

Transforming Lives Through Education

Highlights of the Welfare to Careers Project

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Welfare to Careers Project

Introduction

The Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996 was the culmination of years of legislative action and a promise to “end welfare as we know it.” Indeed, proponents of the act effectively ended a long-standing cash assistance entitlement program in favor of a program requiring work in exchange for time-limited assistance. The federal government ceded control of the program to individual states, issuing funds in the form of block grants under Temporary Assistance to Needy Families (TANF).

The initial block grant amounts were generous and gave states great flexibility in how the dollars could be spent. Unfortunately, that flexibility did not translate to the individual recipients of TANF, the majority of whom were single mothers with children. A five-year lifetime limit was imposed¹ along with work requirements and work activity definitions that severely limited access to post-secondary education.

Most states took a harsh, work-first stance that pushed single parents into minimum wage jobs which lack opportunities for promotion and benefits such as health insurance. As a result, many moms and a few dads exited cash assistance but continued to require supports such as child care assistance, Medicaid and Food Stamps due to low wages.

A handful of states that valued higher education as an effective and permanent path out of poverty took a look at PRWORA and TANF and made bold steps to create programs that would afford access to post-secondary education for families receiving TANF or who were TANF-eligible. New York was one of those forward-thinking states that supported higher education by allocating funding for the Welfare to Careers Project, the ACCESS Program at Hamilton College and the Tuition Assistance Program (TAP). The subject of this report is the Welfare to Careers Project and it covers the years 2002 through 2008. The Welfare to Careers Project continues today, albeit with much smaller enrollment numbers due to limited funding.

Metropolitan College of New York (MCNY), Medgar Evers College/City University of New York (CUNY), and Pace University formed the Education and Work Consortium to offer a program that would lift families impacted by welfare reform out of poverty through higher education and support services. With public and private funding, the Consortium developed the Welfare to Careers Project. As a way to measure the effectiveness of the program, the Consortium collected data, including some longitudinal data, from students participating in the program during the period of fall 2002 through fall 2008. More details about the cohort covered in this report will be included in the section on study methods.

The mission of the project was “to influence public welfare policy by demonstrating, through a replicable model, that a career-focused bachelor’s degree with comprehensive services would enable low-income, underserved people to achieve economic self-sufficiency.”

Literature Review

There is a vast array of literature supporting the fact that higher education attainment improves earnings and employment rates. This report includes a brief review of the most relevant findings supporting the benefits of post-secondary educational achievements. A review of programs similar to WTCP can be found in Appendix A.

Education

Education level is strongly and positively correlated with increased earnings and lower unemployment rates. Education is particularly important for women, who trail men in income levels at every educational milestone. Even with higher levels of education, female workers earn significantly lower wages than their male counterparts. Table 1 illustrates the stark differences in income between male and female workers along with the higher earnings both genders realize through higher educational achievements.ⁱⁱ

Table 1: Estimated Median Income by Education and Gender, 2010

Educational Attainment	Male, Total Workers	Female, Total Workers	Male, Full-Time	Female, Full-time
Less than 9th Grade	\$19,630	\$13,509	\$24,453	\$18,785
9th to 12th Grade, No Diploma	\$21,950	\$15,650	\$29,435	\$20,883
High School Diploma or GED	\$32,501	\$22,452	\$40,055	\$29,857
Some College	\$39,738	\$26,615	\$46,434	\$33,401
Associate's Degree	\$42,348	\$31,537	\$50,282	\$37,773
Bachelor's Degree or Higher	\$63,265	\$45,232	\$71,778	\$51,942
Total Combined	\$41,318	\$30,455	\$51,942	\$38,294

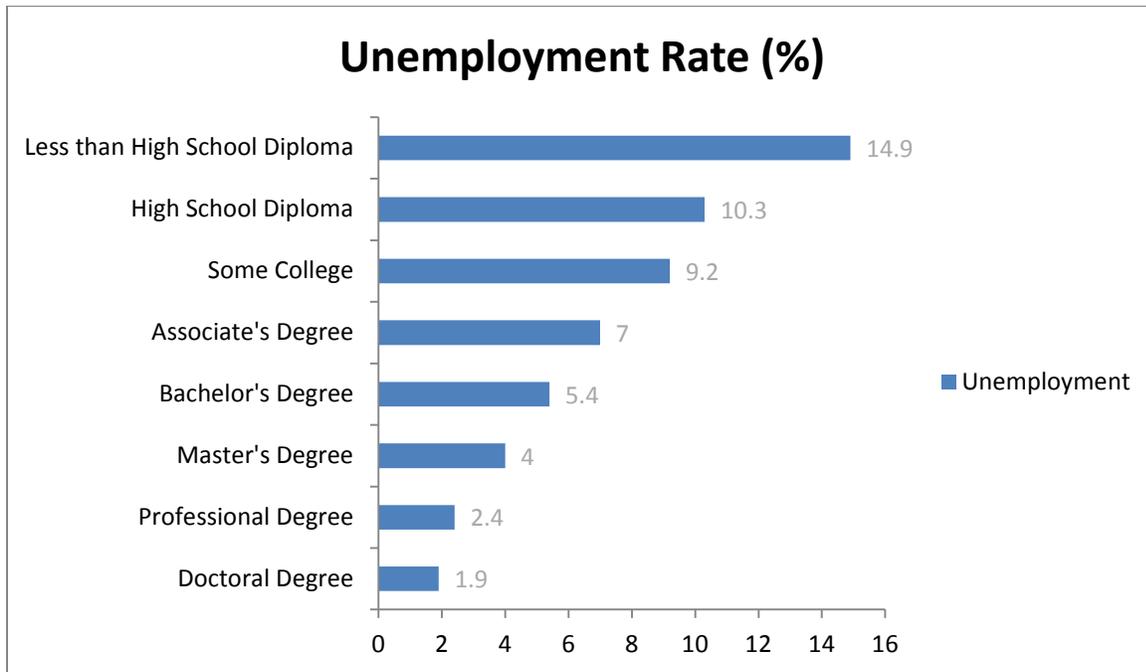
Source: U.S. Census Bureau

In the US, women tend to go into lower paying career pathways that afford them more flexibility in terms of family responsibilities such as the service sector, social services, teaching, and nursing. Still, it is hard to conclude that this factor alone explains the huge income differences between the genders.

College is particularly important in improving earnings for women of color. African Americans and Hispanics with a bachelor's degree make less than their white counterparts in earnings by 20% or more.ⁱⁱⁱ

Educational level is widely regarded as a factor in attaining and maintaining employment, an especially important effect in today's economic downturn. Figure 1 illustrates how higher educational attainment is associated with lower levels of unemployment.^{iv}

Figure 1: Unemployment Rate by Educational Achievement



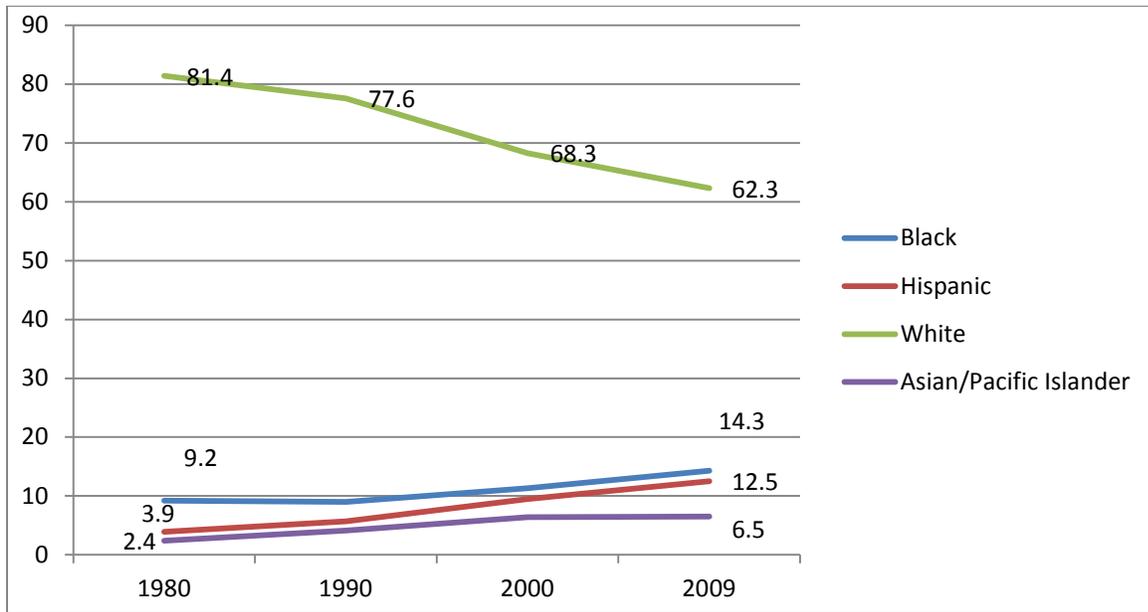
Source: Bureau of Labor Statistics, 2010

Age is another important factor in today's college students. The percentage increase in students over the age of 25 enrolling in college has exceeded that of younger students for several years, with the trend expected to continue through 2019.^v Female enrollment exceeds male enrollment, particularly in post-baccalaureate programs.

A recent report titled *Time is the Enemy* (2011) describes today's college student population situated in public colleges and universities across 33 participating states.^{vi} Key findings suggest that 75 percent of students are nontraditional, meaning they are combining schooling with family and/or job responsibilities. Because of these multiple roles, the report maintains that only 25 percent attend college full-time, despite the fact that part-time students rarely graduate. In addition, "Poor students and students of color struggle the most to graduate," despite increasing rates of enrollment of these populations (p. 3). Finally, most remedial education programs, when they are in place, are largely ineffective in helping underprepared students.^{vii}

Finally, enrollment by race/ethnicity has changed significantly since 1980, as depicted in Figure 2. While the percentage of whites among college students has plummeted sharply, there has been a steady increase in black and Hispanic student enrollment.^{viii}

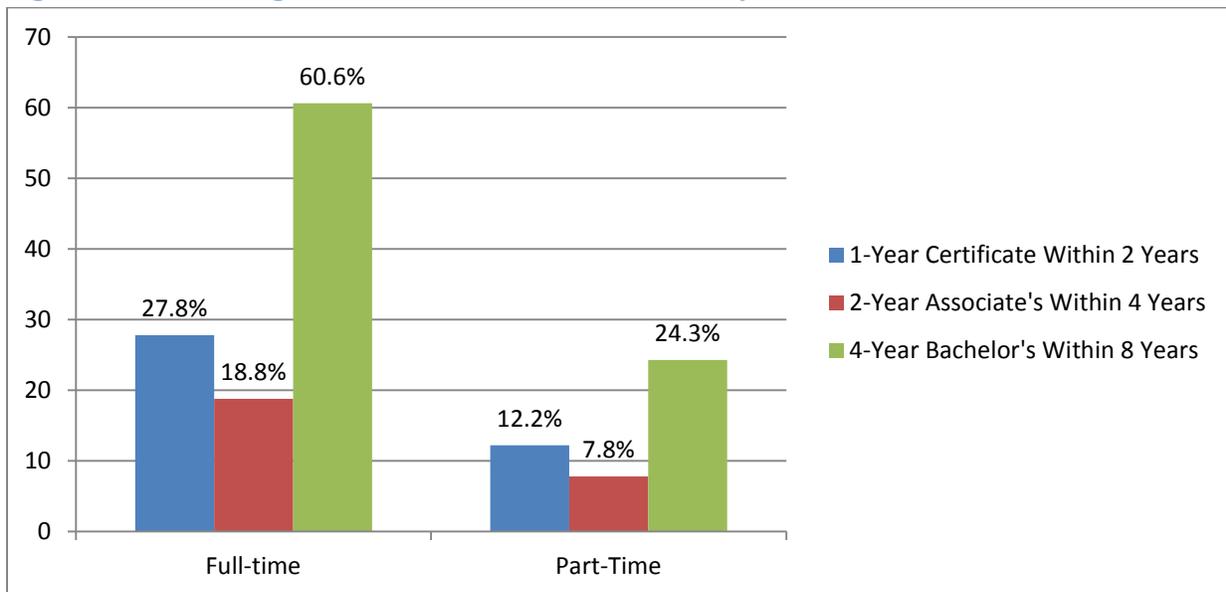
Figure 2: Percentage College Student Distribution by Race Ethnicity over Time



Source: U. S. Department of Education, Digest of Educational Statistics 2010

A 2010 published longitudinal study commissioned by the U.S. Department of Education found that over a six year period (1996 to 2002), approximately 57 percent of first-time students completed a bachelor’s degree in 6 years at 4-year institutions. Of those graduating, the 6-year graduation rate for Asians/Pacific Islanders was 67 percent, compared with 60 percent for whites, 49 percent for Hispanics, 40 percent for blacks, and 38 percent for Native Americans/Alaskan Natives.^{ix}

Figure 3: Percentage of Education Achievement s by Time Period



Source: Complete College America, 2010

Welfare to Careers: Program Design

The three educational institutions of the Education and Work Consortium played unique roles in the partnership and program implementation. Metropolitan College of New York and Medgar Evers College were the program sites, each one responsible for screening and student recruitment, academic enrollment, ongoing evaluation of student progress, and the provision of support services. Metropolitan College of New York took on administrative responsibility at both program locations, with staffing and nearly identical initial enrollment numbers from fall 2002 through fall 2008. Pace University provided the vital role of data collection and management and technical support. Created in 2000, the WTCP began accepting students in 2002.

Welfare to Careers was designed to include a comprehensive package of services and supports for enrolled participants facing the often competing challenges of being a parent, a student, and a worker. Program designers envisioned a goal where participants completed college degrees and found employment in professional careers offering family-friendly benefits including paid sick days, vacation days, and health insurance. By including a longitudinal study in the program design, the Education and Work Consortium intended to investigate whether a rigorous combination of supports was effective in helping families achieve this goal over time.

Comprised of four overarching programmatic components, Welfare to Careers provided case management services, financial assistance, academic supports, and job placement assistance. This model is still in place today.

1. Case Management Services:

In recognition the many potential barriers the students faced, case management services were designed as a central feature of Welfare to Careers. Case Managers met with each participant on a regular basis to discuss the student's academic progress in the context of her or his financial condition, health status, child care needs, and other personal and family issues. Case Managers were able to identify potential and existing barriers and work with each student to overcome those barriers, thereby improving academic success and reducing dropout rates.

Case Managers were advocates for students and their families in helping them access available resources from service and program providers in the city, ranging from accessing food stamps and other traditional forms of assistance to additional resources such as one-time rent assistance. In their commitment to the current and future success of program participants, case management services were provided throughout a participant's course of study, formally for a two-year follow-up period, and informally on a case-by-case basis past the two-year mark as needed.

2. Financial Assistance:

WTCP participants were eligible for a free tuition subsidy to meet any shortfalls that remained uncovered after federal Pell grants, New York's Tuition Assistance Program, and other financial

supports were exhausted. In addition, students received unlimited-ride MetroCards for public transportation and book vouchers when funding permitted.

3. Academic Support:

Students participating in Welfare to Careers were largely nontraditional students having experienced often substantial breaks in their educational involvement.

In addition to remedial education, students often required close advisement on academic objectives and course work. Workshops on study skills and exam preparation were offered and tutoring was provided to participants in writing, reading and comprehension, and mathematics. Academic Specialists also met with faculty members to identify and develop other individualized academic supports.

4. Job Placement Assistance:

Students were provided a range of services from preparing a resume and job interviewing to job placement and maintenance. Through the Welfare to Careers job placement component, students gained assistance in identifying potential employers and workplace expectations, and were provided support to deal with issues that came up at the workplace, to help them maintain sustainable employment once it was achieved. Job assistance services took place through individual career counseling and group support services. Graduates of the program were provided with two years of follow-up employment services if needed.

Participants entering the program completed an initial assessment to determine if they met WTCP eligibility and to identify individual and family needs such as child care, academic, and employment assistance. Continuing students were screened annually to re-determine program eligibility and to identify unmet needs.

Program Funding and Staffing

When implemented, WTCP was funded through a combination of public and private funding sources. Initial funding of \$500,000 in FY 2000-01 and again in FY 2001-02 was approved by the New York State Legislature and administered by the Office of Temporary and Disability Assistance (OTDA) for program development costs. These costs included program design, staff recruitment and hiring, facility equipment and supplies, and the development of data collection and management capabilities. Continued state funds supported the program costs and student tuition. In all, New York State provided \$3,070,000 throughout the years this study covers.^x

In 2003, WTCP solicited and received support totaling \$475,000 from the United States Department of Labor and a gift from the American Express Foundation for \$7,500. The New York Community Trust was a substantial contributor over an eight year period, through April 2008 granting WTCP \$942,000 in total. The partnering colleges generously contributed in-kind dollars largely in the form of tuition forgiveness with MCNY contributing over \$808,000 and Medgar Evers College forgiving \$18,000 in tuition costs.

Staffing of the project was supervised by the Program Director, who administered the program at both MCNY and Medgar Evers College, along with a Program Assistant. At the launch of the program, there were 10 full-time staff members with each program site having two Case Managers, one Job Developer, and one Academic Specialist. With decreased funding, staffing levels dropped over time, beginning in 2005.

Methodology

Study Design

The longitudinal study of the WTCP is exploratory in nature and comprised of both qualitative as well as quantitative data. Descriptive statistics were used to portray the findings. Pace University's School of Computer Science and Information Services designed the quantitative data instrument and database. Data collected during student intake interviews included demographic information as well as information on academic achievements, employment history, financial status, and public assistance histories. Participating students were required to take part in intake and exit interviews as well as follow-up interviews for two years after completing the program.

An additional survey instrument, the Quality of Life Survey, was optional for program participants.

Research Questions

1. Do post-secondary education and the completion of a college degree lead to higher earnings that move participants out of poverty and improve their quality of life?
2. Do certain majors or programs of study result in higher earnings than others for participants?
3. Do comprehensive support services result in higher participant graduation rates?

Participant Recruitment and Eligibility

Participants from Medgar Evers College were recruited through the distribution of flyers, admissions department open houses, presentations at local churches, advertising on local cable access stations, and announcements on the Medgar Evers College radio station. By August 2002, 96 participants were enrolled at that site.

MCNY recruited participants through career fairs and by partnering with local community-based social service organizations throughout the city. By August 2002, 41 students had been enrolled, and targeted advertising was expanded to child care centers, churches, neighborhood businesses, newspapers and public access television channels, bringing enrollment up to 101 students in January 2003.

Participants in the Welfare to Careers Project were TANF-certified (or eligible for TANF) with income of less than 200 percent of the current Federal Poverty Level for their family size. In 2002, the Federal Poverty Level (FPL) at 200 percent of poverty for a family of three was \$30,040.^{xi} Further, participants were required to be New York City residents with at least one minor child (under the age of 18 or under age 19 if still in school). Eligibility required the student to be working or collecting unemployment insurance. Students exiting unemployment insurance were required to obtain employment prior to the

expiration of unemployment. U.S. Citizenship or permanent residency was required. Finally, the program did not accept students receiving cash assistance through TANF or New York's Safety Net Program.^{xii}

Further, Medgar Evers students were required to have a high school diploma or Graduate Equivalency Diploma (GED) and pass the American College Testing assessment, better known as the ACT college entrance examination. Students at MCNY did not have to have a GED or high school diploma but had to pass The Adult Basic Education (TABE), and after matriculation, they were offered a GED through the Ability to Benefit (ATB) program.

Demographics of Participants

An initial cohort of 197 participants comprised the participants in the study. Of that group, the large majority, 96 percent, were female and 4 percent were male. The participants ranged in age from 22 to 59 years, with the mean being 33 years of age. Fully 92 percent of participants were single parents, with an average of 2 minor children. The ethnic make-up of the cohort consisted of 85 percent African American or Caribbean (N=167) and 15 percent Hispanic (N=30). All five boroughs of New York City were represented, with the majority of students living in Brooklyn.

Employment was a requirement for participation in WTCP. At intake, more than 60 percent of participants worked full-time and slightly less than 40 percent worked part-time.

The average annual income at intake was \$18,766 for a family of three, well below the limit of \$30,040 (200 percent of the 2002 FPL). Some participants had accessed other public support at intake as follows:

- 24 percent received Medicaid
- 18 percent received Food Stamps, now known as the Supplemental Nutritional Assistance Program (SNAP)
- 15 percent received housing subsidies.

Study Findings

Educational Accomplishments

The program produced high rates of graduation. Of the original cohort of 197 students, 111 or 56 percent of total students achieved a degree. Ninety-one percent or 101 of students graduating obtained a bachelor's degree and ten earned an associate's degree. This graduation rate is in line with national graduation rates^{xiii} although the WTCP cohort faced the obstacles of parenting and work combined with college, while national numbers include more traditional students, that is, non-parent and non-working students.

When looking at the WTCP graduates by ethnicity, 43 percent of the Hispanic participants graduated and 59 percent of black participants obtained a college degree. Thus, Hispanics graduated below the

national average (49 percent) but blacks graduated at significantly higher rates than those achieved nationally (40 percent).

The supports and services provided by WTCP appear to have had a meaning and significant impact on graduation rates of black students. The cohort of graduating Hispanic students was very small comparatively (N=13). As such, it is difficult to ascertain the reasons graduation rates were lower for Hispanic WTCP participants.

The average grade point average for WTCP graduates was 3.05. Although beyond the scope of the program design, another impressive outcome is that a number of the students graduating with a bachelor’s degree in WTCP continued their schooling by pursuing graduate degrees at their own expense.

Over the course of their educational experience, a number of students left the program prior to graduation. Of this group, 28 completed one year of college, 17 completed two years of college, 10 completed three years of college, and 12 completed four or more years of college without achieving a terminal degree. As seen in Table 1 and Figure 1 above, some college is associated with both higher earnings and lower unemployment. Please see Appendix B for more information on early program exits.

Employment and Earnings

Longitudinal data on employment and earnings were collected at various points in time for program participants. Those time intervals included ‘Before Graduation,’ ‘Six Months Post-Graduation,’ ‘12 Months Post-Graduation,’ ‘18 Months Post-Graduation,’ and ‘24 Months Post-Graduation.’

Table 2 illustrates a striking improvement in full-time employment for participants from the time they were still in college through 24 months post-graduation, increasing from 54 percent to 84 percent. Conversely, the percentage of participants employed part-time decreased precipitously from 46 percent to 7 percent.

Table 2: Employment Status over Time

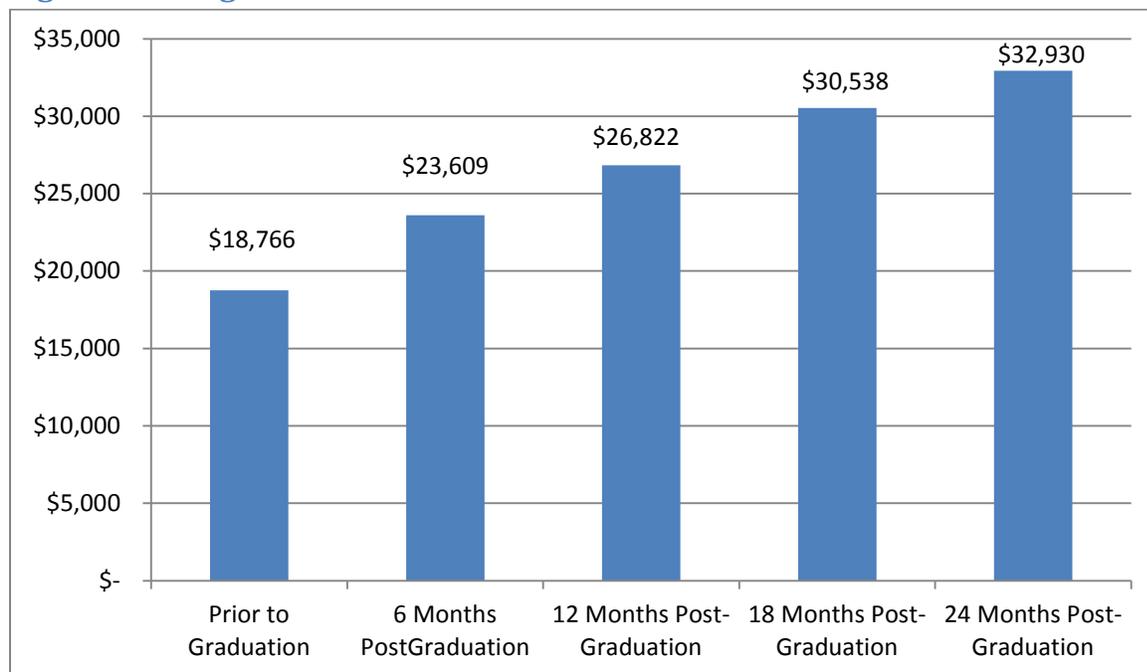
Time Interval	N	% Return Rate	% Full Time Employment	% Part Time Employment	% Unemployed	N Attending Graduate School
Before Graduation	98	88	54	46	0	N/A
6 Month Post-Graduation	92	83	68	27	4	8
12 Month Post-Graduation	87	78	74	18	5	5
18 Month Post-Graduation	79	71	80	11	9	5
24 Month Post-Graduation	73	66	84	7	10	4

Note: Percentages not totaling 100% are due to numerical rounding. Participants were included where there was employment information before graduation and at least one post-graduation point in time. Attrition due to loss of contact over time resulted in decreased N's.

The percentage of participants experiencing unemployment increased over the two year period, reflecting rising unemployment rates in New York City and the nation. In June 2009, two years after the majority of participants graduated, the unemployment rate in New York City was 9%.^{xiv} A number of program participants decided to continue their education by attending graduate school. The number enrolled in a graduate program is also indicated in Table 2.

Income improvements were realized at each point in time, reflecting vertical increases in annual earnings as seen in Figure 4. There was an impressive 75% increase in the mean annual salary of participants prior to graduation and 24 months post-graduation.

Figure 4: Changes in Mean Income over Time



The Welfare to Careers Project was highly effective in moving participants out of poverty. For the 73 participants for whom the program still had contact information two years post-graduation, the range of salaries was \$12,811 to \$55,000, with a mean annual income of \$32,930. Fifty-nine participants were earning incomes above the 2007 Federal Poverty Level with 31 of them earning an annual income higher than \$34,340 (200% of the FPL for a family of 3 in 2007).^{xv} Fourteen participants had incomes below \$17,170, the poverty level for the same year, with seven of those being unemployed.

In addition, throughout the time period that employment information was collected 65 graduates accepted new employment opportunities, 41 received pay increases, and 13 were promoted. In terms of salary ranges, the lower range incomes over this same period increased from \$4,314 to \$12,811 while the upper range increased from \$40,000 to \$55,000 annually.

Career Paths

Of the top 31 earners with incomes over 200 percent of the FPL, ten went into the medical or mental health field, six became teachers, five worked for nonprofits, three worked in the private sector, two in government, two in the legal or law enforcement fields, two on college campuses and one was an entrepreneur starting her own business. Lower earning careers tended to be in clerical or social service case management positions.

Quality of Life Improvements

Forty-two participants completed the WTCP Quality of Life Survey both prior to entering the program and after graduating. The following results reflect this sub-population of program participants and are broken into sections identified in the survey including social engagement, familial activities, educational activities, health experience, mental wellness, and financial status. Before- and after-program participation will be included in all data related to the Quality of Life Survey.

While individual questions show small improvement in nearly all areas, taken together the improvements seen in all sections of the Quality of Life Survey signify an overall improved perceived quality of life.

Social Engagement

Prior to the beginning of the program, 71 percent (N=30) of the 42 survey participants were registered to vote. Following completion of the program, the number of registered voters increased to 83 percent (N=35).

Table 3 portrays the number of participants reporting new relationships and also volunteer activities at two points in time; prior to and after graduation from WTCP. Newly formed relationships were highest in one's community where the number nearly doubled after program completion. The only category where new relationships lessened was in church. Volunteer activities were very similar at both points of time with a more pronounced increase in volunteering at the schools of participants' children.

Table 3: Social Activities in Number of Participants

	New Relationships		Volunteer Activities	
	N Before WTCP	N After WTCP	N Before WTCP	N After WTCP
Your Community	13	24	10	9
Your Church	15	9	10	11
Your Child's School	22	23	12	16
Your Educational Institution	22	28	4	6
Your Place of Employment	26	28	16	13

Familial Activities

Slight increases were seen in responses questions relating to family relationships and emotional support received. Using a scale of poor=1 to excellent=4, participants rated their relationship with the family prior to WTCP at an average score of 3.2, rising to 3.3 following graduation. Similarly, they rated the emotional support they received from family at 3.0 prior to WTCP and 3.1 upon graduation.

Activity participation with children is highlighted in Table 4, where specific categories of activities were identified and a scaled answer was selected. Most categories saw small increases between before and after scores, with the most notable being 'Attend School Open House' and 'Visit Extended Family.' Although small, the increases in all but two categories signify improvements in family-related quality of life as measured on the survey.

Table 4: Family Activities in Average Scores

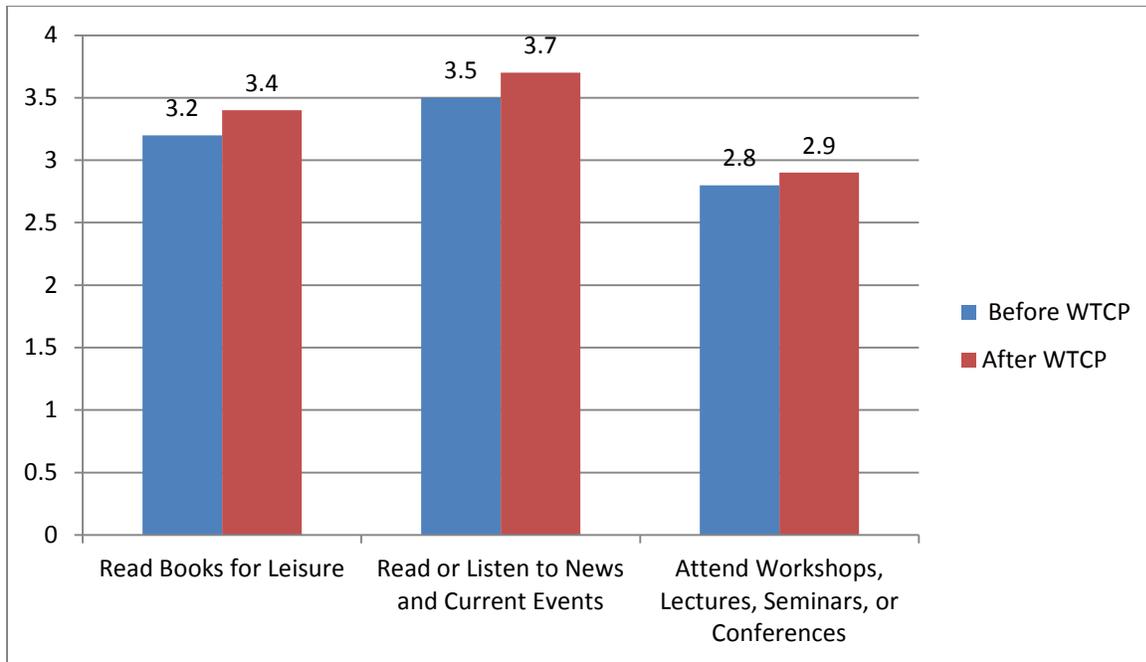
	Before WTCP	After WTCP
Parent/Teacher Conferences	3.5	3.6
Attend School Open House	3.1	3.5
Leisure Time	3.3	3.2
Cultural Events	3.0	3.0
Religious Activities	3.0	3.2
Family Vacations	2.7	2.8
Visit Extended Family	2.8	3.2

Note: Never=1, Almost Never=2, Sometimes=3, Frequently=4

Educational Activities

Nearly all participants had a library card prior to beginning WTCP (N=38), which increased to 40 participants by graduation. Slight but steady improvements were reported by participants in quality of life measures related to educational activities.

Figure 5: Educational Activities, in Average Scores



Note: Never=1, Almost Never=2, Sometimes=3, Frequently=4

Health Experience

The section on health portrays answers to the survey relating to the individual’s health status as well as to the health status of their family. All responses to the Quality of Life survey in this section indicated improvements. The first measure to consider is health insurance status. Prior to participation in WTCP, 36 individuals and 37 families were covered by some sort of health insurance plan, such as Medicaid. Upon graduation those numbers increased; 40 individuals and 41 families had health insurance upon completion of WTCP.

Similarly, 31 participants said they were aware of health risks associated with their gender, age, or race prior to program participation while 40 respondents answered the question positively by graduation. When asked the same question about their children, 33 answered yes prior to the program, rising to 41 by the time they graduated.

Table 5 illustrates an increase in health and dental visits, with average answers indicating an improvement in maintaining regular visits for both themselves and their families.

Table 5: Health Visits, in Averages Scores

	Self		Family (Other than Self)	
	Before WTCP	After WTCP	Before WTCP	After WTCP
Visit Healthcare Provider	2.4	2.7	2.5	2.8
Visit Dentist	2.2	2.5	2.3	2.7

Note: Never=1, Only When Needed=2, Regularly=3

Finally, participants were asked to rate their overall health and that of their family prior to WTCP and after program completion. The range of the scale went from poor=1 to excellent=4. Participants rated their own health at an average of 2.8 prior to WTCP and 3.0 or 'good' after graduation. Family health improved from 3.0 to 3.1 over the same time period.

Mental Wellness

Participants were asked several questions around the theme of mental wellness. Using a scale where poor=1 and excellent=4, prior to starting WTCP they rated themselves an average of 2.5 in coping with stress and 2.8 upon completion of the program. Thirty-three participants reported remaining logical in stressful situations prior to WTCP, increasing to 40 participants upon graduation.

Interestingly, participants experienced a significant increase from before WTCP to after in being concerned what others think. Although the reason for this dramatic change is not known, the change may be linked to the expansion of new relationships cited above or having completed a college education when one is being graded for his or her performance. There was a slight decrease in several of the factors in the direction that supports an improved quality of life including feeling bad about mistakes, needing a great deal of assurance and worrying about the future.

Finally, participants experienced a slight increase their feelings of confidence, again an indication of an improved quality of life.

Table 6: Mental Attributes, in Average Scores

	Before WTCP	After WTCP
Worry What Others Think	1.2	2.5
Feel Terrible When Making a Mistake	3.0	2.9
Need a Great Deal of Assurance	2.6	2.5
Worry a Great Deal about Future	3.1	3.0
Feel Confident	3.3	3.5

Note: Never=1, Almost Never=2, Sometimes=3, Frequently=4

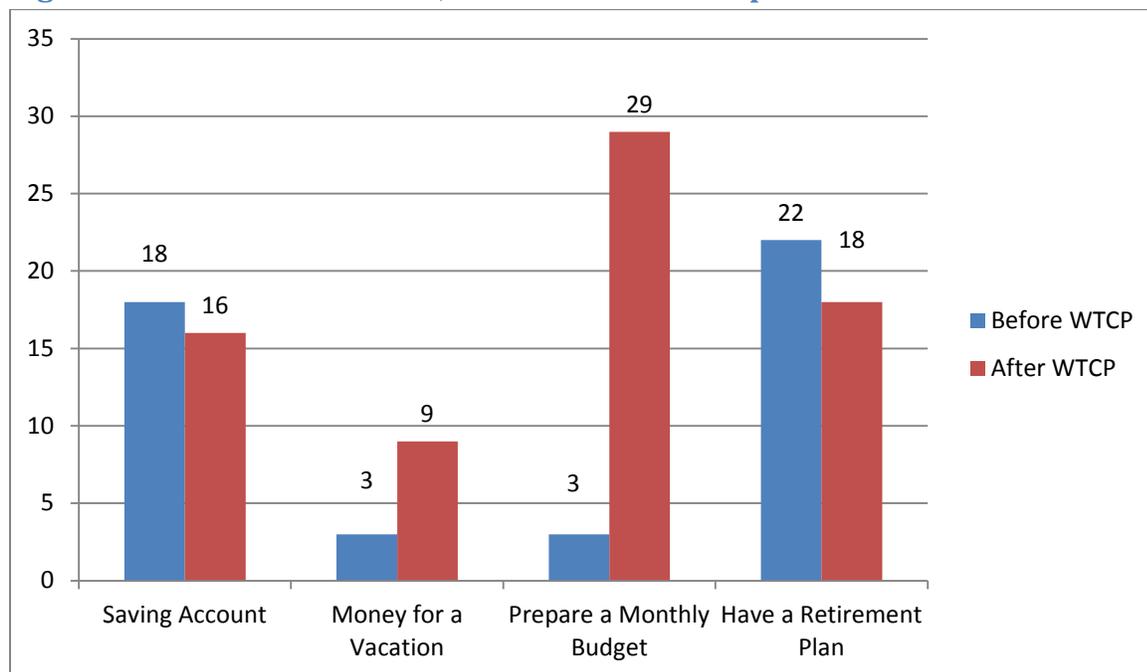
Financial Status

The results of questions about financial status were mixed as seen in Figure 6. An important factor in considering the data is that those reporting after completion of WTCP were new graduates just beginning to apply for positions that would improve their economic conditions. The most striking finding from this section is the number of participants preparing a monthly budget. Prior to WTCP, only 3 participants prepared budgets each month but at the time of graduation, fully 29 participants were doing so. It is clear that one of the many benefits resulting from their college education was an increase in financial literacy, a factor that be projected to last well into the future.

Fewer WTCP graduates reported having a retirement plan post-graduation. This finding reflects an overall decrease in employer-sponsored retirement plans across the country. For the first time since

1990, in 2009 the national retirement sponsorship rate dropped below 50 percent, with only 49.3 percent of all workers employed by an employer that sponsors a retirement plan.^{xvi}

Figure 6: Financial Indicators, in Number of Participants



Answering the Research Questions

After reviewing the study findings, the research questions can now be addressed.

1. Do post-secondary education and the completion of a college degree lead to higher earnings that move participants out of poverty and improve their quality of life?

Earnings increased by an average of 75 percent over the two years' post-graduation time period for study participants in the longitudinal data collected. Eighty-One percent of students achieved incomes above the 2007 Federal Poverty Level for a family of 3, with 42 percent earning annual salaries of more than 200% of the FPL. More graduates obtained full-time employment over time; conversely, fewer graduates held part-time positions. Fourteen participants earned less than the 2007 FPL with seven of those being unemployed.

Quality of Life indicators revealed an overall improvement of in nearly all areas including social engagement, familial activities, educational activities, health experience, mental wellness, and financial status. Positive improvements were most striking in developing community relationships, family activities, engagement in educational activities, receiving regular health and dental visits, and – most dramatically – in preparing a monthly budget.

In the area of mental wellness, there were improvements in all areas. Most impressive was a large increase in the score for “worry what others think,” implying a greater awareness of how one’s behavior impacts those around them. Improvements were also noted in feelings of confidence.

Slight decreases in scores were found in some volunteer activities, church relationships, having a savings account, and having a retirement plan.

2. Do certain majors or programs of study result in higher earnings than others for participants?

Choice of majors does appear to have an impact on the earnings of participants, the majors most frequently chosen being Business, Human Services, Nursing and Education. As stated earlier in this report, of the top 31 earners, ten went into the medical or mental health field, six became teachers, five worked for nonprofits, three worked in the private sector, two held government positions, two went in to the legal or law enforcement fields, two were employed on college campuses and one was an entrepreneur who started her own business. Lower earning careers tended to be employed in clerical or social service case management positions.

3. Do comprehensive support services result in higher participant graduation rates?

The Welfare to Careers Project was designed to offer a comprehensive package of supports and services to participants to help them achieve their educational goals. These services included case management services, financial assistance, academic support and job placement assistance. With WTCP graduation rates impressively exceeding national rates for black students, it can be concluded that these supports played a significant and meaningful role in achieving high graduation rates.

The supports and services of WTCP appear to have benefited black students significantly more than Hispanic students with 59 percent of black students graduating compared to 40 percent nationally, and 43 percent of Hispanic students graduating compared to a national rate of 49 percent. However, the number of Hispanic participants who graduated was very small (N=13) so caution should be used in generalizing this finding to the larger Hispanic population.

Cost/Benefit Analysis

To conduct a thorough cost/benefit analysis of WTCP is not possible given the limited data available. However, the literature relating to the broader public paints a picture than can be illustrative of outcomes enjoyed by WTCP participants.

Higher Tax Revenues

Individuals with a bachelor's degree earning \$50,900 per year paid a median of \$11,900 in annual taxes including federal, state, Medicare, Social Security, property and sales taxes, in 2005 dollars. Comparatively, a person with a high school diploma paid only \$6,600 with an annual salary of \$31,500.^{xvii} Adjusting for inflation, these figures translate to \$13,800 and \$7,700, respectively, in 2011 dollars. If these findings are used to consider WTCP graduates, each will pay around \$6,100 more in taxes than they did prior to completing their education, or \$122,000 more over a 20-year work history. For the sake of estimation, if 75 graduates pay taxes at this level, the result is \$9,150,000 in additional tax revenue realized through investing in the education of WTCP students.

Of course, this is a likely a low estimate as it does not take into consideration promotions and pay increases over the course of their careers.

Increased Lifetime Earnings

Post-secondary educational achievements provide for an increase in earnings over the lifetime of participants. Rather than being stuck in minimum wage jobs with little chance of advancement, participants with a college education enter careers accompanied by an upward trajectory for promotions and wage increases over time. A bachelor's degree produces an average increase of \$700,000 in earnings over the lifetime of Hispanics and blacks.^{xviii} A low unemployment rate for college graduates also contributes to higher lifetime earnings.

The benefits of realizing increased earnings over the course of a lifetime are many. More parents are able to help support their children in gaining a college education, some purchase homes, while others are able to save money for future needs.

One of the most important outcomes a college degree offers is an increase in Social Security earnings leading to higher benefits upon retirement. Social Security is one of the core sources of income for senior women. Higher earnings during the work-life are one factor that contributes to a reduction in poverty among seniors.

Increased Access to Pension Plans

Historically, fully 69 percent of individuals with a bachelor's degree have been offered pension plans through their employers, with 89 percent of those opting to participate in the plans.^{xix} As such, WTCP graduates are more likely than those without a college degree to have an opportunity to participate in a pension plan and/or tax-deferred retirement plan.

Employer-Sponsored Health Insurance

Since 1980, there has been a steady decline in the percentage of employer-sponsored health insurance coverage plans. Still, college graduates are more likely to secure employment offering employer-sponsored health care benefits than those with a high school diploma or less.^{xx}

Reductions in Assistance Program Participation

Program participants earning higher incomes are no longer eligible to participate in public assistance programs such as TANF, Medicaid, and Supplemental Nutritional Assistance Program (SNAP).

1. TANF: The annual outlay for a family of three receiving TANF in New York City was \$8,292 from 2005 through 2009. The monthly amount increased in 2010 to \$753 or \$9,036 per year.^{xxi} Eligibility for TANF is set at the federal poverty level which was \$17,170 for a family of 3 in 2007. With an average income of \$32,930 the majority of WTCP participants would no longer be eligible for TANF, saving the state \$9,036 annually per family or a minimum of \$677,700 per year for a conservative estimate of 75 graduates. At the two-year follow-up, only 14 participants earned incomes below the FPL with 50 percent of those being unemployed and possibly eligible for unemployment income.
2. Medicaid: Nationally only six percent of individuals with a bachelor's degree and 12 percent with an associate's degree participate in Medicaid. Among those with less than a high school diploma, 34 percent participate in Medicaid.^{xxii}
3. SNAP: A mere 1% of those with a bachelor's degree and 4% with an associate's degree participate in the Supplemental Nutrition Assistance Program, formerly known as Food Stamps.^{xxiii}

While it is difficult to ascertain total savings due to reduction in assistance program participation, completion of a college education is the only proven method to substantially improve earnings that propel families out of the cycle of poverty and the need for supplemental assistance.

Cost/Benefit: A Closer Look at WTCP

The Welfare to Careers Project provided a very high rate of return for the investment, not only in significant fiscal gains but in meaningful quality of life improvements in the lives of participants and their families. A total of \$5,320,500 in external and in-kind funding was used to support WTCP from the start-up years of 2000 and 2001 through 2008. The original cohort of students was 197 women and men making the average educational investment in each participant \$27,000. Returns on that investment can be realized in a number of ways. By using the figures from higher tax revenues alone, if we consider taxes paid by just 75 graduates, the return on the investment is \$9,150,000 or 72 percent with a gain of nearly \$4 million dollars. Again, this is a very conservative estimate as it does not factor in improvements in earnings over time, decreased use of public assistance programs, or the likelihood that a larger number of WTCP participants will earn comparative wages.

2012 Update

The Welfare to Careers Project has continued, although with a smaller number of students, due to limited funding. The NYS legislature and governor recently approved an increase of funds in this year's budget in order to serve more students. The collaboration between the Metropolitan College of New York, Pace University and Medgar Evers College offers these students the same comprehensive package of supports and services to help them attain their educational goals and realize careers with family

sustaining incomes. The consortium of colleges and program alumni agree that providing low-income students with a college education leading to improved earnings is an important factor in combating long-term poverty, improving the quality of lives of participants and their families and serving as a long-term revenue enhancement plan for all levels of government.

Budget and Policy Implications

The Deficit Reduction Act of 2005 put further restrictions on work activities so that only the most educationally-committed states continued their programs for people receiving TANF or TANF-eligible students. State budgets today are posing real threats to the remaining state funded post-secondary education programs, despite the proven effectiveness of these programs to dramatically improve earnings, employments rates, reduce the future need for federal or state assistance programs and increase tax revenues.

A number of federal programs impact access to college for low income parents. For example, TANF was once due for federal reauthorization in January 2012 but was temporarily continued, pending reauthorization. While it is beyond the scope of this report to develop a comprehensive list of changes for reauthorization, a number of policy and budget improvement are suggested to expand access to college for TANF-eligible individuals. Other federal program changes are included in the following recommendations:

Federal

1. Shift TANF to an outcomes-based accountability program designed to reduce poverty and help parents obtain jobs with family sustaining wages.
2. Allow post-secondary and GED education as an allowable work activity under TANF and a means to combat long-term poverty. Eliminate arbitrary caps on the number of participants allowed to engage in post-secondary education as a work activity. Incentivize states to insure that all TANF recipients are aware of higher education as an option available to them. Simplify TANF work requirements that serve as barriers to college attendance such as tracking attendance and monitored study time.
3. Provide adequate funding to TANF to allow for maximum state flexibility in funding programs as was the intention of the original block grant.
4. Expand the flexibility of Pell grants to allow for part-time and summer college attendance.
5. Expand access to the Child Care Development Block Grant to explicitly support college attendance as an eligible activity.

State and Local

1. Fund the Welfare to Careers Project on a long-term basis and at a substantial level to ensure a minimum of 200 participants can participate in the program at any given time.
2. The Tuition Assistance Program should be funded at a level that supports more New Yorkers with incomes of less than 200% of the Federal Poverty Level an opportunity to gain a college education. Proven to significantly increase earnings, post-secondary education is a worthy

investment of state dollars and should be emphasized as a long-term poverty reduction program and revenue enhancer.

3. Maximize the full flexibility offered by TANF to allow for more recipients to engage in college attendance.
4. Advocate for reauthorization improvements in TANF that roll back all components of the Deficit Reduction Act of 2005 and expand opportunities to attend college.

Conclusions

The Welfare to Careers Project has been and continues to be a highly successful program as evidenced by study findings. For the years under study (2002-2008) the percentage of students completing a degree was 56 percent, significantly surpassing national average rates for black and Hispanic students, at 40 percent and 49 percent respectively. Black graduates, in particular, appeared to benefit from the WTCP comprehensive model of services with graduation rates of 59%.

Average earnings increased by 75 percent two years post-graduation compared with income prior to graduation. Participants engaged in full-time employment increased from 54 percent to 84 percent while those in part-time positions decreased from 46 percent to 7 percent during the same time period.

Participants completing the Quality of Life Survey showed small but consistent improvements in almost all areas surveyed, indicating an overall perceived improvement in quality of life. One remarkable finding was in the number of graduates completing a monthly budget which increased from 3 before beginning WTCP to 29 after completion of the program.

It would appear that the comprehensive system of supports offered to students participating in WTCP was an important factor in achieving these results. While establishing a causal link is not possible, the combination of case management services, financial assistance, academic support and job placement assistance clearly played an important role in attaining high graduation rates, particularly for black participants. This report reinforces that fact that the program design of the Welfare to Careers Project is a successful one: a comprehensive model of supports and services for low-income students is one that deserves replication and expanded funding.

Appendix A – Programs in Other States

WTCP Comparison to Other Programs

A number of states and localities initiated programs to assist TANF recipients and TANF-eligible participants in obtaining a post-secondary education. While the following literature review is not exhaustive, it further illustrates the impact of education on the lives of poor women and men and their families. Unfortunately, few of these programs included outcome or longitudinal studies resulting in a lack of comparative outcomes. WTCP, as a replicable model, had the foresight to build in a research component with both outcome and longitudinal employment data.

Maine: Parents as Scholars

In 1997, the Parents as Scholars (PaS) program was established in Maine, offering TANF-eligible participants a chance to obtain a two- or four-year post-secondary education. This comprehensive program offers child care assistance, transportation services, funding for books and clothing, health care, counseling, academic and job-search assistance, and more. Data collection began in 1999 for one cohort of PaS participants, with surveys conducted that year and again in 2001 and 2006.^{xxiv}

Findings from the 2006 survey showed annual earnings ranging from \$26,000 to \$46,700. Between 2001 and 2006, average hourly earnings increased from \$10.38 to \$14.92. Employment rates were high with 90 percent of participants employed (94.7 percent of those in jobs that offered benefits) and a small minority receiving TANF benefits after graduation and no participants receiving TANF by 2006.^{xxv}

PaS enjoyed structural elements that helped in its establishment and continued success today. A coalition called the Women’s Economic Support Project (WESP) was formed and successfully garnered legislative support and state funding for the program for up to 2000 participants.^{xxvi}

Pennsylvania: Keystone Education Yields Success

Parents receiving TANF or the Supplemental Nutritional Assistance Program (SNAP) are eligible to participate in Pennsylvania’s Keystone Education Yields Success (KEYS) Program which began in 2004. The program offers certificate or degree programs at 14 community colleges along with academic support and guidance. Other supports available to participants include cash assistance for registration fees, supplies, and clothing, transportation and child care assistance.^{xxvii}

KEYS is a partnership between the Pennsylvania Department of Public Welfare and the Pennsylvania Commission for Community Colleges. In order to meet TANF work activity rules, internships and practicum placements are counted as core work activities and a state program pays them for their work. Data compiled from the state subsidized child care database (with a generous income limit of 235% of the federal poverty line) showed an average hourly salary of \$14.77. This wage is considered to be low since it fails to capture the incomes of graduates earning above the child care assistance limit such as registered nurses and others.^{xxviii}

Kentucky: Ready to Work Program

Post-secondary education is offered in to TANF recipients in Kentucky through community and technical colleges. Implemented in 1999, the program offers students paid work-study, academic and employment counseling, and case management to assist students access other supports such as financial aid, transportation and child care. The case managers also recruit students into the program. Earnings from work study are not counted against TANF eligibility nor do they reduce benefits.^{xxix}

A 2004 report looked at all Kentucky work activity programs (not limited to the Ready to Work Program). Among the nine categories or programs listed, those TANF recipients involved in Job Skills Education (their category for the Ready to Work Program) had the top rates of employment (75 percent). College participants also received highest wages, averaging \$16,646 annually, with the Vocational Training category averaging \$13,063 in annual earnings. The remaining seven categories attained annual earnings ranging from \$9,156 to \$12,206.^{xxx}

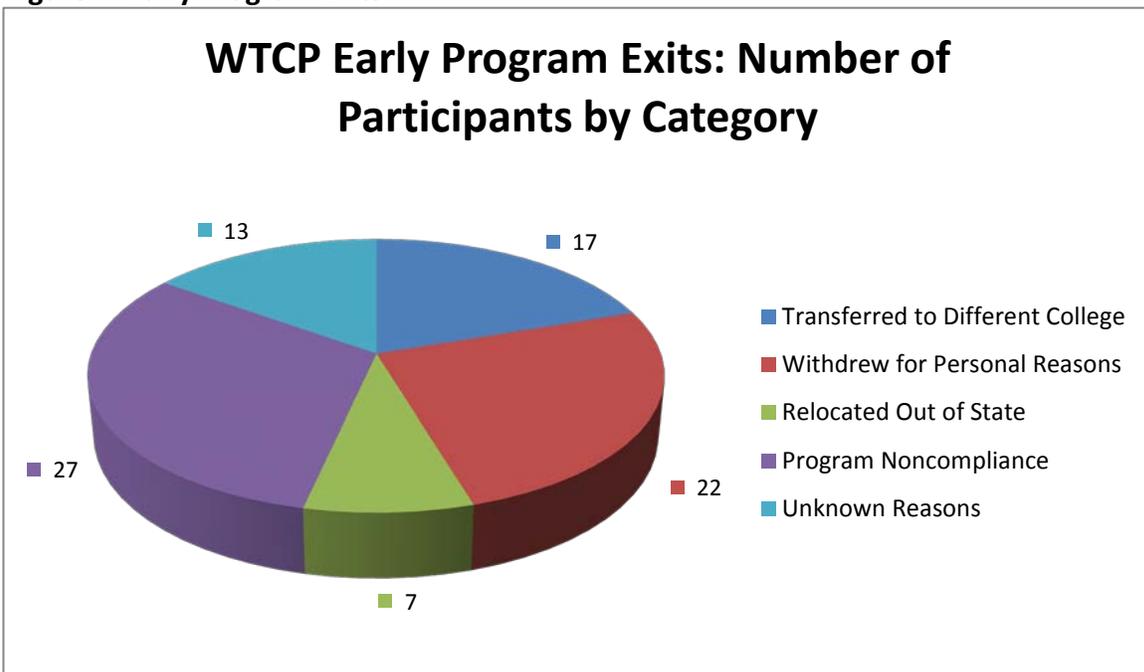
Appendix A Conclusion

The Deficit Reduction Act of 2005 put further restrictions on work activities so that only the most educationally-committed states continued their programs for TANF recipients or TANF-eligible students. State budgets today are posing real threats to the remaining state funded post-secondary education programs, despite the proven effectiveness of these programs to dramatically improve earnings, improve employment rates, and reduce the future need for federal or state assistance programs.

Appendix B – Early Program Exits

A total of 86 participants exited the Welfare to Careers Program early for a variety of reasons as depicted in Figure 7. Seventeen students transferred to a different college, largely to enroll in programs not offered by the participating colleges; no additional data was collected on these students. Please refer to Figures 2 and 3 and the accompanying text for additional college attendance information by race and ethnicity.

Figure 7: Early Program Exits



Other studies have shown similar or even higher college exits. For example, a six-year longitudinal study tracked 255,254 students that entered one of nine California community colleges in 2003-04. They looked at degree-seeking students by race/ethnicity and by gender.^{xxxix}

Of the total population in the California community colleges, a mere 25% of black and 18% of Latinos completed a certificate, associate degree, or transferred to a university within six years, compared to 35% of white students.^{xxxix}

The factors associated with higher college dropout rates nationally included having dependent children, weak academic preparation, full-time employment, living off-campus, minority or first generation college attendance, and limited financial means. The majority of college drop outs occur in the first year.

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Appendix C – Graduate Stories

Veronica T: “When I joined the Welfare to Careers Project, I had my son and was pregnant with my daughter. I had been laid off from my previous job... It was a point in my life that was very confusing and depressing. I came upon WTCP through a relative that worked in the day care system... The program gave me the confidence and inspiration to go through with furthering my education and making a better life for my two children and myself... Though the road has not been easy, the empowerment that the program and the school have given me is phenomenal... I have excelled in everything I have put my mind and strength to thanks to the opportunity, support, and friendship the program and its staff members have given me. I hope that this program will continue and help change the lives of many women and men that may be in the same situation that I was.” In 2005, Veronica graduated from MCNY with a degree in Human Services. Today, she is a NYC Special Education Teacher making \$57,000 annually.

Taft B. was a business major at MCNY through WTCP. He worked part-time in a retail store while living with his wife and child in a shelter. With the support of the program, Taft was able to juggle the pressures of working, studying and being a provider while he worked on his degree. In 2009, Taft received his diploma and found new employment at Bank of America making \$32,000 per year. He and his family have left the shelter system and now live in permanent housing.

Florence W. returned to school at the age of 40. She attended Medgar Evers College as a part-time student and a full-time single parent. During her studies, she began an internship at the National Urban League. Florence graduated with Bachelor’s degree in Public Administration. With the assistance of WTCP staff, Florence was able to turn that internship into a full-time position in the National Urban League’s Division of Health with a yearly salary of \$30,000. Today, she still works at the National Urban League.

Camika C., a young mother with no direction or career goals, was referred to WTCP at the Medgar Evers College site. Camika became excited about the possibilities for her future that the program opened up to her. Five years later, she not only graduated with honors, she is now a licensed teacher with the New York City Department of Education. She is earning \$45,000 per year, putting her over 200% of the poverty level.

Norman C., a committed older college student, was struggling to meet the financial demands of college when he enrolled in WTCP at MCNY in 2008. With the WTCP staff, he set ambitious academic as well as employment goals. He needed to find sustainable employment while he attended school. Utilizing job coaching and placement assistance, he found a job as a case manager for the Institute for Community Living. In the spring of 2009, Norman graduated from MCNY with a 3.7 GPA. He then enrolled at MCNY to pursue his Master’s in Public Administration. In 2010 Norman graduated with Master’s degree and is presently employed as a case manager.

Janine B. worked part-time as a secretary in a funeral home making \$5,000 a year before WTCP. She graduated in 2005 from Metropolitan College of New York with a Bachelor of Science degree in Human Services. In 2007, she found employment as an Associate Project Manager in a large company earning

\$36,400 annually. Within two years, she had received a raise which brought her annual income up to \$40,000 and she continues to work at this company.

Queen W. was working as a dental assistant making minimum wage when she entered WTCP in 2002. She maintained this employment throughout the program and earned a Bachelor's degree in Business in 2005. After graduation, Queen was promoted to Supervisor, making \$41,000 in a job she still maintains. In 2009, Queen decided to pursue her dream of establishing a nonprofit organization providing mentoring to inner-city kids by people in the entertainment industry. When last contacted, Queen was embarking on fundraising efforts to further her dream.

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