH INCOMES AT OR BELOW 200 PERCENT OF THE POVERTY LEVEL.
 SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS 2004

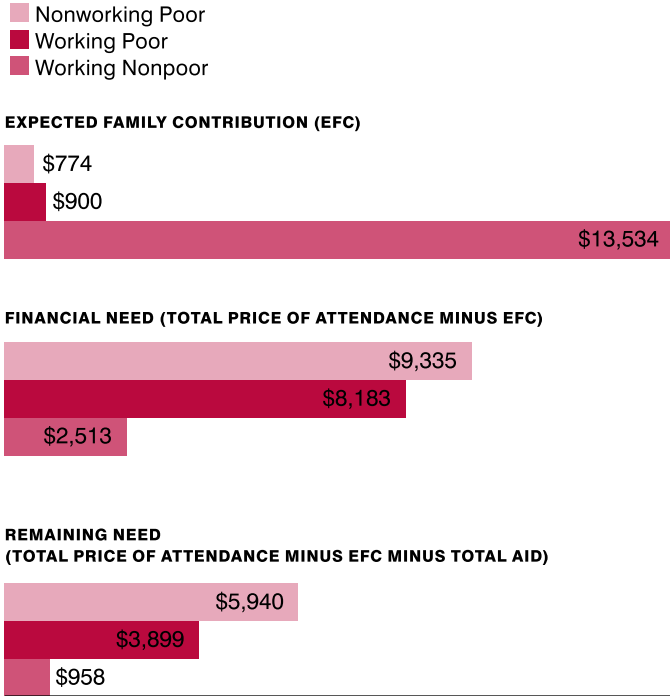
¹² Unless otherwise noted, data in this section are from the National Postsecondary Student Aid Study 2003–04 (NCES 2004). Students were considered to have worked if they were employed at least 25 hours per week for all or most weeks during the 2003–04 academic year. Students were considered poor if their family incomes were at or below 200 percent of the poverty level adjusted for family size.

¹³ This represents a budgeted price of attendance calculated for student financial aid purposes.

¹⁴ This amount was averaged across all students, including those with no remaining need.

FIGURE 7

Average Expected Family Contribution, Financial Need, and Remaining Need for Independent Undergraduate Students by Work and Poverty Status, 2003–04



NOTE: STUDENTS CONSIDERED WORKING ARE THOSE WHO WORKED AT LEAST 25 HOURS PER WEEK AND ALL OR MOST WEEKS WHILE ENROLLED. STUDENTS CONSIDERED POOR ARE THOSE WITH INCOMES AT OR BELOW 200 PERCENT OF THE POVERTY LEVEL. AMOUNTS WERE AVERAGED ACROSS ALL STUDENTS, INCLUDING THOSE FOR WHOM THE VALUE IN EACH CATEGORY WAS ZERO. SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS 2004

however. Those working poor adult students who did receive a grant received lower average amounts than the nonworking poor (nearly \$3,000 compared with slightly over \$3,500, respectively), likely due to their different attendance patterns. Among those students who did not receive a Pell Grant, both the working and nonworking poor more often attended classes exclusively less than half-time throughout the year, had lower prices of attendance, and had lower levels of financial need than those who received a Pell Grant.

Given the high need levels of working and nonworking poor students, grants often do not meet all of students' financial need, and it is not surprising that both groups of students turn to student loans in greater proportions than do nonpoor adult students. Nearly 40 percent of poor adult students—both working and nonworking—received a loan of some type, compared with 25 percent of those among the working nonpoor. The financial challenge of paying for college with limited personal resources and insufficient financial aid to cover expenses is a fact of life

among poor students, regardless of whether they are working. Though the prices and financial need levels are slightly higher for poor students who are not working (perhaps because many of them attend classes full time), nearly all poor students are left with large amounts of need not covered by all aid sources.

Less than full-time attendance can reduce the amount of available financial aid and can lead to difficulties in remaining enrolled and completing a degree. In addition to financial assistance, working poor students need support to help them manage work and family responsibilities while they are enrolled in college.

Supporting Working Poor Adults to Degree Attainment

Working poor adult students, along with independent students in general, face a number of barriers to degree completion, several of which are associated with being nontraditional students.¹⁵ These barriers include delayed enrollment after high school, part-time attendance, and periods of nonenrollment. Many of these students do not complete a degree within four or even six years after first beginning college. Among working poor adults who began in a degree or certificate program in 1995–96, nearly half left without attaining a credential by 2001, as did nearly two-thirds of working nonpoor adult beginning students (FIGURE 9).

While large percentages of working adult students, both poor and nonpoor, leave college without a degree or credential, the reasons students cite for leaving underscore key differences between the two groups. As shown in FIGURE 10, of those who left without attaining a degree or continuing enrollment by 1998, nearly a quarter of working students who were not poor in 1995–96 said they had completed their desired courses, versus only 5 percent of working poor students who indicated that they had done so. Working poor students often cited financial concerns, changes in family status, or dissatisfaction with their program or school as reasons for leaving. As discussed earlier, working poor and working nonpoor students largely view their postsecondary enrollment differently, with the working poor more often viewing themselves primarily as students, and most working nonpoor students viewing themselves primarily as employees who are enrolled in school. Thus, although both working poor and working nonpoor students are likely burdened by similar work and school obligations that make it difficult to continue enrollment and complete degrees, working poor adult students may be leaving more often without completing their desired coursework, unable to overcome the barriers they have confronted along the way.

Some state policies have aimed to enhance postsecondary opportunities and support services for working poor adults by using welfare or workforce development funds to offer child care transportation, and additional support services for low-income working adults enrolled in college. For instance, California has in previous years allowed recipients of Temporary Assistance to Needy Families (TANF), the federal welfare program, to count enrollment towards work requirements and has offered child care assistance, work-study opportunities, job placement, and other support services to participants (Mathur et al. 2004). New regulations may constrict states' abilities to continue programs such as California's in the future, however

¹⁵ Throughout this section, data are presented for students beginning postsecondary education in 1995–96. Students were considered to have worked if they were employed at least 25 hours per week for all or most weeks during their first year and were considered poor if they were at or below 200 percent of the poverty level adjusted for family size during their first year. This analysis did not consider whether or not the work and poverty status for these students changed after their initial enrollment in academic year 1995–96.

FIGURE 8

Percentage of Independent Undergraduate Students Receiving Financial Aid and Average Aid Amount by Work and Poverty Status, 2003–04

TYPES OF AID	NONWORKING POOR	WORKING POOR	WORKING NONPOOR	ALL INDEPENDENT UNDERGRADUATES
GRANTS				
GRANT OF ANY TYPE	67%	54%	8%	32%
AVERAGE TOTAL GRANT AMOUNT	\$3,570	\$2,988	\$2,040	\$2,902
PELL GRANT	55%	53%	7%	32%
AVERAGE PELL GRANT	\$2,691	\$2,429	\$1,412	\$2,436
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (SEOG)	14%	12%	1%	8%
AVERAGE SEOG GRANT	\$569	\$528	\$520	\$548
STATE	17%	15%	6%	12%
AVERAGE STATE GRANT	\$1,648	\$1,469	\$1,332	\$1,509
INSTITUTIONAL GRANT	15%	11%	6%	10%
AVERAGE INSTITUTIONAL GRANT	\$2,184	\$1,587	\$1,926	\$1,991
PRIVATE SCHOLARSHIPS	5%	3%	3%	4%
AVERAGE PRIVATE SCHOLARSHIPS	\$2,217	\$1,948	\$1,563	\$2,053
EMPLOYER AID*	4%	9%	24%	12%
AVERAGE EMPLOYER AID	\$1,662	\$1,692	\$1,821	\$1,758
LOANS				
LOAN OF ANY TYPE	39%	38%	25%	32%
AVERAGE TOTAL LOAN AMOUNT	\$6,179	\$6,116	\$6,982	\$6,447
FEDERAL SUBSIDIZED STAFFORD	37%	36%	20%	28%
AVERAGE FEDERAL SUBSIDIZED STAFFORD LOAN AMOUNT	\$3,276	\$3,239	\$3,322	\$3,274
FEDERAL UNSUBSIDIZED STAFFORD	27%	28%	21%	24%
AVERAGE FEDERAL UNSUBSIDIZED STAFFORD LOAN AMOUNT	\$3,363	\$3,371	\$4,332	\$3,745
PRIVATE SECTOR LOAN	4%	3%	3%	3%
AVERAGE PRIVATE SECTOR LOAN AMOUNT	\$5,146	\$4,774	\$4,863	\$5,040

*STUDENTS COUNTED AS NONWORKING MAY HAVE BEEN EMPLOYED FOR HALF OR LESS THAN HALF ALL WEEKS OR LESS THAN 25 HOURS PER WEEK WHILE ENROLLED; SOME OF THESE STUDENTS MAY HAVE RECEIVED EMPLOYER AID.

NOTE: STUDENTS CONSIDERED WORKING ARE THOSE WHO WORKED AT LEAST 25 HOURS PER WEEK AND ALL OR MOST WEEKS WHILE ENROLLED. STUDENTS CONSIDERED POOR ARE THOSE WITH INCOMES AT OR BELOW 200 PERCENT OF THE POVERTY LEVEL. PERCENTAGE TOTALS MAY NOT ADD TO 100 DUE TO ROUNDING. AVERAGE AMOUNTS ARE FOR THOSE WHO RECEIVED ANY AID.

SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS 2004

(Ashburn 2006). Under the new rules adopted in 2006, college courses that lead to a postsecondary degree not directly related to vocational training are not countable towards work activities and states are limited in their ability to use of TANF funds to support students enrolled in postsecondary degree programs (Lower-Basch et al. 2006).

Some states have found alternative ways to support working poor adults, such as fostering partnerships with businesses to offer training and skills development to help low-income persons enter high-need job sectors (Duke, Martinson, and Strawn 2006). Successful state-business partnerships—such as the Kentucky Workforce Development Trust Fund, which brought together resources from the state and business partners to fund career pathways at Kentucky Community and Technical Colleges—have shown the importance of offering ways for workers to participate in training that can be used for college credit and of offering counseling, tutoring, child care, and other services specifically targeted toward low-income workers (Duke, Martinson, and Strawn 2006).

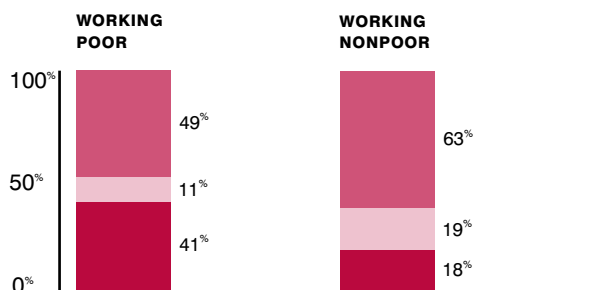
A Real Life Experience: Overcoming Barriers to Complete a Degree

When Jamie graduated from high school in the mid-1970s, she began college but left soon after marrying a man serving in the military. Years later, Jamie went to work at a North Carolina community college, where she began taking classes. Twenty-nine years after she graduated from high school, Jamie obtained an associate’s degree and began work toward a bachelor’s degree in business administration. Until she started working at the community college, she was unaware of the financial aid programs that were available, such as the federal Pell Grant program that would eventually help her obtain a college degree. Still, the aid she has received has not been sufficient to cover all her postsecondary expenses; loans and earned income have made up the difference. While working 40 hours a week plus additional hours at a second job, Jamie has had to deal with family obligations that have made it difficult at times to maintain continuous enrollment or enroll in multiple classes. During one semester, Jamie enrolled full time to get closer to graduation and to receive a higher Pell Grant award. She acknowledges that the situation was difficult but says, “I knew somewhere in the long run, I would be able to make more money.” Jamie was able to obtain a 4.0 that semester and continues to work full time while pursuing a bachelor’s degree. She says the strain could be eased for her and similar students with increased eligibility for Pell Grants, higher grant awards, more institutional and private scholarships, additional support and flexibility from employers, and meaningful work-study programs (Jamie 2006).

FIGURE 9

Cumulative Persistence by 2001 for Independent Students Beginning in a Degree or Certificate Program by Poverty Status, 1995–96

■ Left Without Return
 ■ Still Enrolled
 ■ Attained Postsecondary Credential



NOTE: STUDENTS CONSIDERED WORKING ARE THOSE WHO WORKED AT LEAST 25 HOURS PER WEEK AND ALL OR MOST WEEKS WHILE ENROLLED. STUDENTS CONSIDERED POOR ARE THOSE WITH INCOMES AT OR BELOW 200 PERCENT OF THE POVERTY LEVEL. PERCENTAGE TOTALS MAY NOT ADD TO 100 DUE TO ROUNDING.
 SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS 2001

The discussion in this section shows that adults who are working poor and enrolled in college face many barriers in paying their postsecondary expenses and in completing a college degree or certificate. In addition, it suggests that working poor students face a trade-off between time spent working and the number of classes in which they enroll, which may affect their choice of college, their ability to get aid, and their persistence to degree attainment. Students among the working poor, who have few personal resources to pay for college themselves, often are left with large amounts of financial need not met by aid programs, often because they do not qualify for more aid if they are unable to enroll full time. Many working poor students do manage to enroll and complete degrees, but nearly half of those who begin in a credential program leave school before obtaining a degree, frequently due to financial difficulties and family responsibilities. Because of the many competing obligations with which working poor students contend while they are enrolled in college, they need added financial support as well as auxiliary support services to help them fully realize the benefits of higher education. ☞

FIGURE 10

**First Reason Given for Leaving Without Return in 2001
by Independent Undergraduate Students Who Began Postsecondary
Education in a Certificate or Degree Program, 1995–96**

	WORKING POOR	WORKING NONPOOR
NOT SATISFIED WITH PROGRAM/SCHOOL/CAMPUS	7%	1%
FINISHED TAKING DESIRED CLASSES	5%	24%
TAKING TIME OFF FROM STUDIES	6%	6%
CONFLICTS WITH JOB/MILITARY	9%	10%
NEEDED TO WORK/CHOSE TO WORK	10%	10%
OTHER FINANCIAL REASONS	15%	3%
CHANGE IN FAMILY STATUS	7%	2%
CONFLICTS WITH DEMANDS AT HOME	6%	7%
PURSUIING OTHER INTERESTS	5%	0%
MOVED TO ANOTHER CITY/STATE	12%	16%
OTHER/UNKNOWN	15%	19%

NOTE: LESS THAN 2 PERCENT OF STUDENTS LISTED THE FOLLOWING AS REASONS FOR LEAVING: ACADEMIC PROBLEMS, CLASS AVAILABILITY/SCHEDULE NOT GOOD, SCHOOL CLOSED/LOST ACCREDITATION, DECIDING ON A DIFFERENT PROGRAM, AND ENROLLMENT DOESN'T SUITE LIFESTYLE. STUDENTS CONSIDERED WORKING ARE THOSE WHO WORKED AT LEAST 25 HOURS PER WEEK AND ALL OR MOST WEEKS WHILE CONSIDERED POOR ARE THOSE WITH INCOMES AT OR BELOW 200 PERCENT OF THE POVERTY LEVEL.
SOURCE: U.S. DEPARTMENT OF EDUCATION 2001

Higher Education for Working Poor Youth

The previous section explored the experience of working poor adults who enter postsecondary education. The plight of the working poor is not limited to the difficulties that low-income workers experience in seeking a college education for themselves; it also affects the postsecondary opportunities of their children. For many working poor adults, enrolling and succeeding in college is not just a matter of personal achievement but also a model for their own children to emulate. Because educational attainment among working poor adults generally is low, however, youth from working poor families are frequently the first in their families to go to college and often struggle to navigate the college-going process without the help of parental knowledge about the steps needed to prepare academically and financially for higher education (Choy 2002).

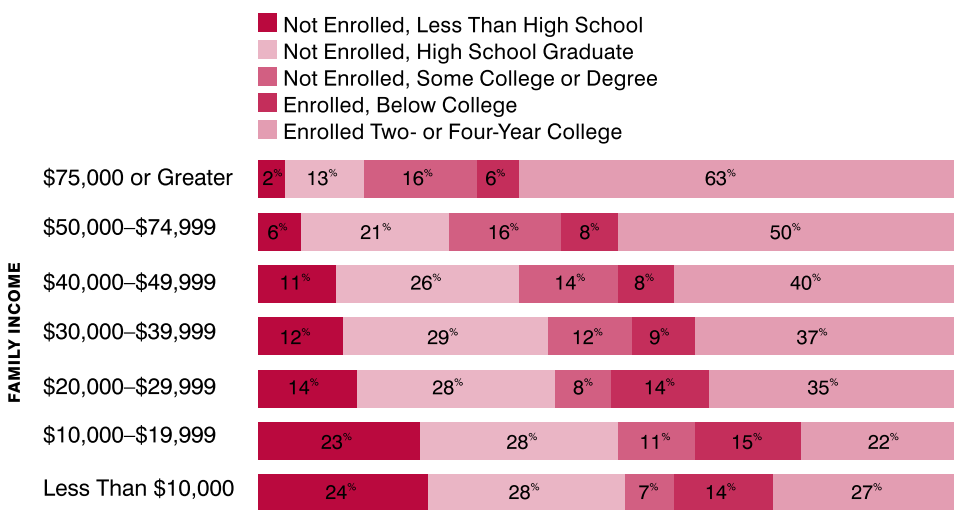
In addition, inadequate financial aid leaves many low- and moderate-income students who are qualified to enroll in college unable to do so, due, in part, to the substantial amount of unmet financial need that these students face (Advisory Committee on Student Financial Assistance 2002). Rising college costs continue to place a disproportionate financial burden on low- and moderate-income families, and college enrollment continues to be stratified by family income. Between 1992 and 2005, families in the lowest-income and middle-income quintiles saw the share of family income needed to attend a public four-year college or university increase by 16 and 5 percent, respectively, while those in the highest income quintile saw that share grow by only 1 percent (National Center for Public Policy and Higher Education 2006).

For children with parents who work and earn low to modest incomes, the college-going process can be uniquely frustrating, as some may not qualify for the highest levels of need-based financial aid or may be unaware of the aid for which they do qualify. **FIGURE 11** shows the fluctuation of the educational enrollment and attainment of dependent youth in 2005 by family incomes. Half or more of those with family incomes ranging above \$50,000 were enrolled in a two- or four-year degree program, compared with less than a third of those with family incomes below \$20,000 and slightly over a third of those with family incomes ranging between \$20,000 and \$40,000 (U.S. Census Bureau 2005b).¹⁶

¹⁶ The U.S. Census Bureau conducted this tabulation using *Current Population Survey* data from October 2005. Dependent primary family members were defined as those who were a child, grandchild, brother/sister, or other relative of the survey household reference person, and not married. This definition is similar to that used by the U.S. Department of Education, although for financial aid purposes undergraduates who are 24 or older are not considered dependent.

FIGURE 11

Enrollment Status of Dependent Primary Family Members 18–24 Years Old by Family Income, 2005



NOTE: SCHOOL ENROLLMENT DATA WERE NOT REPORTED FOR 15 PERCENT OF THE DEPENDENT PRIMARY 18–24 YEAR OLD POPULATION. MISSING DATA ARE NOT REFLECTED IN FIGURE.
SOURCE: U.S. CENSUS BUREAU 2005B

Through interviews with working poor dependent students who currently are enrolled in college, as well as those who recently have graduated, we gained important insights into the many challenges low- and modest-income youth face that are not easily quantifiable. These challenges include the lack of encouragement several students—especially those who aspired to enroll in a four-year or selective institution—felt from some of their peers, teachers, and extended family members during their pursuit of education after high school. Additionally, these students discussed the lack of information about financial aid and the general process of applying to and succeeding in college, with many researching information without the support of guidance counselors or school personnel. Information these students offered suggests that it is important for students from low- and modest-income backgrounds to have an advocate to help them navigate through the world of college, which for many is foreign territory.

Who are Dependent Students From Working Poor Families?

Throughout the report, working poor adults have been characterized by the intersection of their work and poverty status. Defining the working poor population among dependent college students in a similar way is difficult because, although the NPSAS data contain a variable measuring dependent students' family income (which includes parental income, as a percentage of poverty level), there is no measure of parental work patterns. In order to approximate the population of working poor dependent undergraduates, this section relies on family income as a percentage of poverty level. Dependent working poor students are defined as those whose family incomes place them between 101 and 200 percent of the poverty level; for context, they are compared with the groups both below and above them.

This definition of dependent working poor students is limited in that many adults who are substantially tied to the workforce earn incomes that do not place them above the poverty threshold. Approximating the working poor population by looking only at those with family incomes between 101 and 200 percent of the poverty level excludes these students, who otherwise would be counted among youth from working poor families. When looking at the demographic characteristics of dependent students by degree of poverty, those below and slightly above the poverty threshold (the working poor) often look similar. In other cases, dependent working poor students are more distinct from those under the poverty line.

Dependent students from working poor backgrounds share many of the characteristics of working poor independent students—including greater proportions of racial or ethnic minorities and first-generation college students

(FIGURE 12). In fact, 37 percent of working poor dependent students and 43 percent of those below the poverty line had parents who had attained only a high school diploma or less, compared with 19 percent of those with higher family incomes.¹⁷ In addition, both groups had slightly higher proportions of students who did not enroll immediately after high school and had at least some part-time enrollment—both factors that may make it more difficult for students to complete their postsecondary degrees. And both groups had higher proportions of students living with their parents than more affluent students, although those who were the most impoverished had the highest frequency of living with their parents while attending college.

Similar to the poorest students, working poor dependent students more frequently attended a public two-year or private for-profit institution than those above 200 percent of the poverty level, and they were more often enrolled in an associate's degree program rather than a bachelor's degree program. Beginning at community colleges may be the most financially feasible option for many students from low- and moderate-income backgrounds. However, students interviewed for this report also consistently described a school and community climate that did not actively encourage them to set postsecondary educational goals beyond two-year institutions. These individuals, who grew up in communities that varied from small rural towns in the Midwest to inner-city communities on the East Coast, discussed the skepticism that they faced from some community members and high school personnel who simply were not used to the idea of a student in their neighborhood aspiring to attend a four-year or selective institution.

¹⁷ Unless otherwise noted, quantitative data in this section are from the National Postsecondary Student Aid Study 2003–04 (NCES 2004) and qualitative data are from student interviews conducted for this report.

FIGURE 12

Selected Demographic and Enrollment Characteristics of Dependent Undergraduate Students by Poverty Status, 2003–04

UNDERGRADUATE DEMOGRAPHICS	AT OR BELOW POVERTY	101–200 PERCENT OF POVERTY	ABOVE 200 PERCENT OF POVERTY
FAMILY INCOME			
LESS THAN \$10,000	50%	0%	0%
\$10,000–\$19,999	41%	17%	0%
\$20,000–\$29,999	8%	43%	2%
\$30,000–\$39,000	1%	27%	7%
\$40,000–59,999	0%	12%	22%
\$60,000 AND ABOVE	0%	1%	69%
GENDER			
MALE	43%	44%	48%
FEMALE	57%	56%	52%
RACE			
WHITE	41%	52%	75%
BLACK OR AFRICAN AMERICAN	20%	17%	7%
HISPANIC OR LATINO	24%	19%	8%
ASIAN	11%	8%	5%
AMERICAN INDIAN/ALASKA NATIVE	1%	1%	1%
NATIVE HAWAIIAN/OTHER PACIFIC ISLANDER	1%	0%	1%
OTHER	2%	2%	1%
MORE THAN ONE RACE	2%	2%	2%
PARENTS HIGHEST EDUCATION			
HIGH SCHOOL OR LOWER	43%	37%	19%
SOME COLLEGE/ASSOCIATE'S DEGREE	23%	26%	23%
BACHELOR'S DEGREE	17%	21%	28%
ADVANCED DEGREE	12%	13%	28%
DON'T KNOW	4%	3%	1%

(FIGURE 12 CONT'D)

UNDERGRADUATE DEMOGRAPHICS	AT OR BELOW POVERTY	101-200 PERCENT OF POVERTY	ABOVE 200 PERCENT OF POVERTY
INDEX OF RISK			
DELAYED ENROLLMENT	27%	20%	16%
NO HIGH SCHOOL DIPLOMA*	5%	5%	3%
SOME PART-TIME ENROLLMENT**	27%	27%	22%
WORKING FULL TIME WHILE ENROLLED (EXCLUDING WORK STUDY)	18%	17%	15%
HOUSING			
OFF CAMPUS	29%	32%	32%
ON CAMPUS	20%	23%	30%
LIVING WITH PARENTS	51%	45%	38%
INSTITUTION TYPE			
PUBLIC FOUR-YEAR	31%	36%	42%
PRIVATE NOT-FOR-PROFIT FOUR-YEAR	14%	14%	18%
PUBLIC TWO-YEAR	39%	36%	29%
PRIVATE FOR-PROFIT	8%	6%	3%
OTHERS OR ATTENDED MORE THAN ONE SCHOOL	8%	9%	8%
UNDERGRADUATE DEGREE PROGRAM			
CERTIFICATE	6%	5%	3%
ASSOCIATE'S DEGREE	39%	35%	27%
BACHELOR'S DEGREE	49%	53%	63%
NOT IN A DEGREE PROGRAM OR OTHERS	7%	6%	7%

* NO HIGH SCHOOL DIPLOMA INCLUDES GED OR OTHER EQUIVALENCY, HIGH SCHOOL COMPLETION CERTIFICATE, AND NO HIGH SCHOOL DEGREE OR CERTIFICATE.

** SOME PART-TIME ENROLLMENT INCLUDES ENROLLMENT MOST PART TIME OR ENROLLMENT FULL TIME AND PART TIME EQUALLY.

SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS 2004

FIGURE 13

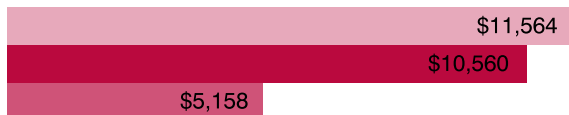
Average Expected Family Contribution, Financial Need, and Remaining Need for Dependent Students by Poverty Level, 2003–04

- At or Below 200 Percent of the Poverty Level
- 101–200 Percent of the Poverty Level
- Above 200 Percent of the Poverty Level

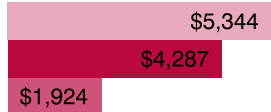
EXPECTED FAMILY CONTRIBUTION (EFC)



FINANCIAL NEED (TOTAL PRICE OF ATTENDANCE MINUS EFC)



REMAINING NEED (TOTAL PRICE OF ATTENDANCE MINUS EFC MINUS TOTAL AID)



NOTE: AMOUNTS WERE AVERAGED ACROSS ALL STUDENTS, INCLUDING THOSE FOR WHOM THE VALUE OF EACH CATEGORY WAS ZERO.
SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS 2004

When asked about the source of such skepticism, one female student, who enrolled in a junior college after high school and subsequently completed her bachelor’s degree at a selective private four-year institution, noted that in her rural farm community, hard physical work was valued but “going off and working hard in college isn’t seen as necessary.” Another student, currently enrolled in a selective public institution in the Midwest, observed that in suburban high schools, students are expected to go to more selective colleges—unlike in the inner city, where “there is a push for higher education, but not necessarily the top selective schools. People are brainwashed to think they are not capable of what everyone else is.”

These community perceptions can play an important role in how students from working poor families set their educational goals. Without steady encouragement from family members, teachers, or guidance counselors, many otherwise qualified students may succumb to the belief that they are not able to attend a four-year institution. Several students mentioned that it was the help of one particular teacher, guidance counselor, or parent that kept them motivated, but overall, many commented that their high school guidance system was not sufficient. Those with no individual advocate often believed they could not succeed in college.

A Real Life Experience: Defying Skepticism to Achieve One’s Goals

Although James grew up in a Detroit community where college wasn’t the typical path for most youth, he believed since first grade that he was going to college. He was always a high achiever, both academically and athletically. In high school, he held a 3.8 grade point average, was enrolled in three advanced placement courses, and was locally recognized as a star football player. Upon completing high school, James decided to attend the college of his dreams—a selective four-year state university—because of its academic reputation and reputable football team. James was able to join the football team as a walk-on player; however, his status as a walk-on meant that he would not benefit from an athletic scholarship as many of his teammates did.

His mother, the only other family member who had attended a four-year college, always was very supportive of his decision to attend the college of his choice. Other extended family, high school counselors, and his high school football coach were skeptical at best, however. He recalls that many believed the university was too good for him, and

some explicitly argued that he was reaching too high. While many of his peers believed they could not attend an elite postsecondary education, James upheld a “me against the world” mentality in order to prove that he would excel.

James’s personal faith and diligent research of financial aid options prevented him from becoming overwhelmed by the high costs of attending the school. In addition, student mentors from the university participating in an organization called “Intellectual Minds Making a Difference” reached out to prospective students in Detroit like James and provided workshops about financial aid and other pertinent information about the college-going process.

By his junior year in college, James was working with high school students from his community to help them reach for high postsecondary goals. As he explained, “There are students from Detroit and impoverished backgrounds who want to be in college. If they have a little push like the kids in the suburbs they can compete (James 2007).”

“Unless there was an outside influence,” one student commented, “people followed what they were told.” She continued, “There needs to be a champion for every kid like me.”

Financial Challenges in Paying for College¹⁸

Outward skepticism is a significant hurdle for working poor youth to overcome in their drive to achieve high educational goals. Another is the pressure of meeting high education costs, given the financial constraints under which working poor families live. **FIGURE 13** gives a picture of working poor dependent students and their families’ ability to contribute to postsecondary expenses in light of their income and assets, as well as the amount of financial need that remains after the family contribution

and financial aid are subtracted. In 2003–04, dependent students whose families were just above the poverty line had an EFC of approximately \$2,090, even when including those whose EFC was zero. While this is significantly lower than the average EFC of higher-income families, it still is a substantial sum for a family living from paycheck to paycheck. For a full-time worker earning \$12 per hour, or just under \$25,000 per year—an income that would put a family of four above the federal poverty level—\$2,090 amounts to a full month’s pay before taxes. Further, working poor dependent students had an average remaining need of almost \$4,300 after the subtraction of all financial aid. Together with the average EFC,

¹⁸ Unless otherwise noted, data about the financial challenges working poor dependent students face are from the National Postsecondary Student Aid Study 2003–04 (NCES 2004).

FIGURE 14

Percentage of Dependent Undergraduate Students Receiving Financial Aid and Average Aid Amount by Poverty Status, 2003–04

	AT OR BELOW POVERTY	101–200 PERCENT OF POVERTY	ABOVE 200 PERCENT OF POVERTY
GRANTS			
GRANTS OF ANY TYPE	74%	70%	42%
AVERAGE TOTAL GRANT AMOUNT	\$5,544	\$5,416	\$4,958
PELL GRANT	61%	55%	8%
AVERAGE PELL GRANT	\$3,282	\$2,723	\$1,468
SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT (SEOG)	19%	13%	2%
AVERAGE SEOG	\$808	\$913	\$980
STATE GRANT	27%	28%	14%
AVERAGE STATE GRANT	\$2,476	\$2,466	\$2,076
INSTITUTIONAL	27%	29%	25%
AVERAGE INSTITUTIONAL GRANT	\$3,962	\$4,317	\$5,486
PRIVATE SCHOLARSHIPS	8%	9%	10%
AVERAGE PRIVATE SCHOLARSHIPS	\$2,278	\$1,925	\$1,922
GRANTS			
LOAN OF ANY TYPE	33%	40%	38%
AVERAGE TOTAL LOAN AMOUNT	\$4,944	\$5,002	\$5,397
FEDERAL SUBSIDIZED STAFFORD	31%	36%	24%
AVERAGE FEDERAL SUBSIDIZED STAFFORD	\$3,184	\$3,235	\$3,173
FEDERAL UNSUBSIDIZED STAFFORD	9%	11%	20%
AVERAGE FEDERAL UNSUBSIDIZED STAFFORD	\$3,173	\$2,983	\$3,340
PRIVATE SECTOR LOAN	5%	6%	7%
AVERAGE PRIVATE SECTOR LOAN	\$5,055	\$5,035	\$6,718

NOTE: AVERAGE AMOUNTS ON THOSE WHO RECEIVED ANY AID.
SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS 2004

A Real Life Experience: Working Hard, in Spite of Financial Struggles

Amy, who recently completed a bachelor's degree in social work, is originally from a small community in central California. She attended a high school with very few resources. Although Amy was an honors student in high school and had taken advanced placement classes, there was little expectation for her to enroll in a four-year college after high school. Rather, she and other youth were encouraged to enroll in a local two-year school or community college. In her high school, she remembers, "There was a limitation on how far you could dream." She recalls meeting with her high school guidance counselors only at the conclusion of each year when it was time to register for classes, and she never had a conversation with a high school counselor about college.

Although she encountered much resistance from school officials and members of her community, her father always encouraged her to go to college, especially because he was never given such an opportunity. She could not afford to enroll in a four-year university immediately after high school, however, and she attended a junior college for two years before transferring to a university in her state to obtain a bachelor's degree. This institution did not have a strong program in her desired

field of study, however, and Amy transferred to an out-of-state university with a stronger program. There she faced her first experience taking out loans to pay for school. In order to cover her expenses, Amy took out federal and private loans and likens this experience to "fumbling through the dark..." not having adequate financial guidance for the decisions she had to make. In addition to loans, working multiple jobs during the year, sometimes for 30 to 50 hours per week, helped Amy cover expenses.

Amy has learned all about loans through trial and error. Although she did the best she could with the resources she had, she feels that it would have been helpful to fully understand variable rates, the differences between federal and private loans, and that she couldn't consolidate the two. In retrospect, she feels like an accomplished individual. To those who question her decision to attend a high-priced institution out of state she replies, "I chose to go across country because I wanted the choice." She maintains that others like her "can't be penalized because we want the best education (Amy 2007)."

this means that the typical working poor family has to find more than \$6,000 each year to pay for their child's college education

In fact, one of the key challenges working poor students face is the inability to rely on their parents for much financial support. When asked if their parents were able to help them financially during college, students frequently replied that, while their parents offered generous emotional support and encouragement, there was an understanding that no money was available for additional financial help. Among dependent students beginning their postsecondary education in 1995–96, 41 percent of those who were slightly above the poverty line had parents who helped them pay for books and supplies, compared with 61 percent of those whose family incomes were higher (NCES 2001). In some cases, working poor dependent students may have to pay their own EFC and even contribute financial support to their families. One woman, for example, indicated that, after she completed college and found a good job, she used her annual bonuses to pay the EFC for her younger siblings.

In discussing the strategies they used to meet high college costs, several students interviewed for this report noted that optimism about receiving enough financial aid frequently helped keep them from becoming overwhelmed by the reality of high education expenses. Many noted that generous institutional aid packages allowed them to attend the school of their choice. Nationally, only 29 percent of dependent students just above the poverty line received an institutional grant in 2003–04, however, and these students received a lower average amount than did

students with family incomes that placed them further away from poverty (FIGURE 14). Both groups of poor students—55 percent of working poor students and 61 percent of students below the poverty level—received Pell Grants, the source of federal aid for needy students. Reflecting the differences in family incomes, those at or below the poverty level received slightly higher average amounts than those slightly above poverty. Not surprisingly, students from above 200 percent of the poverty level were much less likely to receive grants, especially Pell Grants.

Given high postsecondary expenses, students from all income backgrounds frequently rely on loans to meet their financial need. Forty percent of working poor dependent students took out a loan in 2003–04, with an average total loan amount of about \$5,000. The percentage with loans was slightly higher than that of the poorest students. The vast majority of working poor students rely on federal loan programs, but it is interesting to note that a small subset—6 percent—took out a private loan in 2003–04. Of those who did take out a private loan, the average amount was a little over \$5,000. The growth in private loans has generated much public debate about the appropriate use of private borrowing, especially for students from low-income backgrounds (Institute for Higher Education Policy 2006). Further, working poor students may know little about the range of financial aid options available to them. "I had no idea what I was doing," one student commented when asked about the process of taking out loans for the first time. While turning to both federal and private loans, this student was not fully aware of the differences between the two. She explained, "I had no idea that

¹⁹ These amounts also reflect those who had financial need or remaining need amounts of zero.

I couldn't consolidate private loans...and didn't know about variable rates. In the first two months of repaying my loans, the interest rate went up twice."

Supporting Working Poor Dependent Students Through Degree Completion

Many of the demographic characteristics, financial barriers, and family background factors that make it difficult for youth from working poor families to enroll in higher education also make it difficult to maintain enrollment and obtain a degree.²⁰ Working long hours, beginning postsecondary education at a community college, and being a first-generation college student are some of the factors associated with being unable to complete a postsecondary degree. Because these factors are closely linked to income, working poor students continue to lag behind their counterparts with higher family incomes in the area of degree completion.

Among dependent students who first entered college in a degree or certificate program in 1995–96, 28 percent of working poor students had received a bachelor's degree by 2001, lower than the rates for both students below the poverty level and those from more affluent backgrounds (FIGURE 15). On the other hand, a higher proportion of working poor students had an associate's degree than did the other two groups. Nonetheless, by 2001, more than a third of working poor students had left postsecondary education without earning a degree. What's more, a quarter of students on the brink of poverty had

temporarily left school at some point, citing the need to work or other financial concerns as reasons.

Though students from low- and modest-income families face difficult challenges maintaining enrollment and completing degrees, many are able to turn these challenges into the motivation to strive harder to finish school. One student, describing her attitude as "audacious," explained her strategy to deal with the challenges associated with being from a modest-income background. "I just put blinders on to it," she said. "I just thought, I deserve this like everyone else." In spite of the audacity it took for these students to pursue college in the face of discouraging attitudes, several talked about the difficulties associated with feeling culturally and financially distinct from their peers. For instance, students discussed feeling inadequate compared with other students in classes such as English and philosophy, where certain books or concepts were not a part of their foundational knowledge. Nonetheless, these challenges did not prevent these students from attaining their educational goals, proving that college success is not beyond the reach of many youth from working poor backgrounds.

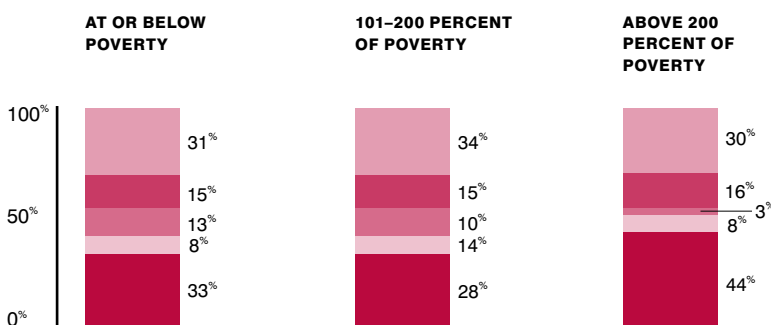
On the other hand, not everyone reacts to challenging situations in such a positive way. The student who described herself as audacious noted that not all are like her and that "more people are vulnerable that just need a lift. Without that, they are going to remain in a low-income and vulnerable position." When asked what could help students who do need a lift, this student continued, "Maybe it's about keeping others informed about opportunities and guiding them through the process to keep them in."

Skepticism, inadequate information, and financial challenges did not keep the students we interviewed for this report from pursuing their educational goals and reaching success. It is unclear just how many otherwise qualified students lack the tools, support, or intrinsic motivation to rise above these hurdles. Programs such as those that partnered James with student mentors can offer role models for students from working poor families and help them rise above the discouragement many feel when applying for college. Increased grant aid and scholarships from public and private sources can help students like Amy pursue the education of their choice without working long hours while enrolled or relying on high-interest loans. Early and comprehensive college awareness programs can empower youth from low- and modest-income families with the knowledge to make the best financial and academic decisions. ❧

FIGURE 15

Cumulative Persistence by 2001 of Dependent Students Beginning in a Degree or Certificate Program by Poverty Status, 1995-96

- Never Attained, Left Without Return
- Never Attained, Still Enrolled
- Attained Certificate
- Attained Associate's Degree
- Attained Bachelor's Degree



SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS 2001

²⁰ Unless otherwise noted, persistence and attainment data are from the Beginning Postsecondary Students Longitudinal Study 1995–2001 (NCES 2001).

Conclusions and Recommendations

The working poor occupy a precarious position in American society—working hard and contributing to the nation’s economy but in many ways falling behind because of their limited educational attainment. In our society, the greatest individual rewards—higher pay, more leisure time, better health, and an overall good quality of life—most often go to those who have received a college education. As a nation, we gain perhaps even more from that college education because of civic benefits such as higher rates of voting and volunteering, increased workforce productivity, and higher taxes contributed by college-educated citizens. It is therefore essential that the working poor have the same opportunities to access and complete college as do other populations.

Our analysis of the working poor and higher education leads to several important conclusions. First, life for the working poor offers many uncertainties and few opportunities to plan ahead over an extended period of time. Adults among the working poor earn incomes that may place them only slightly above poverty, and a sudden emergency, the loss of a job, or a decrease in working hours can place these individuals and their families in great financial jeopardy. Being in this vulnerable position makes the decision to enroll in college even more of a struggle for adults among the working poor who must make the trade-off between hours needed to work and hours needed to take classes. The conflict between work and school leads many working poor adult students to enroll less than full time. Although this offers a more financially viable option for many working poor adults, it likely impacts the amount of grants for which these students qualify and is associated with lower degree attainment.

Second, the financial constraints under which working poor families live often affect the postsecondary aspirations of youth from low- and modest-incomes as well. The rising tuition and non-tuition costs of college require an ever-increasing amount of family income to be used for these expenses, and families living in or on the brink of poverty simply have few resources to cover the costs themselves. These students—both working poor adults and their children—rely on a mix of grants and loans to pay for college, and although these students often are eligible for need-based grants and federally subsidized loans, the total financial aid that they receive does not meet their full need. Like poor students in general, working poor students are left with significantly higher amounts of financial need after all aid has been awarded compared with their counterparts with greater economic resources.

Third, working poor students who do manage to enroll in college frequently leave school without earning degrees, often because of financial concerns but also because of other life circumstances. In interviews and focus groups, low-income working adults discussed the difficulties that come with juggling school, work, and family—difficulties that can keep many from maintaining continuous enrollment or completing their degrees. These students discussed the need for broader support systems that can help working adults overcome these hurdles and more generally navigate the college environment. Youth from working poor backgrounds also emphasized the lack of guidance many received in making their way through the college experience. Many felt isolated, not only in their search for information about college and financial aid, but also in their desire to pursue postsecondary education at the highest levels.

Thus, new strategies need to be developed to address the challenges of college access and success that confront working poor students. These strategies often must be targeted in different ways for working poor adults than for working poor youth.

Working Poor Adults

As this report points out, working poor adults often see themselves as students who work, not as employees who attend school. Yet many must work to support themselves and their families as well as to pay for school. To succeed in higher education, these students would be helped greatly by receiving sufficient financial aid so that they can work less than half-time (and thus be able to enroll half-time or more). Increasing

the number of courses these students can take each semester would increase the likelihood that they will complete a degree and move into the career for which they are preparing themselves.

For working poor adults, we specifically recommend the following:

- **Provide tax relief for working poor students. Working poor adults would significantly benefit from federal policies that:**

- Make the Hope and Lifetime Learning education tax credits refundable to allow any credit amount above an individual's tax liability to be refunded to them. Further, working poor students would benefit from policies that allow students who are enrolled at least half-time postsecondary to claim expenses such as room, board, and books under these education tax credits—a proposal similar to the expansion of tax credits offered to Gulf Opportunity Zone college students in 2006 (U.S. Department of the Treasury 2006);
- Make federal, state, and institutional grant aid fully tax-free; and
- Increase the exempted amount that working independent students can earn under federal need analysis, thereby increasing their eligibility for Pell Grants.

- **Offer additional institutional support for working poor students.** Colleges and universities that serve substantial populations of working poor adults can better serve these students by changing their institu-

tional policies and practices in order to:

- Offer evening or weekend hours for financial aid offices, academic advising, and other student services;
- Keep computer labs and libraries open extended hours and during between-term breaks to provide access to e-mail and other Internet resources; and
- Ensure that core academic classes are offered at a range of times that allow flexibility for adults with work and child care responsibilities.

- **Target support for working poor students who are single parents.**

The triple threat facing many working poor adult college students—being poor, employed, and a single parent—requires specific assistance that will:

- Allow postsecondary education to meet the TANF work requirements—under current law, welfare recipients have to work, do community service, or take vocational education classes for 20 hours a week, but college courses that lead to a postsecondary degree not directly tied to vocational training are not counted;
- Increase the allowances for child care in determining financial need, thereby making it more feasible for single parents to afford their tuition, living, and child care expenses.

Working Poor Youth

- **Reduce the financial burden on working poor parents under need analysis.** The seemingly arcane topic of federal student aid need analysis is, in fact, an important element of increased opportunity for working poor youth. These students would benefit from changes that:

- Increase the income allowed to qualify for a zero EFC; and
- Allow for higher levels of student earnings without reducing aid levels.


- **Provide additional institutional support for first-generation college students.**

Beyond the excellent support offered through the federal TRIO programs, which provides pre-college outreach to first-generation and other historically disadvantaged students, institutions also can assist first-generation students by:

- Conducting more outreach into low-income communities to teach “college knowledge” and encourage students to pursue higher education; and
- Offering mentoring and support programs for low-income and first-generation college students, including both practical information on study skills and paying for college and general emotional support.

In addition to these specific strategies targeted to the distinct groups of working poor adults and working poor youth, we also recommend that broader strategies be implemented to help ease the financial burden and enhance support services so that more working poor can reach their educational goals. These broader strategies include the following:

- **Increased investment in federal grant aid** so that more money is available to help students farther up the need ladder. An overall increase in grant aid would be a major boost to the educational prospects of working poor students, who may not be among those most impoverished but still experience a real need for postsecondary financial assistance.
- **Statewide initiatives** that reach out to adult workers and their employers to promote postsecondary enrollment and that target financial aid awareness toward working poor adults and their children. Several states already have taken steps to increase postsecondary enrollment among the adult working poor by building partnerships with businesses to offer training and skills development leading to a postsecondary credential. Others have worked with community and technical colleges to create programs that allow students to enroll in coursework that leads directly to enhancements in career and job placement. Similar partnerships should be developed to broaden financial aid awareness for working poor adults and their children.

Finally, much more needs to be learned about the experiences of working poor students. Further research can go a long way in identifying strategies that working poor students can use to make it into college and succeed. For instance, the majority of working poor adults enrolled in school are women, a large proportion of whom are caring for dependent children. Research into the ways working mothers handle the multiple tasks of school, work, and child care might reveal important areas for programs or policies to support these women and others like them. Additionally, working poor adults and youth who succeed in college consistently point to the importance of having auxiliary support for their efforts to obtain a postsecondary education. Research identifying the types of on-campus support programs that exist to serve students from low- and modest-income backgrounds, as well as those that reach out to lower-income high school students, can point to areas where continued and broadened support is needed. 

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Appendix:

Sources and Methodology

To explore the demographic characteristics and postsecondary educational experiences of working poor adults, this report draws on quantitative information from the U.S. Census Bureau's 2005 American Community Survey (ACS) and the U.S. Department of Education's 2003–04 National Postsecondary Student Aid Study (NPSAS) and 1995–2001 Beginning Postsecondary Students Longitudinal Study (BPS). The use of multiple data sources provides information on the working poor in the general U.S. population, on those who have enrolled in postsecondary education, and on the persistence and educational attainment of such students six years after they initially enrolled. Because these data sources define work and income variables differently, however, the parameters used to delineate the low-income working adult population are different for each source. To identify key trends, the authors attempted to create similar definitions of working poor adults within each data source. Readers should keep in mind, however, that these data were collected in different years using different methods and variables. Thus, they are meant to present an illustrative picture of the working poor population and not to be used for direct comparisons across data sources.

The working poor population was defined using the following parameters within each data set:

- 1. ACS 2005.** The American Community Survey conducted by the U.S. Census Bureau supplements the decennial census by annually updating information on U.S. demographics, social characteristics, economic characteristics, and housing characteristics. Individual characteristics of the adult working poor population are presented using ACS data for persons ages 24–64. When using ACS data, people were considered to have worked if they were employed at least 27 weeks during the past 12 months and usually worked at least 25 hours per week. They were considered poor if they were at or below 200 percent of the poverty level adjusted for family size. Individuals who fit both of these criteria were counted among the working poor. ACS data were used to describe the demographic and occupational characteristics and educational attainment of all working poor adults in the United States.
- 2. NPSAS 2003–04.** This study, administered by the U.S. Department of Education's National Center for Education Statistics (NCES), surveys a nationally representative sample of postsecondary students enrolled in institutions of all types and levels. The survey contains a rich array

of data on financial aid and other enrollment characteristics of undergraduate, graduate, and professional (i.e. medical, law) students. In this report, NPSAS data were analyzed using the online Data Analysis System (DAS). NPSAS data were used to describe the individual characteristics of working poor independent and dependent students.

NPSAS data allowed for the analysis of the working poor among independent students using an intersection of work and poverty status, similar to that used to define working poor adults in the general population. Independent students were considered to have worked if they were employed at least 25 hours per week for all or most weeks while enrolled during the 2003–04 academic year. Students were considered poor if they were at or below 200 percent of the poverty level adjusted for family size. Individuals who met both of these criteria were counted among the working poor. NPSAS did not allow for a similar definition to be used for working poor dependent students. In order to analyze dependent students using an intersection of work and poverty status, information on the parental income as well as parental work status is needed. The NPSAS data set for 2003–04 does not contain a variable measuring parental work status. Therefore, dependent students were considered to be among

the working poor if their family incomes, including parental income, placed them between 101 and 200 percent of the poverty level.

3. BPS 1995–2001. BPS is a longitudinal survey administered by NCES that is designed to look specifically at the persistence and completion rates, work and school relationships, and long-term outcomes of beginning postsecondary students. The most recent BPS survey follows a sample of beginning students who were first surveyed in 1995–96 and who responded to follow-up surveys in 1998 and 2001. BPS data were analyzed using the online DAS for independent undergraduate students of any age attending all types and levels of institutions.

As with NPSAS, BPS allowed for the analysis of independent students' characteristics by work and poverty status. Independent students were identified as working if they were employed at least 25 hours per week for all or most weeks during their first year in postsecondary education (1995–96). Students were identified as poor if they were at or below 200 percent of the poverty level adjusted for family size during their first year in postsecondary education (1995–96). Individuals meeting both of these criteria were counted among the working poor. Student work and poverty status were not identified for the subsequent years of their enrollment.

Certain limitations to this methodology should be noted. First, the three data sets used to describe the working poor population are drawn from different samples and during different years, and considerable differences exist in how work and income variables were constructed. Thus, this report is illustrative, describing patterns observed in each data set but making no attempt to draw comparisons or conclusions across data sets. Second, the section defining the adult working poor population uses ACS data that were restricted to persons ages 24–64 years to capture the likely population of financially independent working adults and exclude traditional-aged college students who are financially dependent on their parents. When looking at NCES data on undergraduate students, however, analyses include independent undergraduate students of all ages. While most independent students are 24 years or older, some financially independent students are younger than 24.

To contextualize the experience of working poor adults, the report, where appropriate, makes some comparisons among the working poor, the nonworking poor, and the working nonpoor within the general U.S. population and within the population of independent undergraduate college students. Observing these differences is not intended to lead to causal claims as to why some workers are poor and others are not.

The report also draws on qualitative data to enrich quantitative information on the working poor enrolled in postsecondary education. A focus group was conducted with low-income independent working adults in New England who were currently enrolled in college or had taken some college courses. Additionally, semi-structured interviews were conducted with currently enrolled college students or those who had recently graduated. Interviews were conducted with seven students who were considered to be financially independent while enrolled and five students who were considered to be financially dependent while enrolled.



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