

Certificates Programs as the 1<sup>st</sup> Step on a Career Pathway out of Poverty

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November 2015

### Abstract

With the open access model of community colleges and a goal of providing opportunities to all, we are challenged with helping those with the highest financial need find opportunities to better themselves and support their families. Community colleges have historically provided programming that gets people into career areas that can provide good living wages. One of the challenges those in poverty encounter as they look to education for the first step of their career is the unavailability of funding for certificate and short-term training programs. With this paper I will outline critical challenges we must address to assist those in poverty. I will also outline strategies to ensure successful attainment of educational goals that will advance financial security. In particular, I will describe the constraint at most colleges that limits the availability of FAFSA funding for certificate programs.

### Certificates as the First Step on a Career Pathway out of Poverty

With the increased need for a skilled workforce and growing emphasis on industry credentials, redesigning curriculum into certificate programs will be a key challenge for community college leaders and their academic teams. Frequent updates of curriculum and providing opportunities for individuals to partake in lifelong learning and certification will be necessary to ensure relevancy. Not only is this important to industry, but also to individuals employed in these industries. A plan that incorporates stackable credentials and certificates over one's lifetime and programs that provide for multiple entry points will be required.

Financing certificate programs has also proven to be problematic for those in poverty who have limited financial resources. Financial Aid regulations (CFR, 2011, Title 34, Sec. 668.8) state that Title IV/federal financial aid funding is not available for programs that do not meet clock hour, credit hour, and program duration requirements. This generally means that FAFSA based federal Pell grant funding is not available to students seeking short-term certificate level coursework. Another hurdle to earning credentials through certificate programs is flexibility relating to entry and exit points for each certificate program throughout the academic calendar year. A solution is needed to better assist these high need – high potential candidates get a start in a career pathway that can lead them out of poverty as well as support a stronger economy.

With this paper I will address these areas:

- I. Community College Students in Poverty
- II. Certificate Programs as a 1<sup>st</sup> Step
- III. Funding Challenges

- IV. Academic Calendar and Certificate Program Entry
- V. Ensuring Success

### **I. Community College Students in Poverty**

As a low cost educational alternative, community colleges are an attractive educational option for those in poverty. Recent trends in student financial aid (College Board, 2015) show that 36% of community college students are eligible for federal Pell grants. This compares to 30% at public four-year colleges, 20% at for profit colleges, and 14% for private colleges. With over 1/3 of community college students eligible for federal Pell grants, this data confirms that community colleges serve a higher percentage of students in poverty when compared to their post secondary counterparts. Furthermore, poverty statistics (U.S. Census, 2105) confirm a direct link between lack of education and poverty. These statistics reveal that about 30% of those in poverty have no high school degree, 10% of those in poverty have some college but no degree, and just 5% of those in poverty have a college degree.

The impacts of poverty go beyond individuals and families; it affects school systems and community health in general. In a school board presentation, Bartik (2013) shared information on the relationship between family income and student achievement. Schools with high free and reduced lunch populations showed significantly poorer student achievement when compared to higher income school districts. These lower achievement rates consequently led to lower persistence and graduation rates.

### **Regional Poverty Profile**

A regional example of the impacts of poverty can be seen around the metro area of Sioux City, Iowa. Sioux City is in the center of a tri-state region (Iowa, South Dakota, Nebraska) that

is plagued with high poverty rates, an unskilled workforce, and employers that are in need of a skilled workforce. This region is served by community colleges from all 3 states who are challenged to help those in poverty with low skills become credentialed and prepare for middle skill jobs that are available in the local economy. Census information from the tri-state area surrounding Sioux City indicates that 34% of the population is considered low income and living at or below the poverty level. This region is home to several Native American reservations as well as a large immigrant population that has migrated into the area to work in agricultural related industries at minimum wage jobs. As a result of recent closures of several meatpacking plants in the region, there is a risk of even more families falling into poverty. Outdated packing plants in rural areas surrounding Sioux City have been shuttered and employees have been laid off as operations are consolidated into more mechanized facilities in larger communities. Consequently, those who were working at these facilities in low paying jobs and just getting by, are now finding themselves out of work and falling even deeper into poverty.

A common characteristic of those in poverty is low educational attainment and/or high literacy needs. Iowa Workforce Development statistics obtained from a recent layoff in the Siouxland region showed that 81% of the dislocated workers either lacked a high school diploma and/or had limited English proficiency. Pathways out of poverty and into better paying jobs typically need to include at least one of the following:

- 1) Adult basic education to attain high school equivalency
- 2) Language proficiency
- 3) Short term training options.

Short-term training is an integral element that is necessary to prepare dislocated workers for jobs in new growth industries. This will allow for income growth and opportunities to improve family finances and career opportunities.

## **II. Certificate Programs as the 1<sup>st</sup> Step**

Although a full 2-year degree may be a long-term goal, a short-term goal is obtaining work in a higher paying job that will allow for financial independence. Three examples of high demand career areas that have certificate programs that could work well with stackable credentials include:

Health – Cert. Nursing Asst., Medication Aide, EMT, & Pharmacy Tech.

Construction – Drywall Cert., Concrete Specialty Cert., & Basic Welding Cert.

Technology – A+ Cert., Cisco Cert., & Hardware and Software Installation

### **Education Demystified**

Poverty data from the U.S. Census Bureau (2015) shows a clear link between higher education and income. A report by Carnevale and Hanson (2015) indicates a strong need for career pathway models that provide information on career options, efficient mechanisms to enter career training programs, and effectively pathways to gainful employment in skilled professions. This report revealed the lack of a comprehensive system that ties post secondary programs with actual labor market demands. A stronger linkage between education and industry with transparency as it relates to how educational program outcomes relate to job success and earnings is needed. This type of information would be helpful to both high school students as they make schooling and career decisions as well as adults looking to transition into new career fields. This report advocated for a return to strong CTE (Career and Technical Education) programs in high schools that provide general education along with technical education in dual

enrollment environments. This model could effectively connect courses to careers and accelerate the path from school to work. Models that adequately reflect the linkage between educational options and job success would seem to be in the best interest of all, particularly the consumer.

Although many working in community colleges advocate for the completion of a two year associates degree, this may seem daunting and not in line with the aspirations and situations of those in poverty. Certifications (attained through certificate programs) that can be attained in shorter time frames that allow individuals to re-enter the work force are typically more appealing.

There is also increased pressure from community college industry advisory boards for students to attain industry recognized certifications as part of their education. These certifications are an indicator that students have the basic knowledge and credentials to begin working within the industry immediately. Examples of program curriculum changes that incorporate certifications and/or certificate programs at Western Iowa Tech Community College in Sioux City, Iowa include the Nursing, Culinary, and Networking programs (Western Iowa Tech Catalog, 2015). All of these programs now have built in industry-recognized credentials that are attained early in the program or as a pre-requisite for entry into the program. Nursing students must attain their Certified Nursing Assistant credential prior to entry into the nursing program. Culinary students complete the ServSafe assessment early in their program, and Networking students sit for the A+ certification after a series of three key courses.

### **III. Funding Challenges**

One of the key concerns for those in poverty is the lack of federal financial aid funding to begin a new career via a certificate program. FAFSA funding is not typically available for certificate programs. In general, Title IV funding (which covers FAFSA awards such as federal

Pell grants and student loans) is only available to programs requiring at least one academic year to complete. These guidelines make FAFSA awards and funding available only for diploma and associate degree programs in community colleges, and not certificate programs.

Along with information about career options that provide growth opportunities and good earning power, information on how to fund an educational plan is key to those seeking to obtain marketable skills. The options and process to finance an education or training program can be overwhelming – scholarships, grants, tuition payment plans, FAFSA applications, workforce training vouchers, etc. Obama's proposal earlier this year to provide free community college would certainly increase access to those who are overwhelmed by funding processes. However, with free community college unlikely, advocating for the inclusion of certificate programs as eligible for FAFSA funding is imperative. Dislocated workers and others in poverty would greatly benefit from a financial aid package that would allow them to complete a short-term certificate program that could lead to employment. Returning to work with better paying jobs in growing industries quicker would be beneficial to all: less strain on unemployment insurance and other public assistance programs as well as increased tax revenue from increased employment and increased wages.

The costs and returns on funding for key programs such as certified nursing assistant, truck driver training, and welding technicians are easily calculated. With many of those in poverty working at minimum wage jobs of \$7.25, or about \$15,000 annually, funding assistance for a 6-12 week program in a high demand field would yield great benefits not only for individuals and their families, but also for local businesses, communities, and tax revenues.

In a report from Iowa Workforce Development (2015) that was recently released, 2014 salaries of key middle skill jobs reflect a significant improvement for someone who previously

was only able to attain a minimum wage position (\$15,000). Figure 1 below reflects this most recent data.

**Figure 1**

<b><u>Program</u></b>	<b><u>Certificate Program Cost</u></b>	<b><u>Avg. Annual Income</u></b>
Certified Nursing Asst.	\$684	\$25,311
Truck Driving	\$2895	\$40,318
Welding	\$2394	\$36,855

**IV. Academic Calendar and Certificate Program Entry**

Many degree programs are aligned to start with the beginning of the fall term. In reality, life’s circumstances don’t always line up with an August entry. Unemployment and layoffs in some industries (agriculture, construction, and retail) typical occur between October and February. Structuring certificate programs that allow for entry at these points would tie better to the customer. In a recent article, Carnavale and Hanson (2015) introduced the concept of lifelong learning plans. The model they describe would allow for stackable credentials over time and would be an ideal strategy to utilize for dislocated workers wanting to get back to work after a lay off. With unemployment benefits typically limited to 26 weeks (approximately 6 months) a full diploma or associates degree is difficult to attain without financial stresses. Adults who need to get back to work as soon as possible, and before their unemployment benefits expire, could benefit greatly from programs that had entry points at various points in the calendar year. This educational approach would allow them to attain a certificate to go back to work and then continue to add credentials as needed to increase their job knowledge and income potential. Additionally, further education and training could potentially be financed through employer tuition assistance programs or incumbent worker training offered through their employer.

## **V. Ensuring Success**

Research by Cummins (2015) identifies successful strategies to transition dislocated workers back into the workplace. Her study was undertaken to help dislocated workers return to the workforce and also enhance their personal economic security and reduce their risk of falling into poverty. The research was conducted primarily through interviews with 27 key stakeholders at 14 community colleges who were involved in the process of helping dislocated workers find new career opportunities and the hurdles that are faced.

Key observations from this study indicate that connecting with community organizations and early outreach efforts are necessary to begin assistance with career transitions. Many dislocated workers are unaware of new promising career areas and training options that are available. Successful strategies that improve transitions to new careers included cohort models, contextualized learning, and stackable credentials.

Her study also explored the concept of career pathways that provide multiple entry and exit points to allow students to work and upgrade their skills throughout their career and build on their education through life long learning plans. Alignment of multiple systems was identified as a critical element for success. Working with different systems who have historically operated in silos is the first hurdle to overcome. Community colleges, ABE services, workforce centers, and employers need to come together and talk about needs, options, and share resources for the betterment of all and particularly for the betterment of the American workforce.

### **Minnesota FasTRAC Program**

Programs such as the FasTRAC program in Minnesota have proved to be a good model that incorporates many of the elements that seem to make a difference for student success.

The Minnesota FasTRAC program has been effective in building several effective career pathways. Critical components include well-connected educational, training, and support services that incorporate multiple entry and exit points. Utilization of career navigation services from initial assessment through job placement have also proved to be a very effective. Specific examples from the Minnesota project include a successful health career pathway to train Advanced Hospital CNA's through Rochester Community and Technical College for the Rochester Medical Center. Another example is a manufacturing career pathway where certifications offered through Hennepin Technical College lead directly into manufacturing jobs in Minneapolis. So far the program has developed 29 career pathways and early statistics show significantly better outcomes than prior models. Over 80% of participants attain credentials and over 60% become employed. Of those employed, over 80% remain employed 6 months later and earn an average salary of over \$20,000 (Choitz, Norman, Smith, Speiser, & Paulson, 2015). Partner collaborative efforts are paramount to ensure effective implementation of career pathways.

### **Recommendations**

In light of my research, I have two primary recommendations:

1. ***Redesign of curriculum by community colleges into affordable short term certificates that stack into full degree programs and allow for mid-semester entry points.*** This would meet the needs of those that are of highest risk of poverty in our society. Allowing individuals to access certificate programs and build on them via lifelong learning plans would make an Associate's degree an attainable goal.
2. ***Re-evaluate federal financial aid restrictions and find ways to finance certificate programs.*** Certificate programs are generally modestly priced, but can be unaffordable to those in poverty

deciding between paying rent or tuition. I believe an investment in certificate program assistance would pay dividends in tax revenues as well as provide savings in other areas of public assistance.

Some may argue that certificate programs and credentialing processes should be industry's responsibility and that education institutions should not be quasi workforce training centers. In reality, many individuals look to education entities and particularly career and technical programs as the path to employability and financial independence. In addition, business and industry pay taxes at both a state and federal level. Education has been a tax supported entity at both state and federal government levels and should therefore support both civic and economic goals of government.

Concerns surrounding the potential to exacerbate our country's problem with student debt could also be raised. In comparing the costs and income benefits of certificate programs (Figure 1 on page 9), it is reasonable to assume that the increased income earned would enable individuals who complete certificate programs to repay the relatively small amount of student debt they may incur over a reasonable period of time.

### **Conclusion**

It is in the best interest of our country to help those in poverty start on a career pathway to financial independence. This may mean helping individuals get started in a job with a certificate at a very basic level. Although some may never go on and attain an Associates or a Bachelors degree, this simple step would put them into a career area where they can be successful and improve their financial stability. Although many in academia may feel that more education is imperative, a move from a minimum wage job to an entry-level professional job is a positive step.

Research by Taylor, Trumppower, and Pavic (2013) illustrates the effectiveness of this proposed learning model. They included both schools and workforce centers in their study and noticed patterns in life-long learning models. They noted the interplay between human and social capital, and the importance of social networking and the learning that occurs informally this way. Another interesting outcome from their study noted that programs designed to increase individual's skills and employability also led to more civic engagement. Their studies seemed to point to the importance of helping adults build relationships and providing opportunities for networking. These activities help to build confidence, which is a key to success. The finding that civic engagement improves during education and training is compelling. This is what learning is all about – broadening one's perspective to community and civic responsibilities?

We may need to rethink our measures of success. Maybe it is not so much what degree an individual has, but more about one's ability to support themselves, their family, and becoming engaged in their community. A pathway out of poverty may very well begin with a small Pell grant to earn a certificate that opens the door to a new career. Careers in growth industries can be the start of a better life for individuals, families, and communities.

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