

# Human capital

*When adult workers gain new skills and education, all New Yorkers benefit*

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Within the next decade, New York faces an unprecedented challenge: a shortage of the skilled workers needed to keep our economy moving. It's a shame we've been neglecting the largest pool of potential skilled workers, and it's time to change course.

The baby boom generation is preparing to retire, and our economy relies more and more on an educated work force. The demographic crunch threatens to damage our state's economy. An employer who cannot find workers with the skills and educational credentials it needs will go elsewhere or go out of business.

Who will fill the highly skilled jobs New York employers need to compete in a global economy? Perhaps some of the 1.8 million adults, ages 25 to 49, with a high school diploma and no college experience. New York should be tapping this enormous pool to build a new generation of skilled workers. But we're neglecting them instead.

A disturbing trend in college attendance has emerged over the past decade. Between 1995 and 2005, the number of adults (ages 25 to 49) attending college fell by 20 percent. New York now ranks 43rd nationally in its rate of adult college attendance.

The most important factor is declining affordability. Working adults have a hard time affording college anywhere, and more so in New York than other states. The average remaining financial need for working adult students in New York after scholarships and loans is one-fourth higher than the national average. What's more, full-time adult students are much more likely to also work full time in New York than in other states. Full-time work and study triples the likelihood of dropping out, but today many students have no other choice.

The affordability gap boils down to two factors: tuition and financial aid. Over a period of many years, the state has defunded its community colleges and the bill is coming due. In 2006, the average community college student in New York paid \$3,460 in tuition and fees sixth highest in the nation and more than 50 percent above the national average. The same student in California would pay \$725. And California must be doing something right. If New York were educating adult

students at the California rate, we would have another 150,000 adult students in our college classrooms each year.

Yet in theory, tuition shouldn't even matter. Our state has one of the nation's most generous need-based financial aid systems: the Tuition Assistance Program, or TAP. This program provides a grant of up to \$5,000 annually to needy students, easily enough to pay for tuition at any public institution in the state. Unfortunately, TAP eligibility and benefit rules discriminate against working adults:

- \* More than half of all adult students study part time, yet TAP prohibits students who enroll part time from receiving grants in their first year, when they are most likely to drop out.

- \* TAP assigns adult students who leave and later re-enter college to the income and benefit schedule used on the day they first entered college, no matter how stingy it may be.

- \* TAP eligibility runs out after four years for students seeking a bachelor's degree and three years for students seeking an associate degree. Adult students, who generally take fewer classes per semester and more noncredit remedial classes, are most likely to lose their financial aid before graduation.

- \* Adults who happen to be single and childless are subject to absurdly stringent restrictions on income and benefits. These students must have an income of less than \$10,000 annually to receive even the minimum grant, and their maximum grant is only \$3,025 per year.

State policymakers could greatly enhance the attractiveness of higher education for working adults by taking a few simple steps: Fix TAP's inequities; invest in community colleges to enable them to provide high-quality instruction without raising tuition; and leverage other funding sources outside of TAP. For example, the state could establish the educational equivalent of 401(k) plans that enable employers to match employee contributions to a college savings account.

Surveys show that many thousands of adults long to walk across the stage on graduation day to receive their diplomas. They want to do better in life. And private employers want to help after all, they're the ones facing labor shortages in health care, accounting, engineering and many other skilled occupations.

If New York gives working adults the key to college, we will unlock enough potential to improve living standards for all New Yorkers. Schimke is president and CEO of the Schuyler Center for Analysis and Advocacy in Albany.

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**A POLICY FORUM ON COLLEGE AFFORDABILITY FOR WORKING ADULTS**

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