

## WHAT DOES COLLEGE COMPLETION MEAN WITHOUT A RESUME?

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## YOUNG INVINCIBLES





IN LESS THAN FIVE YEARS, more than 60 percent of all jobs in Texas will require some sort of post-secondary education.<sup>1</sup> Policymakers from across the political spectrum agree tuition at higher education institutions is rising,<sup>2</sup> even if they don't agree on the cause of those increases.<sup>3</sup> At the same time, employers nationwide have cut training time as well as entry-level positions. These new expectations mean that young graduates increasingly must have in-demand work experience, as well as a relevant degree, to be competitive applicants in the workforce.<sup>4</sup> In Texas, in fact, employers' top concern in regard to their businesses was the lack of trained, qualified applicants for new positions.<sup>5</sup>

1 Anthony P. Carnevale, Nicole Smith, Jeff Strohl, Recovery: Job Growth and Education Requirements Through 2020, Georgetown Public Policy Institute, 3, accessed October 19, 2016, <u>https://cew.georgetown.edu/wp-content/uploads/2014/11/Recovery2020.SR\_.Web\_.pdf</u>.

2 Matthew Watkins, In the Texas House, Concern But Less Fervor Over College Tuition, The Texas Tribune, May 10, 2016, accessed December 19, 2016, 2016, <u>https://www.texastribune.org/2016/05/10/texas-house-concern-less-fervor-overcollege-tuiti/</u>.

3 Ibid.

4 Michelle Castillo and Marianela Acuña Arreaza, Learning to Work in Texas, Young Invincibles, 7, August 2016, <u>http://</u> younginvincibles.org/wp-content/uploads/2016/08/LearningtoWork\_TX-final31.pdf.

5 Texas Workforce Investment Council, 2015 Survey of

These two trends could unfortunately be seen as perversely working in concert: more students must work increasing amounts to pay rising tuition, giving them more of the experience employers are looking for. Unfortunately, the type of job experience many students obtain to pay for school is not in their career field. Too often, unpaid internships are how students gain experience in their intended field, creating a barrier to economic security for those students who simply cannot afford to take time off from the paid positions in order to work for free.

With the cost of tuition likely to be a key issue during the upcoming Texas 85th Legislative Session,<sup>6</sup> special attention should be paid to financial aid programs—such as the Texas College Work Study (TCWS) Program—and to new initiatives that could help students pay for college and simultaneously help more students be marketable after graduation.

Texas Employers, 2, accessed September 15, 2016, <u>http://gov.</u> <u>texas.gov/files/twic/PPRI\_TWIC.pdf</u>,

6 Svati Kirsten Narula, The Myth of Working Your Way Through School, The Atlantic, April 1, 2014, accessed December 19, 2016, <u>http://www.theatlantic.com/education/</u> <u>archive/2014/04/the-myth-of-working-your-way-through-college/359735/</u>.

#### I. Flipping Burgers and Rising Costs

Many have heard something along the lines of: "I worked my way through school flipping burgers/ waiting tables/etc. without taking on student debt. What's wrong with today's students?" Yet this emotional response fails to recognize the cost of a college education today: In 1979, a student working a minimum-wage job could earn enough in one day to pay for one academic credit hour. Today, it would take 60 hours of minimum wage work for a student to accomplish the same.<sup>7</sup>

In fact, in between 1990 and 2010, costs at public four-year institutions in Texas increased by 286 percent—dramatically faster than the 113 percent increase observed nationally.<sup>8</sup> Costs at two-year public institutions rose 89 percent—again exceeding the 71 percent national figure.<sup>9</sup>

Students don't want to be in the position of taking on debt or relying on their family's financial support to complete their educations. One University of North Texas student who also takes summer school classes at a community college explained:

I live with my grandma and she doesn't work so it's hard paying for school. Financial aid gives me a grant but I've had to get loans to pay for college and it's getting expensive. I feel like it's a burden to my grandma.<sup>10</sup>

7 Ibid.

8 Garrett Groves and Leslie Helmcamp, Keeping College Within Reach, Center for Public Policy Priorities, April 2015, 9, <u>http://forabettertexas.org/images/EO\_2015\_04\_KeepingCol-</u> <u>legeWithinReach.pdf</u>

9 Ibid.



The truth of the matter is that rising tuition makes supporting oneself while working in, for example, service industry positions—the field in which most young adults find work in Houston<sup>11</sup>—virtually impossible<sup>12</sup> while being a full time student without significant financial assistance.

For those students enrolled in community colleges, tuition may be lower, but many students will still find it difficult to make ends meet. Necessities such as books, school supplies, transportation, and groceries cost the same for these students as they do for four-year students. One Houston Community College (HCC) student told us that finding money to pay for school was a top concern: "Although HCC costs less than other colleges, it's still really hard because as a student, you can't work as many hours as you would like."<sup>13</sup>

<sup>10</sup> Interview with Student, July 2016, Houston Community College-West Loop (notes on file with Author).

<sup>11</sup> Learning to Work in Texas at 12.

<sup>12</sup> Svati Kirsten Narula, The Myth of Working Your Way Through School, The Atlantic, April 1, 2014, accessed December 19, 2016, <u>http://www.theatlantic.com/education/</u> <u>archive/2014/04/the-myth-of-working-your-way-through-college/359735/</u>.

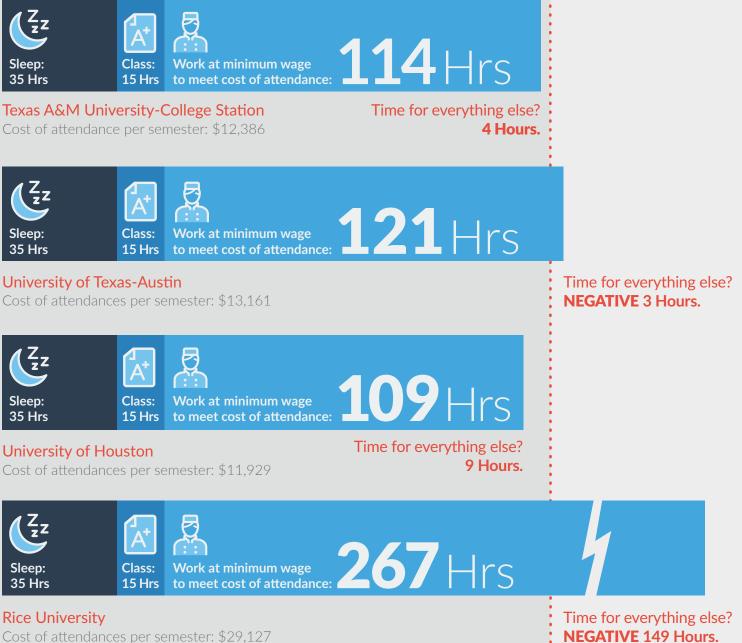
<sup>13</sup> Interview with Student, June 2016, Houston Community College-Spring Branch (notes on file with Author).

### Do you want to eat, shower, commute, or study?

# **GOOD LUCK.**

There are 168 hours in a week. Even if a student only sleeps 5 hours a day, with 15 spent hours in class a week — What does that mean for young Texans working entry-level jobs to pay the full cost of attending college?

. Week = 168 Hours



Assumptions: Full-time student who is a Texas resident living on-campus, 15-week semesters. All data pulled from College Navigator; cost of attendance per semester calculated by dividing yearly costs by two. Rounded to the nearest whole number.

#### What Does College Completion Mean Without a Resume?

Compounding the difficulty of juggling these costs is that community college students are more likely than four-year students to have additional family obligations. Nearly one-third of all community college students are parents,<sup>14</sup> which means that many community college students face additional financial costs such as child care. In fact, twothirds of young people report that they ended their educations early to care for a family.<sup>15</sup>

For those students in community college seeking to transfer to a four-year institution, the time to completion for a degree can become much longer than the typical four years when credits don't transfer, necessitating students retake core courses and prerequisites.

[Because of my family's finances] I had to go to community college first instead of going to the university that I really want to go to, Texas State University. ... I did have problems transferring my test scores from Lone Star Community College so now, I have to take them all over again so that is a struggle. It's also not free.<sup>16</sup>

So even those students attempting to save costs by enrolling in community colleges before may end up taking on close to what they would have spent if they had directly enrolled in a four-year program.

14 Institute for Women's Policy Research, Factsheet, 4.8 Million College Students are Raising Children, November 2014, accessed December 19, 2016, <u>http://www.iwpr.org/publications/pubs/4.8-million-college-students-are-raising-children</u>.

15 Generation i, The Internship: Temporary, unregulated and often unpaid, the internship has become the route to professional work, The Economist, September 12, 2014, accessed December 19, 2016, <u>http://www.economist.com/news/</u> international/21615612-temporary-unregulated-and-often-unpaid-internship-has-become-route.

16 Interview with Student, June 2016, Houston Community College-Spring Branch (notes on file with Author).

#### II. But Even When Students Can Work Their Way Through School, What Comes Next?

Even for those that can afford to go to school, a new time commitment for students has been on the rise in recent years—the unpaid internship.<sup>17</sup> And while previous generations could expect that positions similar to today's internships would pay, the number of paid internships have plummeted,<sup>18</sup> putting them out of reach for the many students who must work during school.

This rise in unpaid internships has occurred, not surprisingly, as employers have raised experience requirements for what was previously considered entry-level work and sometimes eliminated entry-level jobs altogether.<sup>19</sup> An administrator at



17 Generation i, The Internship: Temporary, unregulated and often unpaid, the internship has become the route to professional work, The Economist, April 6, 2014, Accessed December 19, 2016, <u>http://www.economist.com/news/</u> <u>international/21615612-temporary-unregulated-and-often-unpaid-internship-has-become-route</u>

18 Ibid

19 Lauren Weber and Melissa Korn, Where Did All the Entry-Level Jobs Go?, The Wall Street Journal, August 6, 2014, accessed August 31, 2016, <u>http://www.wsj.com/articles/wantan-entry-level-job-youll-need-lots-of-experience-1407267498</u>.

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Baylor University explained that while in the mid-2000s, new hires could expect up to two years of training time, but at the same companies today, new professionals would be "lucky" to get six months of training time.<sup>20</sup> Economists observed an uptick in the number of recruiters requesting additional experience for some middle-skill occupations from 2007 and 2010 by as much as thirty percent.<sup>21</sup>

Unpaid internships don't just help round out a resume and assist students in developing in-demand skills. These positions can also help students develop networks in their intended career field and, in some cases, put them first in line to be hired post-graduation. One study found that nearly a quarter of interns were ultimately hired on by the sponsoring company, with Amazon calling internships a "critical pipeline" for developing talent.<sup>22</sup> When a student can't afford to work for free, not only are opportunities to develop career-related experience put out of reach, so are actual hiring opportunities.

## III. Next Steps: Expand Opportunities in the 85th

With a 4 percent cut to most Texas state agencies' budgets having been requested for next legislative session,<sup>23</sup> a dramatic expansion of state investment in higher education institutions and financial assistance is likely to be off the table for political reasons. This is unfortunate, given the fact that

20 Ibid.

Texas's economic future will be increasingly tied to the ability of talented young adults from all backgrounds to complete postsecondary degrees and gain in-demand experience.

The Texas College Work-Study Program is an example of a program aimed at solving the two issues described in this brief: a clear need for financial assistance and a clear need for work experience. Previously, Young Invincibles has recommended further investment into the Texas College Work-Study (TCWS) Program, one of only 14 similar state-based programs in the country.<sup>24</sup> We've also recommended an expansion of apprenticeship programs,<sup>25</sup> including proposals that would increase in-demand job training opportunities such as tax credits for small businesses that pair with local colleges to participate in the work-study program or create a new apprenticeship program.<sup>26</sup>

In this budget climate, it is increasingly critical for the state to make smart policy decisions with existing resources that speak to students' needs for financial support and in-demand job skills. With this in mind, Young Invincibles has recommended simple improvements to the annual TCWS Program report to bring greater transparency into the program.<sup>27</sup> To better inform policymakers and education administrators' understanding of the population served by the program, we recommended updating the report's language to include:

• Student demographics including race and ethnicity, gender, major, and credit hour classification;

26 Young Invincibles, Southern Office's Policy Priorities for the 85th Legislative Session (January 2016).

27 Ibid

<sup>21</sup> Ibid

<sup>22</sup> Generation i, The Internship: Temporary, unregulated and often unpaid, the internship has become the route to professional work.

<sup>23</sup> Patrick Svitek, State Leaders Ask Agencies to Cut Budgets by 4 Percent, July 1, 2016, accessed January 13, 2017, <u>https://</u> <u>www.texastribune.org/2016/07/01/state-leaders-ask-agencies-</u> <u>cut-budgets-4-percent/</u>.

<sup>24</sup> Learning to Work in Texas at 4.

<sup>25</sup> Ibid at 12.

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- Student-level TCWS college completion and retention data; and
- Student-level TCWS post-graduate employment and salary data.<sup>28</sup>

Further, the Texas Higher Education Coordinating Board recently released a study on Texas's workstudy program with several policy recommendations.<sup>29</sup> The Coordinating Board recommended repealing a recent change to the program that required more positions under the TCWS program to be off-campus and in a student's field of choice,<sup>30</sup> citing the problems many institutions of higher education have in identifying qualifying positions with local businesses. We note that our tax credit proposal to incentivize these types of partnerships would go far to assisting institutions in cultivating such relationships, but even if that

28 Ibid.

30 Ibid at ii.

recommendation is not enacted, Young Invincibles urges policymakers to—as opposed to repealing the requirement altogether—update the law to provide for certain, appropriate exceptions.

We do, however, strongly support the Coordinating Board's call for a competitive, grant awarded pilot program in order to encourage innovation in the program. Data discussed above shows how off-campus positions Colleges could use this opportunity to find cost-effective ways to pair with local employers to increase off-campus opportunities in in-demand fields, helping students develop a local professional network, experience, and contribute to the local economy.

With higher education increasingly becoming an entry-level requirement and substantive work experience being expected earlier and earlier, policymakers have an opportunity to take proactive steps to improve the ability of working students to build a resume that will make them competitive once they obtain their degree. In doing so, Texas's lawmakers will be strengthening the talent pipeline in our state and our economy for years to come.

<sup>29</sup> Texas Higher Education Coordinating Board, A Report on the Feasibility of Providing Off-Campus Work-Study Employment, November 2016. <u>http://www.thecb.state.tx.us/reports/</u> <u>PDF/8845.PDF?C-</u> FID=53610108&CFTOKEN=21610983.