

Postsecondary Education and Training As We Know It Is Not Enough

Why We Need to Leaven Postsecondary Strategy with More Attention to Employment Policy, Social Policy, and Career and Technical Education in High School

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Paper Prepared for

The Georgetown University and Urban Institute

Conference on Reducing Poverty and Economic Distress after ARRA

January 15, 2010

April, 2010

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Summary

The Obama stimulus package (the American Recovery and Reinvestment Act, or ARRA) and the American Graduation Initiative¹ emphasize Pell grant funding as well as focusing on community colleges and sub-baccalaureate degrees and awards. As a result, the administration's unprecedented postsecondary strategy shifts postsecondary resources to the least advantaged students and to the two-year and less selective four-year institutions where they are concentrated.

The Obama postsecondary emphasis is also part of a longer-term policy trend toward a reliance on postsecondary education as the arbiter of individual opportunity in labor markets. Education policy has gradually become our core employment policy and social policy, shifting agency leadership on domestic employment and social policy from federal agencies like the U.S. departments of Labor (DOL) and Health and Human Services (HHS) toward the U.S. Department of Education (DOE). The Obama policies represent a new peak in the broad economic and political consensus around the idea that some form of postsecondary education or training is the keystone for both employment policy and social policy.

While the shift toward education policy as the primary element in domestic employment and social policy squares with general labor market realities, mainstream education institutions are poorly suited to serving the particular needs of the least advantaged youth or adults. The mainstream education system provides upward mobility, but, absent compensatory policy goals, it also acts as intergenerational sorting mechanism that reproduces racial, ethnic, and socioeconomic advantages and disadvantages.

In addition, because the education system is positioned in the front end of the life cycle it is less useful as a tool to help disadvantaged adults. Postsecondary institutions tend to focus on traditional 18–24-year-old students as the preferred client. It seems doubtful that, as presently constructed, an emphasis on college-age youth and postsecondary institutions can deliver fully on traditional employment policy and social policy goals.

The trend toward serving traditional 18–24-year-old students is likely to increase; the 18–24-year-old postsecondary participation rates are not growing commensurately, and virtually all the growth in enrollments is occurring in community colleges. As postsecondary institutions become overcrowded, they squeeze out nontraditional students, concentrating them in under-resourced two-year colleges. In addition, as the emphasis on completion rates increase and budgets tighten, colleges will naturally prefer traditional full-tuition full-time students. Postsecondary connection to labor markets, retraining, and labor market services are relatively weak. And social policy purposes in postsecondary institutions have fallen off since welfare reform and “work first” policies were enacted.

The shift to postsecondary education in current federal policy follows a decline in federal commitments in three other policy domains: adult employment and training policy, social policy, and high school career and technical education (CTE) policy.

1. ARRA and subsequent legislation reflect a shift in the center of gravity between employment and training policy (overseen by the Department of Labor) and education policy (overseen by the Department of Education) that began after the 1980–81 recession.² In the 1970s, the signature programmatic response to the jobs problem was the Comprehensive Employment and

Training Act (CETA), which was enacted in 1973 and administered by the Employment and Training Administration (ETA) of the U.S. Department of Labor. The Carter stimulus package in 1977 used an expansion in CETA as its centerpiece, including the creation of 750,000 public service jobs directly funded by the federal government and administered by the U.S. Department of Labor. But CETA and its progeny, the Job Training Partnership Act (JTPA) and the current Workforce Investment Act (WIA), have waned since the 1980s. If WIA were funded at the same level that CETA received in the last Carter budget, WIA would receive almost \$25 billion. Instead, WIA is funded somewhere between \$3 and \$4 billion, increasing to roughly \$6 billion with temporary stimulus funding.

2. The declining significance of adult employment and training policy in ARRA and subsequent legislation aligns with a parallel shift in social policy that culminated in welfare reform, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA).

With welfare reform, attempts to increase mobility through training and other hands-on social program interventions were abandoned in favor of “workfare” that subsidized low-wage workers with income transfers (like the earned income tax credit). “Work first” strategies ultimately consigned welfare mothers to the broader low-income, working poor, and poor populations with no human capital portals available for exit.

3. The 1983 report *A Nation at Risk* made a clarion call for universal academic preparation through high school. The result has been an enormous improvement in access to college preparation in K–12 education. While the purposes of education reform have always been predicated on economic goals, the content has focused on academic learning in classrooms, rather than the relationship between schooling and the world of work. With the growing emphasis on academic preparation for college and a natural political aversion to anything that looks like vocational “tracking,” high school reform has downplayed or actively militated against career and technical education as a pathway to postsecondary learning.

Arguably, our reliance on a single academic pathway to postsecondary learning is forcing high failure rates. What is more, rising academic standards for high schools have become a barrier to success for less advantaged students and a barrier to reform as the education standards movement crashes on the shoals of Algebra II in American high schools.

As we proceed beyond the stimulus and the initial years of the new administration, the postsecondary emphasis in domestic policy needs to be leavened with more attention to employment policy and social policy goals, both for adults and working students, by

- targeting program funds on disadvantaged youth and adults, especially by leveling up spending in community colleges toward spending levels in four-year colleges; and
- requiring state and local agencies in receipt of federal funds to maintain service levels to disadvantaged clients as measured by metrics such as family incomes and Pell grant eligibility. For example, postsecondary institutions receiving federal funds should be required to maintain some minimum level of enrollees who are Pell grant recipients.

The most important policy changes need to begin at the interface between Department of Education programs and Department of Labor programs. Access to postsecondary education and training has become crucial for maintaining access to middle-class jobs, but the institutional connections between labor markets and postsecondary education and training programs remain weak. Workforce development policy is sequestered in WIA, the one-stop career centers, and

Employment Services at DOL, while secondary, postsecondary, and adult education are sequestered in DOE. Consequently, the innovations that connect jobs and skill development get lost in the white spaces between the boxes on the government's organizational chart.

The Obama administration's fiscal year 2011 DOL budget offers a strong start. It requests a set-aside of \$261 million for Innovation Funds focused on "breaking down program silos" between DOE and DOL by creating workforce innovation partnerships.

The need to break down the silos begins with the departments of Labor and Education but does not end there. We need to align programs for career-related postsecondary education that are strewn across the full range of federal departments including Defense, HHS, Energy, Commerce, Transportation, and Homeland Security.

The alignment of postsecondary programs with labor markets is timely. Access to postsecondary learning has become not just the preferred path but the most well traveled path to middle-class jobs. The mechanism that drives this upskilling is the use of computer-based technology to automate repetitive tasks. That mechanism has continued and even accelerated in this recession. As a result, many jobs lost will not be coming back, and job openings will be even more concentrated among those that require postsecondary skills. This dynamic presents us with two challenges in the recovery and beyond: retraining those experienced workers left behind by structural change in the recession, and providing qualifying education and training for new entrants to the labor market.

We are unlikely to recover our pre-recession job levels for another 24 months. And it will be 36 more months before we achieve an unemployment rate approaching 5 percent and create enough jobs to employ the new job seekers who came into the labor market since this recession began. Between 2008 and 2018, the economy will create 47 million jobs: 14 million new jobs and 33 million job openings to replace retiring baby boomers. Job openings that require at least some postsecondary education or training will make up 64 percent of all job openings and will include most long-term career jobs (Carnevale, Smith, and Strohl 2010). We project a cumulative increase of

- 5 million more job openings for people with master's degrees or better,
- 11 million more job openings for people with bachelor's degrees,
- 14 million job openings for people with some college or associate degrees,
- 17 million job openings for people with high school educations or less, and
- 15 million jobs for people with postsecondary certificates.

Most job openings for people with a high school education or less will be low-wage jobs, and many of these will be part time or transitional jobs. As the recovery proceeds over the next three years, there will be a growing mismatch between the skills of job seekers and the postsecondary education and training requirements of jobs. Our success in helping our fellow Americans adapt to these new labor market realities will depend increasingly on our ability to break down the silos between our postsecondary education and training programs, job openings, and career pathways. If we fail, many existing and new workers will be left behind.

We can best use the \$261 million requested in President Obama's 2011 budget by funding demonstration projects that develop best practices to overcome time and money barriers to postsecondary education and training among working adults and working students, such as

- structured “learn and earn” programs like apprenticeships and structured work experience, as well as paid internships and paid work study programs for students;
- credentialed learning that leads to both employability and further learning;
- compressed and accelerated occupational training programs that provide credit for prior learning, integrate basic skills preparation with fast and intensive occupational training, and lead to postsecondary certificates with clearly demonstrated labor market value;
- modular programs that allow for exit and reentry and create transparent pathways among certificates, industry-based certifications, and degrees;
- blended forms of instruction that mix online, work-based, and classroom learning;
- job and skill counseling for unemployed and underemployed experienced workers and working students tied to state-of-the-art information on earnings trajectories and career pathways;
- provision of family support including child care;
- accountability systems for maximizing the labor market value of postsecondary education and training programs by tying postsecondary transcript data with employer wage records data currently housed in the U.S. Employment Services; and
- alignment with statewide, regional, and nationwide online job boards (job exchanges) tied to learning exchanges that match job openings and career pathways to available courses offered by postsecondary institutions as well as online courseware.

In addition to these program interventions for adults and postsecondary students who are working, we need to revive high school career and technical education programs as alternative pathways to postsecondary education and training or to industry-based certificates and certifications that make students employable after high school.

Introduction

The American Recovery and Reinvestment Act (ARRA) and subsequent postsecondary education legislation in the American Graduation Initiative (AGI) signal the Obama administration's agreement with the broad political consensus that access to postsecondary education or training is the keystone for both employment policy and social policy. The current consensus also presumes that employability is an important outcome standard for postsecondary education and training.

This policy shift toward education policy as the primary tool for employment policy and social policy is supported by a mix of political and economic realities. The blue-collar industrial economy that provided good jobs for high school graduates is disappearing. In the new postindustrial "knowledge economy," access to postsecondary education and training has become the threshold requirement for middle-class careers.

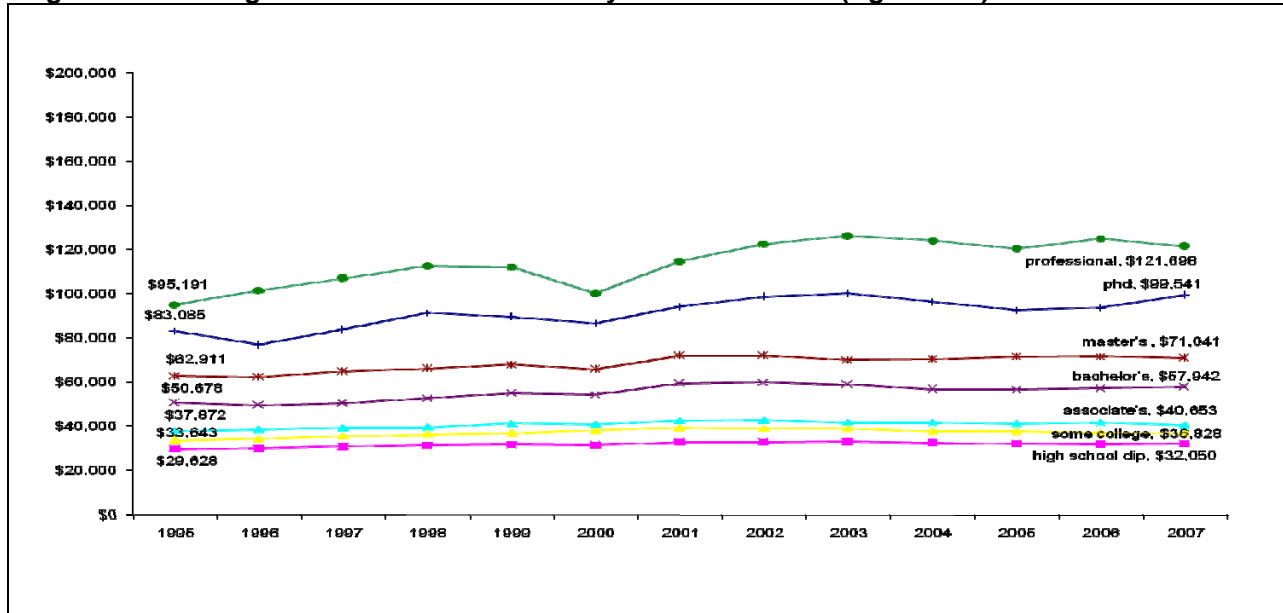
Trends in the economy have been reinforced by America's individualistic cultural biases. Americans welcome our increasing reliance on education and training as the arbiter of merit-based economic opportunity because, in theory, education and training allow us to expand opportunity without surrendering individual responsibility. After all, we each have to do our own homework to make the grades and ace the tests that get us in the right standing for the good jobs.

As a result of the synergy between economic and cultural forces, education and training has become the common ground at the center of American politics. Support for public investment in education and training is the new preferred "third way." Support for education is one of the few polite conversations left between the reds and blues. It is the middle ground between those who favor an expansion in the welfare state and those who advocate laissez-faire government.

Yet, despite postsecondary education and training's growing importance, our understanding of its relationships with economic opportunity is woefully underdeveloped. The crucial nexus between postsecondary education and training and the economy remains a black box because these interactions extend beyond the operational and intellectual horizons of our existing institutional silos— in business, government, academe, and the foundation world.

But more than politics is at work shaping the postsecondary education consensus. Postsecondary education or training was once the preferred path but is increasingly the only path to middle-class earnings and status. Access to postsecondary education and training has become the arbiter of opportunity in America. The wage premium for postsecondary education or training has increased or held up persistently for a long time now (figure 1).

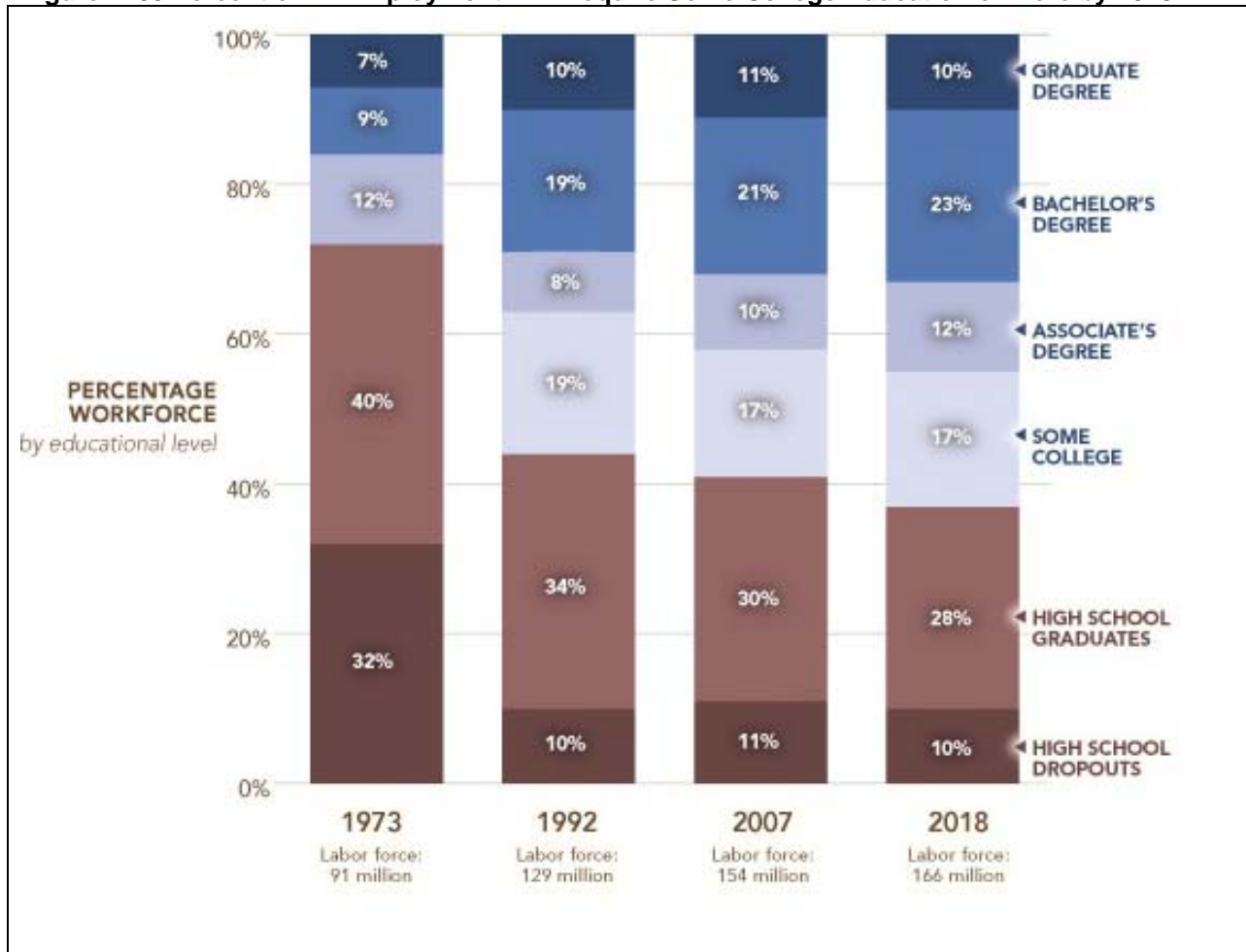
Figure 1. Real Wages of Americans Increase by Education Level (Age 23–64)



Source: March Current Population Survey, various years.

Wage premiums have held up or grown even as the supply of workers with postsecondary education has increased. As shown in figure 2, the share of workers with at least some college education increased from 28 percent in 1973 to 56 percent in 1992 and 59 percent in 2007. That translates into from 25 million workers with at least some college in 1973 to more than 90 million workers with at least some college in 2008. Yet wage advantages grew or held up over the period.

Figure 2. 63 Percent of All Employment Will Require Some College Education or More by 2018

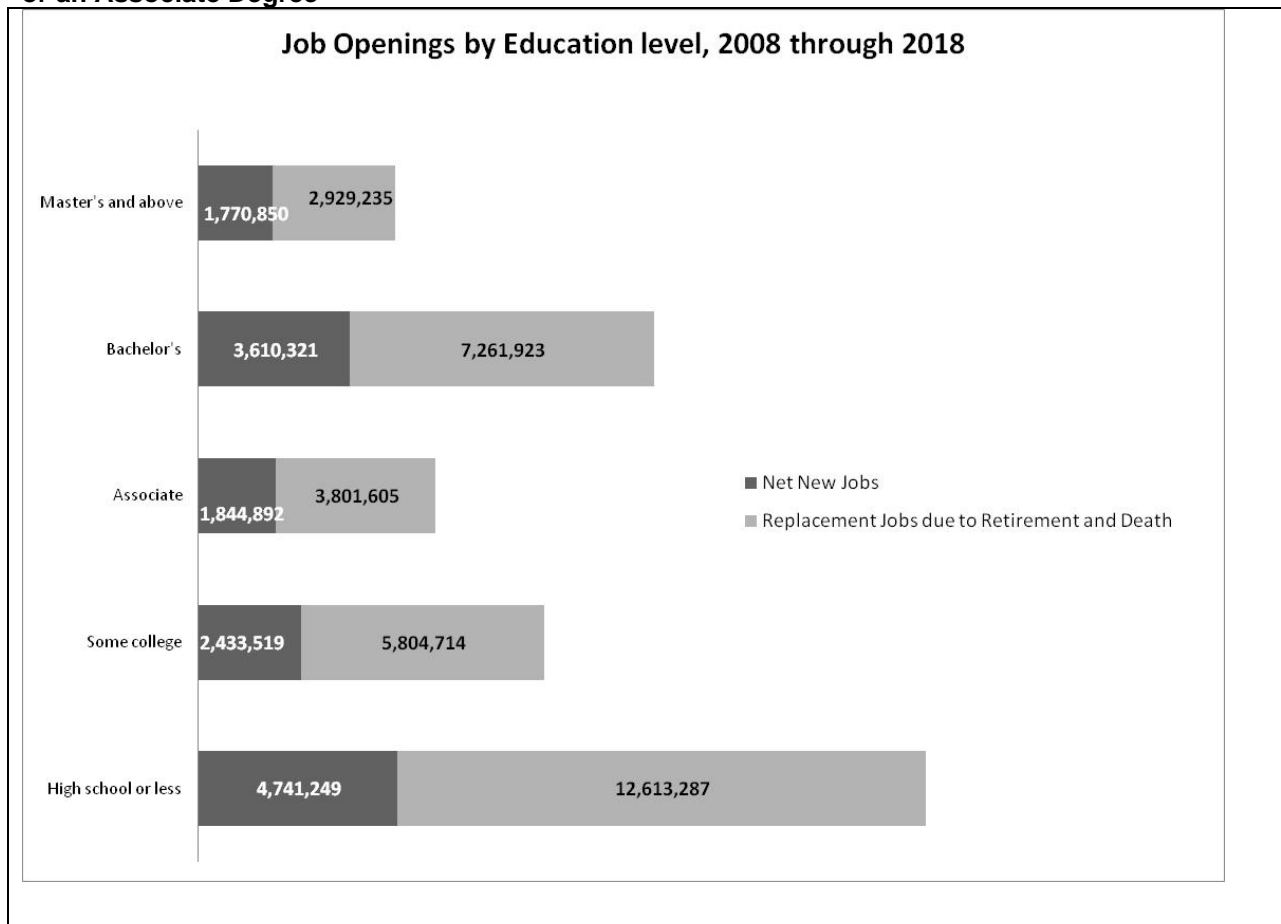


Source: Author's analysis of March Current Population Survey data, various years, and Center on Education and the Workforce forecasts of education demand to 2018.

The future promises more of the same. Our own projections show that the share of jobs with incumbents who have at least some postsecondary education or training will increase from 59 percent in 2007 to 62 percent in 2018 (see figure 2).

We project total full-time and part-time jobs of 161.5 million in 2018. The key findings in our forecast show that between 2008 and 2018 the economy will create 47 million job openings, comprising 14 million new jobs and 33 million job openings necessary to replace current workers who have retired, become disabled, or died (figure 3).

Figure 3. By 2018, 30 Percent of New and Replacement Jobs Will Require Some College Education or an Associate Degree



Source: Author's analysis of March Current Population Survey data, various years, and Center on Education and the Workforce forecasts of education demand to 2018.

What is most telling in our forecasts is the large shares of these 47 million job openings that will be filled by people with at least some college education. Of the 47 million, almost 30 million, or 64 percent of job openings, will be filled by people with at least some college education; 21 million, or 45 percent, will require at least associate, bachelor's, or graduate degrees.

Our projections are consistent with the overall thrust of the Obama stimulus package and its focus on access to and completion of postsecondary education, and they show high demand in new job openings for formal postsecondary education and training in two-year and four-year colleges. In combination, job openings that require some college or better are roughly twice those that require a high school education or less. Among job openings that require some college or better the largest number of openings occurs for jobs that require bachelor's degrees (BAs) or better. Job openings are robust for both the middle skill jobs as well as BA+ jobs. Our results conform to similar findings on wage trends over the past decades.

The Stimulus and Beyond

As the Great Recession moves into recovery the policy focus shifts from short-term survival toward longer-term policy. The stimulus has been a success, although more may be required to thwart a

jobless recovery. Dr. Romer, the chair of the Council of Economic Advisers in the Obama administration, spoke optimistically about the possibility of a second stimulus in saying that “the sense that we need to do more is overwhelming.”³ Mark Zandi of Moodys.com goes further by citing a dollar amount; Zandi sees the need for an additional \$125 billion in stimulus spending on construction projects and aid to state and local governments and predicts that failure to engage in stimulus 2 could result in a “slide back into recession.”⁴

Thus far the Obama stimulus and subsequent legislation are distinctive in what is included and what is not. The administration has taken some hits because the economic strategy relies heavily on macroeconomic stimulus, monetary policy, and bailouts with no obvious “jobs” programs with the hands-on feel of New Deal liberalism.

To a large extent, the complaint that the administration is inattentive to jobs policy is a matter of politics and perception, but it does have a basis in recent policy shifts reflected in the stimulus package and subsequent legislation. For most of us, the connection between macro-policy, finance, and jobs is counterintuitive. In the workaday world, fiscal and monetary policy—the principal tools, along with financial bailouts, in the Obama strategy—are not easily recognizable as jobs policy of the sort that inspires nostalgia for the New Deal’s high-touch Work Projects Administration.

The Obama stimulus and subsequent legislation have also emphasized a shift in the center of gravity between employment policy and education policy that began after the 1980–81 recession. In the early 1980s, the intuitive programmatic response to the jobs problem heavily favored employment and training policy over education policy. The programmatic centerpiece that grew out of the Carter stimulus in response to the 1980–81 recession was the Comprehensive Employment and Training Act, or CETA. The core programmatic mission in response to the jobs problem was led by the Employment and Training Administration (ETA) in the U.S. Department of Labor. So-called “employment and training policy” peaked during the Carter years.

CETA and its progeny, the Job Training Partnership Act (JTPA) and the current Workforce Investment Act (WIA), have waned ever since. If WIA were funded at the same levels CETA received in the last Carter budget, WIA would receive almost \$25 billion. Instead, WIA is funded somewhere between \$3 and \$4 billion.

The lack of hands-on jobs policy in the current stimulus and subsequent legislation also reflects a parallel shift in social policy that culminated in welfare reform, the Personal Responsibility and Work Opportunity Reconciliation Act. With welfare reform, attempts to increase mobility through training and other hands-on social program interventions were abandoned in favor of workfare that subsidized low-wage workers with income transfers (such as the earned income tax credit, or EITC).

Employment and training policy had a brief second wind in President Clinton’s first term. The Clinton administration began with a robust and coherent employment policy design but ended up with only a few boutique programs. There was to be a fiscal stimulus package to create the jobs. A new assistant secretary was supposed to help employers create high-road, high-performance work systems designed to use workers’ skills. There was to be a tax on employers who didn’t spend enough money on training their workers. There was the school to work apprenticeship program that mixed academic and applied learning in high schools and provided a new pathway to postsecondary

education and training.⁵ There was an upstart Skills Standards Commission that was going to set voluntary high-performance hiring standards for private employers.⁶ And there was a grand attempt to build a mainstream reemployment system out of the unemployment system.

The Clinton administration also built online capabilities to help job seekers and employers navigate the labor and training markets. By the end of the administration, there was a solid foundation for a modern electronic career management system. The America's Career Kit included a labor exchange (America's Job Bank and America's Talent Bank), a career information and exploration system (America's Career Information Network), and a learning exchange tied to an individual career management account (America's Learning Exchange). The job bank began to transform how employment services could be delivered by increasing dramatically everyone's access to basic job information and significantly shifting the system toward self-service interactions. These public-sector electronic tools rivaled the best in the private sector, and other countries modeled their forays into electronic public labor exchanges after the U.S. efforts. Ultimately, all the sites except the Career Information Network were abandoned by the Bush administration as more appropriate for private development.

"School to work apprenticeship" was the beginning of a good idea that came and went in the Clinton era. The concept is still a good idea in search of a robust empirical and policy narrative that connects secondary and postsecondary career and technical education (CTE) programs.

The school-to-work apprenticeship idea ran afoul of the healthy American aversion to race and class-based "tracking." School-to-work also failed because it was of little interest to middle-class voters and wasn't what the aspiring middle class wanted for their children. Middle-class Americans didn't believe that all youth needed to go to college, but they were sure their children needed college. As a result, they saw school-to-work as programs for other people's children and were more interested in college aid for their own children.

We are not advocates for reviving CETA, America's Job Bank, high school vocational education, or welfare as we knew it. CETA, school to work, and welfare policies were each flawed in their own way, and they are all outdated ideas. We do believe, however, that employment services, training policies, counseling, and better information are still relevant policy problems. In addition, while school to work has been supplanted by school to college, we have yet to connect postsecondary expansion to high school curriculums.

If Postsecondary Education and Training Policy Is to Become Our Principal Domestic Initiative, Then It Needs to Be Aligned with Employment Policy and Social Policy Goals

The relationship between postsecondary education and career opportunity is the animating idea behind the Obama administration's commitment to postsecondary funding in ARRA and AGI. Ultimately, a key element in the success of that effort depends on our ability to integrate employability and economic mobility as key outcomes in postsecondary programs.

Successive national administrations have gradually moved toward recognition that postsecondary education and training is a general requirement for economic success and upward mobility. The Clinton administration supported a two-pronged strategy that endorsed high school-to-work programs in the first term but shifted to a stronger emphasis on student aid for college funding in

the campaign for the second term. The G. W. Bush administration's Secretary of Education, Margaret Spellings, was the first Cabinet officer to make a commitment to universal postsecondary education. According to the Secretary of Education's Commission on the Future of Higher Education:

We acknowledge that not everyone needs to go to college. But everyone needs a postsecondary education. Indeed, we have seen ample evidence that access to postsecondary education is increasingly vital to an individual's economic security. (2006, x)

The Obama administration began with the presumption of universal postsecondary access and affordability. President Obama challenged all Americans, both youth and adults, to complete an additional year of college, thereby shifting the focus away from traditional degrees and broadening the scope of postsecondary goals toward a more general notion of postsecondary education that included job-related learning and lifelong learning.

In his first speech to a joint session of the Congress, the new president articulated a vision that included both education and training:

In a global economy where the most valuable skill you can sell is your knowledge, a good education is no longer just a pathway to opportunity—it is a prerequisite.... Already, we have made a historic investment in education through the economic recovery plan.... It is our responsibility as lawmakers and educators to make this system work. But it is the responsibility of every citizen to participate in it. And so tonight, I ask every American to commit to at least one year or more of higher education or career training. This can be a community college or a four-year school; vocational training or an apprenticeship. But whatever the training may be, every American will need to get more than a high school diploma. And dropping out of high school is no longer an option. It's not just quitting on yourself, it's quitting on your country—and this country needs and values the talents of every American. That is why we will provide the support necessary for you to complete college and meet a new goal: by 2020, America will once again have the highest proportion of college graduates in the world."⁷

Subsequently, in the American Graduation Initiative (AGI), President Obama turned the usual trickle-down funding approach upside down by targeting spending toward community colleges, the traditional bottom of the postsecondary hierarchy. The Obama initiatives open the door for efforts to move public resources for high-quality programs to community colleges and less selective four-year institutions where the mass of new and less advantaged students are concentrated.

The administration has also expanded the legitimacy of sub-baccalaureate awards. The expanded federal postsecondary recognition of postsecondary certificates, industry-based certifications, and apprenticeships with labor market value voiced in the president's statements and made explicit in the American Graduation Initiative have greatly expanded the legitimate reach of postsecondary education and training.

The increased emphasis on community colleges and the expansion of the public interest in community college certificates is a step in the right direction. But it does little to address the polarization in funding and racial, ethnic, and socioeconomic tracking into the under-resourced community colleges (Carnevale and Strohl 2010).

The primary differences are in spending. The spending inequality occurs along two dimensions: the differences between more and less selective institutions and the differences between public and private institutions. On average, differences in spending among public institutions run about \$4,000 per student a year. According to data from the Delta Project on Postsecondary Education Costs, Productivity, and Accountability, public spending ranges from \$9,184 per student a year for two-year colleges to \$13,819 for public research universities. This difference in average public spending adds up to about \$8,000 over two years and \$16,000 for those who get four-year degrees from more selective universities.

Private institutional spending is much higher per student, ranging from \$15,224 for master's degree-granting institutions to \$33,234 for research universities. As a result, the difference in public versus private spending ranges between \$6,000 and \$20,000 per student per year attended—a difference of \$12,000–\$40,000 over two years and \$24,000–\$80,000 over four years.

The differences in spending among and between public two-year and four-year colleges and private universities are not only large, they are also growing. For example, spending per student per year at two-year public colleges has declined, and spending at four-year public colleges has remained flat. But, spending per student at private colleges has increased 8 percent at colleges that only provide bachelor's degrees, 10 percent at colleges that provide master's degrees, and 11 percent at research universities (Wellman 2008).

The stratification in postsecondary spending has been accompanied by a parallel stratification of students by race, class, and socioeconomic status. The successive waves of racial, ethnic, and socioeconomic segregation that began when white and affluent Americans fled the nation's central cities for the suburbs have now reached the nation's college campuses. American postsecondary education has become bigger, better, and more inclusive but more stratified at the same time. The rising tide of college enrollments has raised all the boats but raised some more than others. White students from more affluent families have moved up, concentrating in the top tiers of college selectivity, while minorities and lower-income students have improved access but have become increasingly concentrated in the least selective four-year colleges and community colleges.

Four-year colleges have become increasingly top heavy. The dynamic of colleges competing with each other by chasing students with the highest test scores and students chasing colleges with the most selective admissions criteria appears to have resulted in an upward spiral of selectivity—and, arguably, an increasing stock of high-quality, four-year postsecondary institutions and high-quality students. At the same time annual enrollments in sub-baccalaureate institutions have increased to roughly half of all annual enrollments.

Affirmative action and other policies that give broader access to selective schools can reduce—but are unlikely to reverse—the stratification in access to the resources that are only available at high-spending institutions. Instead of struggling against the grain to bring more minority and lower-income students to high-spending selective colleges, it would make more sense to bring

additional higher spending to the less-selective four-year and two-year colleges where the working-class, minority, and lower-income students are increasingly concentrated.

While the links between secondary and postsecondary education and labor markets have become much stronger since the 1980s, the institutional relationships are still weak. Attempting to overcome the disconnects between education institutions and labor market institutions such as employers would be difficult and unwise if empowering employers over educators undermines educators' abilities to achieve their other core missions. The more sensible strategy for integrating educational institutions with labor markets is to use information systems that tie jobs and career pathways to education and training programs.

The development of a modern information system to connect learning and earning is relatively simple in concept and can be built with existing information that is available but currently sequestered in separate institutional silos. The Employment Services are the nation's labor exchange because they have access to job openings data and employer wage records. They also have access to job seekers through the unemployment insurance system. Postsecondary education and training institutions have student transcripts. The disconnect between our labor markets and postsecondary education and training institutions can be easily overcome by connecting student transcripts to wage data and job openings data. If we did so, we could assess the fit between postsecondary education and training programs and job openings and prospective earnings for program completers.

As Many As 11 Million Adults from Low-Income Families Could Benefit from Postsecondary Education and Training

Just how expensive would it be to provide access to postsecondary education and training for low-income adults? Undoubtedly, reaching out to low-wage workers will require a sizable increase in investments beyond the sums available in postsecondary budgets. We are talking about more than 22 million low-income, dislocated, or imprisoned workers—a group roughly 2.5 times the size of the nation's 8.4 million traditional 18–24-year-old college-age youth (NCES 2002).

The size of the low-wage population earning less than \$15,000 a year and residing in low-income families earning less than \$25,000 a year is about 20 million adults—about half of all workers who earn less than \$15,000 a year. Fewer yet are the 16 million workers—or one-third of all low earners—who are significant contributors to total family income (Carnevale and Rose 2001). But still, this low-wage workforce is nearly 3.5 times larger than the adult welfare population when the rolls were bulging. In addition, there are about 1.4 million prisoners, along with nearly 1 million workers dislocated each year who are not poor but remain unemployed or suffer income losses when they are reemployed (BLS 2002).⁸

Of course, not all these low-income or incarcerated adults are ready for postsecondary education or training. According to the National Adult Literacy Survey, roughly half of low-income workers have literacy levels that qualify them for college-level work. The share of qualified prisoners is roughly 30 percent, and the share of dislocated workers qualified for postsecondary education or training could be 60 percent (Kirsch and Jungleblut 1992; Kirsch et al. 1993).

These 11 million low-income, dislocated, or imprisoned adults with an immediate ability to benefit are the low-hanging fruit in adult education and training. If we could find the will to afford them real access to postsecondary education or training, they would benefit enormously—and so would the rest of us. With their new skills, these 11 million workers could add more than \$120

billion to the national wealth. And in the case of prisoners, recidivism could be reduced by as much as 29 percent (Steurer and Smith 2003).

Benefits of Providing Postsecondary Education and Training for Low-Income Adults Are Powerful and Growing, but So Are Barriers to Access

Full social citizenship for low-income adults could be enhanced greatly with more access to postsecondary education and training. But while the benefits of providing postsecondary education and training for low-income adults are powerful and growing, so are the barriers to access. And those barriers increasingly divide the adult population into postsecondary-haves and postsecondary-have-nots.

Access to postsecondary education is frontloaded in the American system. Our institutions and policies are geared toward the traditional 18- to 24-year-old student. Lifelong learning has become an applause line in everybody's stump speech but has yet to become a line item of any consequence in public budgets. Left to themselves, tight public budgets and demographic forces are likely to squeeze nontraditional students out of postsecondary institutions.

The funding barriers are the most daunting. And they will only get worse because the current crisis in postsecondary education reflects structural as well as cyclical changes in public postsecondary funding. As the share of state budgets going to higher education has fallen off by more than 15 percent, the share going to Medicaid has doubled and the share going to prisons has increased by 33 percent. And, since this last recession, state budgets have gone from bad to worse, forcing dramatic tuition increases in public institutions. The federal higher education budget is undergoing a similar squeeze as resources shift toward health care, Social Security, and national defense as well as business and personal tax cuts.

As money gets tighter, the traditional upper-middle-class 18–24-year-old student becomes the preferred client. These students arrive with tuition in hand, are assembled on campus, sit in large classes scheduled during normal working hours, and are taught standardized academic curricula.

In these tough budgetary times, the least attractive client is the adult with work and family responsibilities.

Truthfully, higher education could probably do reasonably well if it only focused on the incoming 18–24-year-old cohort of full-time students. Asking the postsecondary system to continue to serve both traditional and nontraditional students over the next 15 years may be asking too much without new policies and new money.

Low-income adults need more financial aid than traditional 18–24-year-olds, and adult students are more expensive because they need to integrate their studies with work and family needs. They require more expensive courses that mix applied and academic learning; flexible scheduling that increases personnel and facilities costs; and family services, such as child care and counseling, to hold it all together and plan for future transitions. The traditional footloose and fancy-free 18–24-year-old student can afford mistakes that adults with jobs and families cannot. Low-income adults also may require remedial or refresher courses that no one wants to pay for, along with customized work-oriented courses that often need to be offered in bite-sized, non-degreed chunks that are ineligible for federal subsidies and are only funded, in part, by a minority of states (ECS 2000).

The most significant financial barriers to access for low-income adults arise beyond the reach of postsecondary policies and in the domain of social policy. Something has to give when low-income adults with families attempt to balance education, work, and family commitments. Work is required but cannot be allowed to reduce the quality of learning or family life. As a result, many low-income students need stipends that allow them to balance income from work with education and family requirements. While the notion of stipends has been used in welfare reform and in the military's GI Bill, it has not been robust nor has it been extended to the broader community of low-income families.

What makes matters even worse at the moment is that the increasing cost of higher education has inspired an accountability movement that may be good news for traditional students but more bad news for nontraditional adult students. Accountability measures tend to focus on increasing degree attainment rates and reducing time to graduation, reducing dropouts and loan defaults, and funding only non-remedial degreed courses and higher standards for student learning outcomes. The problem for low-income adults is that the combined effect of reduced financial support and higher performance standards encourages colleges to admit only the most well-heeled and well-prepared 18- to 24-year-old students who are least likely to be distracted by work and family.

Providing Access for Low-Income Adults Will Not Happen without Major Policy Interventions and Reversals

America's postsecondary education and training system has been responsive to nontraditional students in the past. As the baby boomers moved beyond their prime college years in the 1970s and demand for postsecondary education and training increased in labor markets, the supply and demand for seats in the nation's colleges increased simultaneously. Occupational and professional degrees, certificates, certifications, and customized training expanded throughout the postsecondary system. And the number of adult students over age 24 began to increase rapidly. In addition, the recognition that underemployment and unemployment derived from education and skill deficiencies resulted in "educate and train first" policies in domains outside postsecondary education, funded by both federal and state governments. As a result, partnerships began to grow between postsecondary education policy, employment and training policy, economic development policy, income maintenance policy, and criminal justice policy. In order to meet expanding demands, both private and public postsecondary institutions began to diversify and rely less on traditional formats.

But in the mid-1990s, "work first" policies were enacted across a wide range of public programs giving full expression to America's work-oriented values but willfully ignoring the fact that postsecondary education or training is increasingly required to access jobs that pay enough to guarantee full social inclusion. Consequently, postsecondary policies targeted on low-income adults continue to be a missing policy link between our work-oriented values and education and skill requirements in the workplace.

Work first policies did have some positive effects. They gave people the social standing that only comes from work in our fully mobilized work-based society. And a job is the best teacher for soft job-related skills unique to work environments.

But work first policies also had disastrous consequences, especially after the boom of the 1990s collapsed and turned into a recession and jobless growth after 2000. Work first policies ensured that those most qualified for career-enhancing postsecondary education and training were

the least likely to receive it because they also were the most employable and the first to be moved from dependency to work. Second, the policies were based on old economic assumptions that hard work could move dependent individuals from poverty to prosperity. In fact, work first policies moved people from public dependency to working poverty with no way out.

The policy debate over “train first” versus “work first” has always been a false choice. In an economy where work and learning are continuous, the real choice is the optimal mix of learning on the job and more formal preparation in postsecondary programs outside the workplace. Remediation, general skills preparation, and more specific occupational preparation can be provided in various ways according to labor market realities and individual needs.

The current student aid system does not serve nontraditional postsecondary students. The core template in postsecondary programs does not meet the needs of nontraditional students. With the notable exception of the GI Bill, federal and state student aid programs were developed to serve traditional students without work or family obligations. Nontraditional students pursue nontraditional curricula offered in nontraditional ways often by nontraditional providers. There are already 2 million adult students with children who work full time and are enrolled in postsecondary institutions (Bosworth and Choitz 2002). Only 15 percent of these are enrolled full time, and another 29 percent are enrolled half time. The remaining 56 percent are essentially ineligible for student aid except for very small amounts of Pell grants and loan dollars. About 28 percent of these students are parents that head working poor families and earn less than 200 percent of the poverty threshold for a family of four (\$45,000). Among these students, only about 7 percent receive any federal, state, or institutional aid. These students are caught in the cracks between aid programs. They don't have time or cash on hand for regularly scheduled courses, and their earnings are high relative to their costs of attendance as traditionally measured. As a result, they can never get any traction in the postsecondary education and training system.

Many changes in the current student aid law would be helpful to nontraditional students (Bosworth and Choitz 2002). For instance, we could do any of the following:

- Frontload Pell grants for adults and working students, allowing them to draw down four years' worth of grants in the first two years.
- Expand eligibility for HOPE scholarships for those who are attending school less than half time or taking modular courses.
- Increase the share of the tax credit for lifelong learning loans to 100 percent for nontraditional students with children.
- Add the full costs, not just child care, of supporting child dependents into the financial needs calculation.
- Eliminate working poverty wages in calculating the “expected family contribution”—\$35,000 for a family of four.
- Eliminate the EITC and other public income support from the “expected family contribution” calculation. Make HOPE scholarships and lifelong learning tax credits refundable.

- Fund robust relationships between campus-based student support centers and educational opportunity centers, labor market-based one-stops, Veterans Affairs counseling centers, and the criminal justice system.
- Invest in curricula that are open entry/open exit, modularized, technology driven, and competency based.
- Extend work study funding into the workplace and into community-based organizations.

But in an era of declining postsecondary budgets, all these changes require sacrifices on the part of traditional 18- to 24-year-olds, especially those who attend four-year colleges. Further, tinkering with postsecondary policies will not solve the fundamental time, scheduling, and income support problems typical of adults with dependent children. In truth, it will take more than student aid reforms and more than postsecondary policy to create real access for nontraditional students.

The one-dimensional academic focus in high schools since *A Nation at Risk* has become a barrier to postsecondary education and training for a large share of high school students. Unresolved concerns over student tracking make career and technical education a missing link between postsecondary education and high schools. Academic reforms since *A Nation at Risk* was published in 1983 have emphasized academic preparation through high school in an essentially similar college preparatory national curriculum. But policymakers have rebelled as academic standards have escalated out of the reach of less advantaged students.

The failure of a strictly academic curriculum to work for less advantaged students has encouraged a multiple-pathways approach to high school curriculum, usually with the proviso that all pathways should lead on to or at least not preclude postsecondary education or training. Others, many in the civil rights movement, object aggressively to this view because it leads to tracking by race, ethnicity, and socioeconomic status. In critics' view, the increasing skill requirements at work justify a full four years of preparation in high school for postsecondary education or training. Another faction sees no problem with tracking as long as students are better off when they leave the programs than when they entered. They view objections to tracking as a test of ideological purity that leaves students worse off when they are unprepared or uninterested in college degrees.

The political controversy over college preparation versus a more applied high school curriculum has erupted in some states, including Texas, Georgia, and Louisiana. Louisiana has just established a two-tiered high school diploma that distinguishes work readiness from college prep.

The aversion to integrating CTE programs into the secondary and postsecondary system is an opportunity lost. These programs keep students in high school and move them on to postsecondary education more effectively than college preparation does. They provide an alternative applied pedagogy for those who have not done well in academic curriculum. Career academies and the programs of the Southern Regional Education Board have very successfully integrated academic learning into applied curriculum. They are more attractive to working students who have a strong labor market orientation. As reauthorized in the Perkins Act, CTE programs are charged with providing broad skills, not just narrow job training. They are organized into skill preparation for 16 career clusters that allow for broad career mobility. In this sense, CTE programs are aligned with postsecondary course offerings, which have become dominated by applied majors as postsecondary schools gradually become the nation's workforce development system. While CTE programs are far from perfect, they do make the strongest connections to labor market among high school offerings.

Given that almost half the high school seniors who go to college enroll in two-year colleges and most of those in vocational programs, it seems that a stronger alignment between secondary and postsecondary CTE programs should be achievable. Many high school CTE programs already are connected to colleges. The 2+2 programs are structured so they integrate two years in high school with two years in a community college. Dual enrollments programs allow students to attend high schools and community colleges at the same time.

Conclusion

If we do nothing to repair and strengthen the connections between postsecondary policies and other adult policy domains, the barriers to full citizenship for low-income adults will continue to grow. Already, there is a declining belief in the American dream among low-income families headed by adults with no postsecondary education or training (Starks 2003). And the policy dialogue in postsecondary education has already taken on a class-based dynamic that is ultimately unhealthy for progressive institutions. The opposition of proposals that pit traditional against nontraditional students, merit aid against need-based aid, and racial and ethnic diversity against economic diversity are cases in point in the higher education debate.

The worst-case scenario that confronts us is that the financial strains emerging in higher education will result in a gradual and silent abandonment of nontraditional students. In an economy where good jobs require access to postsecondary education and training, the already-growing economic divide between adults with and without postsecondary education and training will continue to widen, fostering intergenerational reproduction of economic and cultural elites inimical to our democratic ethos and our worthiness for leadership in the global contest of cultures.

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Notes

¹ The American Graduation Initiative is a 10-year, \$12 billion program initiative to fund 5 million community college graduates by 2020.

² ARRA allots \$3.95 billion for training and employment services. Of this amount, \$1.25 billion has been allotted for youth activities, \$1.95 billion for adult employment and dislocated worker assistance, and \$0.75 billion for training in high-growth and emerging industries such as energy and health. Compare this allotment with that for education: \$48.6 billion for state fiscal stabilization, \$12.4 billion for Title I to help close the achievement gap, \$13 billion for special education, and \$17 billion to increase the Pell Grant maximum award.

³ Real Clear Politics. Interview with George Stephanopoulos, published January 10, 2010.
http://www.realclearpolitics.com/articles/2010/01/10/christina_romer_on_the_economy_on_this_week_99850.html

⁴ Peter Goodman, "U.S. Job Losses in December Dim Hopes for Quick Upswing," *New York Times*, January 8, 2010,
<http://www.nytimes.com/2010/01/09/business/economy/09jobs.html?hp>.

⁵ The school to work apprenticeship program was one result of a report entitled "The Forgotten Half" by Samuel Halperin, a key education leader since the Kennedy era. "The Forgotten Half" is a classic example of the power of a spot-on policy narrative put together by someone with tacit competencies in politics and policy.

⁶ The Skills Standards Board survived with remarkable pluck throughout Clinton's two terms and the first term of George W. Bush but eventually expired.

⁷ President Barack Obama, address to a joint session of Congress, February 24, 2009,
http://www.whitehouse.gov/the_press_office/remarks-of-president-barack-obama-address-to-joint-session-of-congress/

⁸ Bureau of Justice Statistics, "U.S. Prison Population Rises by 2.6 Percent during 2002," press release, July 27, 2003.