



Succeeding in the New Economy: Pathways to Prosperity for Maine Workers

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Maine Women's Policy Center

THE VOICE OF MAINE WOMEN

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The mission of the *Maine Women's Policy Center (MWPC)* is to increase economic, social, and political opportunities for Maine women and girls through public policy and leadership development. Founded in 1990, MWPC provides training, education, research, and public policy initiatives that promote healthy and secure lives free from violence and discrimination for women and girls. The Policy Center works to bring the voices of women affected by policy decisions to the policymaking process and partners with our affiliate, the Maine Women's Lobby, to amplify those voices at the State House. In order to realize the vision of equal opportunity for women, their status in the economy must be improved.

Maine Equal Justice Partners (MEJP) is a nonprofit legal aid organization, founded in 1996, whose mission is to improve the systems and supports that affect low-income people so that they can live with dignity and economic security. MEJP represents people with low income before administrative agencies, the courts, and in the Legislature. We focus on the issues of adequate health care, food assistance, income supports, employment, and education and training. Our work is on behalf of our client, the Maine Association of Interdependent Neighborhoods, a statewide coalition of low-income individuals and organizations. Maine Equal Justice has traditionally and successfully served as an intermediary between practitioners, policymakers, administrative agencies, and clients.

With our strong track record of successful policy development and building relationships across the public and private sectors, Maine Women's Policy Center and Maine Equal Justice Partners are working together to bring the voice and interests of low-wage workers to the deliberations regarding Maine's new workforce.

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Maine Women's Policy Center

PO Box 85
Hallowell, ME 04347
Phone: 207-622-0851
Fax: 207-621-2551
E-mail: info@mainewomen.org
Web site: www.mainewomen.org

Maine Equal Justice Partners

126 Sewall Street
Augusta, ME 04330
Phone: 207-626-7058
Fax: 207-621-8148
E-mail: info@mej.org
Web site: www.mejp.org

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Introduction

Political and business leaders repeatedly proclaim Maine workers as the country’s “gold standard” for commitment and hard work. Despite the strength of Maine’s workers, too many have been left behind by the new economy. Even though they are working, many are unable to earn a family sustaining wage. Access to credentialed training and education is a clear pathway to prosperity for these low-wage workers.

Similarly, Maine’s future economic development depends on industries having access to a workforce with higher levels of skill and education than has traditionally been required. Maine economic leaders project a shortage of skilled workers in the coming years as baby boomers begin to retire from the workforce. According to the Department of Labor, Center for Workforce Research and Information (formerly the Division of Labor Market Information Services), repairing the worker shortage depends on more fully employing key Maine populations including low-wage, low-skilled workers.

However, if education is paramount for Maine workers and Maine’s economy, why are so many Maine people stuck in low-wage occupations, unable to secure a higher education degree or advanced credential? What barriers prevent incumbent workers from taking advantage of existing pathways to higher education, and how can Maine create new opportunities for accessing education? In talking to and surveying Maine people who are in school or trying to put together a strategy for getting into and completing school, we learned that what they need most is increased financial assistance and the support services necessary to attend, such as child care and transportation. We learned that the current financial aid system is inadequate to provide the assistance that Maine people need to access education and training programs while also supporting their families. Additionally, students expressed a clear need for counselors to help them navigate an unfamiliar educational system.

Students’ experiences also suggest a need to increase supports for low-wage students and to make existing supports more visible and available to potential students. At the same time, the Commission to Develop Strategies to Increase Postsecondary Access,

Retention, and Completion for Low-wage, Low-skilled Adults has been examining the issue and has crafted several recommendations. Some of these recommendations should be codified into State law. Chief among them is the need to authorize an overarching body in government to coordinate workforce development strategy, keeping the interests and needs of low-wage adult students in mind.

Challenges facing low-wage students

To address the gap between the present workforce and the workforce that employers will increasingly demand, clear pathways must be available for low-wage workers who are determined to be self-sufficient but lack the resources to further their education. Both direct and indirect costs associated with retraining prevent many workers from upgrading their skills. These financial problems are particularly acute for low-wage workers in the service and tourism sector, who are predominately female.

For many of these workers, tuition loans and grants are not enough to overcome the fiscal burden of earning a degree while supporting a family. The additional indirect costs of higher education, like transportation and childcare, are formidable barriers for low-wage workers. Increasing access to existing resources and providing new opportunities will help Maine workers overcome these barriers. In short, Maine needs innovative policies to foster realistic pathways for low-wage workers who want to improve their marketability and economic security through education.

Elizabeth, a twenty-seven-year-old woman living in Lewiston, is struggling to work and finish her degree. Due to a disability and frequent hospitalizations, she goes to school part time and also works part time. Elizabeth wants a better paying job that will provide her family with economic stability. “And, regardless if you have the knowledge or not and the capabilities to do the job, you don’t have the piece of paper that says you can do it. And ... being partially disabled, trying to go to school, and trying to work, it puts me on a very, very thin line. ... If I step off that line in either direction, it’s just going to be a downward spiral.” Elizabeth’s situation is not unlike that of many hardworking Maine people who are trying to increase their education and improve their skills. Regardless of their efforts, they are still struggling to make ends meet. ... “There are some months when I don’t make enough money, I can’t afford my prescriptions.”

This report aims to reflect the work of the Maine Women's Policy Center and Maine Equal Justice Partners in identifying better pathways for low-wage workers to achieve a higher education degree or credential. ***In order for all Maine people to contribute to — and benefit from — Maine's 21st century economy, we must create new pathways to prosperity.***

Maine's Changing Economy

Recent media and business reports in Maine have identified the lack of a skilled workforce as one of the greatest impediments to economic development. The Brookings Institution issued a well-publicized action plan for sustainable prosperity, which examines both the roadblocks facing Maine's workforce and the implications of those roadblocks:

The increasing skill requirements of many jobs, combined with the state's continued aging and relatively smaller cohorts of younger workers, threaten to constrain growth by limiting both the number of workers available in Maine and their overall skill levels. In this sense, Maine's fundamental population and workforce dynamics could on balance constrain the ability of firms—and in some cases whole industries—from hiring enough qualified employees as smaller labor pools and relatively low skill and educational attainment levels permeate the State.¹

To earn an adequate living in today's job market, Maine people require a post-secondary education. Low-wage jobs requiring only a high school diploma do not offer the income and benefits required to provide for a family's basic needs. Increasing the level of postsecondary degree attainment among low-wage workers will provide lasting change for Maine people and bolster Maine's economy.

Maine factory and mill workers have faced mass lay-offs in recent years. Between 2000 and 2003, over 11,000 manufacturing industry workers suffered lay-offs in factories throughout Maine. Workers from Great Northern Paper, Dexter Shoe, Georgia Pacific, Vishay Sprague, and hundreds of other traditional manufacturers have found themselves looking for work in a vastly different employment landscape. The Maine Department of Labor predicts that this trend will continue through 2014, effectively changing the face of the traditional production-based Maine economy.²

As a nation, our economy is quickly changing. Individuals with education and training beyond high school will procure jobs that require increased knowledge and skills. Those who lack the skills will be left behind in low-wage, low-benefit service jobs. A report published by the Workforce Strategy Center describes the changing economy:

Over the next decade, the number of jobs requiring some sort of postsecondary credential is projected to grow at rates that outpace jobs requiring high school or less by some 60 percent, even though jobs in the latter category will remain the largest in number. As these trends indicate, education has gained increasing value in the labor market, and demand for jobs requiring postsecondary credentials and degrees will increase faster than total U.S. job growth, though much low skilled, low-paid work will continue to exist.³

Displaced workers left with few options

As the manufacturing sector continues to suffer lay-offs, low-wage workers find it increasingly difficult to obtain jobs that will pay the bills and offer health care and retirement benefits that are critical for keeping families secure. The job outlook is bleakest for workers who lack credentialed training or a higher education degree. A Maine Department of Labor study that tracked displaced shoe manufacturing employees found that workers with the least amount of education remained unemployed the longest.⁴ Not surprisingly, hardest hit were those employees working in production and shipping jobs which required little in the way of a degree or training credentials. The credentialed employees who held managerial positions could take their skills elsewhere. Enhancing a worker's marketability through education increases their ability to overcome these challenges.

Economic transitions leave workers out

The aforementioned job market changes have forced dislocated workers to move into low-wage jobs. According to Maine's Workforce Investment Act Strategic Plan (2007-2009), "Many of those displaced, at-risk workers are finding that their knowledge and skills do not match the requirements for entry into fields with job openings offering pay levels at or above their past earnings. As a result, many experience extended periods of unemployment and eventually settle for jobs in service, sales, or other occupations with lower earnings."⁵

In addition, many of the tasks previously delegated to clerical employees are being rendered obsolete by computer technology advancements. This puts file, stock and mail clerks, secretaries, mail carriers, and telemarketers all among the top ten occupations with the greatest projected job loss between 2004 and 2014.⁶

Low-wage work plagues Maine's current economy

These economic transitions, along with other factors, have spawned a predominance of low-wage work. Nationally, one out of every four families is working, but poor.⁷ In Maine, increases in service-sector businesses translate into jobs that tend to pay less and offer few benefits. This means hard-working breadwinners are holding down low-paying jobs with little hope for advancement. Many lack the skills and education they need to move into jobs that pay better, even while Maine's economy demands more highly trained employees. And while our economy relies on the very service jobs these low-paid workers fill, we have not taken adequate steps to ensure that these workers can make ends meet and provide a future for their families.

Education: The Pathway to Prosperity for Maine Families

For Maine's working poor, each day can be a struggle to survive. Low-paying jobs with few benefits leave thousands of low-wage workers unable to make ends meet. According to the Maine Center for Economic Policy, "In 2006, almost one out of every three Mainers were in households with incomes at 200% of the poverty level or less."⁸ To create lasting change for these families and meet the needs of our 21st

Melissa, a student at Kennebec Valley Community College, is currently completing her Associate's degree in accounting. She plans to continue her education after she graduates and get her Baccalaureate degree—she wants to work as a Certified Public Accountant. She reports having always done well with numbers and sees accounting as a way to a better income. "I've done waitressing, bartending, and raked blueberries. I'm just trying to have a good quality of life without having to worry about whether the bills are paid." Melissa sees education as the key to her economic security and well-being. "The waitressing is always available, and I'm good at it ... but, physically I am 48 years old, and my body can't take it anymore."

century economy, Maine policymakers must devise new ways to help these families achieve economic success. Providing low-wage workers with opportunities for higher education will create lasting change for families and contribute to the success of Maine's economy.

Now more than ever, postsecondary education and specialized skills training are necessary to compete in the changing job market. Because of labor market shifts, occupations requiring postsecondary degrees and specialized training are on the rise, at a rate twice that of jobs requiring only a high school diploma. Continued job growth through 2014 in health care, social assistance, and the professional and business sectors depends upon skilled workers.

The social assistance sector (family services, childcare, crisis and substance abuse services, and other similar occupations), along with health care, will be responsible for 41% of all job growth over the next decade, with registered nursing projected to have the largest growth of any occupation in Maine.⁹ Registered nursing requires an Associate's degree and pays an average wage of \$25.74 per hour, almost four times Maine's minimum wage.¹⁰ Certified Nursing Assistant (CNA) positions require 150 hours of training and pay an average wage of \$10.63 an hour. This is an example where earning an Associate's degree can double the income of a low-wage worker.

Other high-growth and high-wage jobs in Maine are computer support specialists and lab technicians. These jobs require an Associate's degree and pay average hourly wages of \$17.92 and \$16.04 respectively. These rates translate to annual incomes that can support a family.

Education: The Pathway to Prosperity for Maine Women

Higher education crucial to women's advancement

Earning a postsecondary degree is particularly important for low-income women because of the gender wage gap that exists between men and women in all areas of the labor force. Maine women earn an average of \$0.77 for every dollar a man earns.¹¹ Recent analysis suggests that depending on educational level, women will lose between \$700,000 and \$2 million over the course of their lifetime, simply due to the wage gap.¹² This loss has an obvious impact on income, retirement, and long-term security and is especially troubling for single mothers supporting families on poverty-level wages.

The effects of the wage gap are evident in Maine's poverty statistics. Over one-third (36%) of families headed by a single mother live in poverty, far higher than the percentage of families headed by couples.¹³ Earning a postsecondary degree is the key to advancement for single mothers trying to support a family on minimum wage. A woman needs a Bachelor's degree to earn a median wage equal to that of a man with only a high school diploma. Though this inequality persists throughout the educational strata, women's earnings increase significantly with a postsecondary education. Maine women with a Bachelor's degree have a median annual income 63% higher than those with a high school diploma—\$31,724 vs. \$13,419.¹⁴ Having an Associate's degree brings a median income gain of more than \$5,000 over that of a high school diploma alone—a 28% difference.

The economic benefit of a postsecondary degree is undeniable. For all races, genders, and education levels, earning a degree significantly raises income level.¹⁵ For a single mother of two, earning a Bachelor's degree can be the difference between struggling just above the poverty level and earning an income that can support a family. A postsecondary degree is one clear pathway out of poverty for thousands of Maine women.

Education: The Pathway to Prosperity for Maine's Economy

Low-wage workers need increased access to education and higher-wage jobs in order to succeed in today's economy. Increasingly, however, future economic development also relies on rectifying a "skills mismatch" between today's workers and the current and future needs of Maine industries. Already, many growing industries such as health care and social assistance, professional and business services, and financial activities are struggling to find trained workers. According to the Maine Department of Labor's 2005 publication, *Trends and Implication for the Maine Workforce*, "Across the spectrum of jobs, the knowledge, skills, and abilities needed to perform them is going up. More workers must demonstrate higher levels of literacy, technology

Sally is an Occupational Therapy Assistant student at Kennebec Valley Community College. She is raising her 2-year-old daughter on her own, attending school, and working part time. "I want a home, a car, I want to be able to give my daughter everything she needs ... and some of what she wants. I want to have a normal 9 to 5 job ... I want to enjoy my work."

proficiency, and self management to function successfully in the workplace.”¹⁶ The growth of high-wage job opportunities could be a major boost for Maine’s economy, but not if the State does not provide an adequate supply of educated workers to keep up with that demand.

Maine must do more to increase the skills attainment of the incumbent workforce

This deficiency is of growing consequence as the demand for skilled workers in Maine increases and jobs with few educational requirements in some of the State’s traditionally lucrative manufacturing industry plummet. Industries experiencing rapid growth—like health care, social assistance, and the professional sector—will require employees with specialized skills, knowledge of technology, and education credentials. According to the Maine State Chamber of Commerce 2004 Annual Survey, 58% of companies stated that they were planning to hire new employees in the next 12 months. In that same survey, respondents were asked, “Is your company experiencing difficulty in finding qualified workers for available positions in your business?” Fifty-three percent (53%) answered “yes.”¹⁷

In the professional and business sectors, job opportunities for educated workers are also booming. With the rapid expansion of technological capabilities, skilled employees are required to use new systems and equipment. Among the Maine Department of Labor’s list of occupations with the best job prospects are computer systems administrators and analysts, database administrators, general and operations managers, and accountants. The high demand in these jobs is not only due to high growth but also to high replacement needs as baby boomers begin to retire.

Another area with high growth and high-replacement needs is health care. “Demand for health care is rising rapidly, driving strong growth in hospitals; offices of providers such as doctors, chiropractors, and dentists; and nursing and residential care. Demand for professionals in several health-related occupations has outstripped the available supply of qualified workers.”¹⁸ In short, all of the positions mentioned require some postsecondary education and offer earnings between three and five times the minimum wage.

Barriers to Access

While the benefits of education are clear, the pathway is fraught with challenges.

Obtaining money for school, reducing work hours to attend school part time, balancing efforts to support a family while going to school, patching together a system of childcare, transportation, and health care – these are daunting obstacles for workers who are just getting by. Even with the recent increase in Federal financial aid, average assistance packages are still inadequate for many students, and tuition prices have substantially increased.^{19,20} In addition, loans now constitute the majority of financial aid packages.

Education: An economic imperative—and out of reach for many

A commonly used resource for students in the lowest income brackets is the Federal Pell Grant.²¹ Due to design, Pell Grants best fit the “traditional” student. That is, the young adult spending two semesters per year at college and finishing in four or five years. In addition, “non-traditional” students often do not meet the qualifications for Federal student loans or State grants. These qualifications include maintaining at least a half-time status, which can be next to impossible for working students, especially those with children.

Many working parents can manage one or two courses each semester. This can sometimes require taking courses on a part-time basis all year – including a summer semester – in order to earn a degree during a time that meets their schedule. The need to enroll in summer courses presents two major problems. First, a Pell Grant is unlikely to be substantial enough to cover just two semesters per year and, therefore, cannot be utilized for summer session expenses. Second, the requirement for additional childcare hours during the summer months when children are out of school greatly increases this expense.

Unintended consequences: Remedial education can set students back

Often, students arrive at their chosen college or university unprepared for the requisite level of writing or mathematics. Many of these students enroll in remedial courses offered at the institution. Unfortunately, taking these remedial courses instead of adult education classes, designed to meet the same college preparation goals, can set students back financially. Specifically, students may use up their financial aid dollars for a class that is not part of their program, and often has no college credits attached. That’s why students should be encouraged to utilize their local adult education program, specifically the College Transitions programs, for remedial work.

The costs of a postsecondary degree go far beyond tuition

Paying for college is a hurdle many students must overcome when they decide to earn a postsecondary degree. However, for low-wage workers, tuition payments may be just the first in a long line of financial obstacles that block their path. The indirect costs of education, such as childcare, transportation, healthcare, and necessary supplies and equipment make earning a college degree almost impossible for many of Maine's working poor.

For low-wage workers who are parents, earning a postsecondary degree is certainly in their children's best interests. Unfortunately, the cost and inaccessibility of childcare is a deterrent for potential students, especially single parents. Maine has a serious childcare shortage, as available slots with licensed childcare providers meet only 57% of the needed slots.²² Paying for reliable childcare is already a financial struggle for these working parents, and going back to school brings greater challenges. Night classes and irregular shifts at work mean larger childcare bills for parents who raise children alone. In some cases, simply finding quality childcare available during off-peak hours is as difficult as paying for it.

Although most public universities and community colleges in Maine have some daycare services on campus, they have long waiting lists and many are not open during evening classes and are cost-prohibitive for low-wage workers. For example, the childcare at the University of Southern Maine campus costs between \$162 and \$185 per week per child, depending on age.²³

In addition, allowable hours of childcare assistance are available based only on the number of credit hours, or hours spent in classes, and for many students, that is not enough. Writing papers, finishing assignments, and preparing for exams is not possible for these parents in the evenings or on weekends. They need time during the week before and after classes when their children are still in care to complete these tasks. Clearly, reliable and competent childcare is a necessity that most families are unwilling to compromise. Childcare may well be the most daunting barrier, particularly for single parents seeking a postsecondary education.

Transportation is also a formidable barrier. Simply finding a way to get to class can be an insurmountable problem for non-traditional students.²⁴ The price of fuel, car insurance, and repairs make personal transportation unaffordable for some low-wage workers. And because public transportation is not an option in many areas of

Maine—less than 4,800 people use public transportation to get to work in Maine—many adults are unable to attend classes.²⁵

The need for affordable health care can also be a barrier to education. Many working parents are unable to leave their jobs or even reduce their work schedule without losing access to health insurance for their families. This is a tough prospect for any parent to handle, and nearly impossible for the parent of a child with health issues or a disability. Additionally, to be able to enroll at a community college sometimes requires individuals to purchase health insurance. The annual cost of this insurance for Southern Maine Community College is \$398, while Kennebec Valley Community College charges \$234.²⁶ Although these policies are required, they are limited in what expenses they cover.

When a college quotes a tuition price, the hidden costs of books, administrative fees, required equipment, or uniforms for some programs, are not included. For a low-wage worker, purchasing medical supplies for a nursing program or an expensive textbook can be impossible. These expenses, along with business attire for internships can be insurmountable for students who have little or no disposable income.

Jeffrey, a forty-five-year-old University of Maine student, is studying to become a dietician. Jeffrey is a veteran who, although he receives assistance to go to school, is still struggling to support his family. “The fuel costs make it hard, because I don’t make a lot of money a month. On the small amount of money I receive, I’m spending about \$45 a week just to go to school and back. That makes it really hard. I live like half an hour from school; I’m really out there in a rural area.” Jeffrey has one son living at home with him and two sons in college. “I have tried to give them money here and there, but they mostly have to finance their own school ... if something happens like their car breaks down, they don’t have any reserves to put into something like car repair.”

A recent online, non-random survey administered by the Maine Center for Economic Policy and Maine Educational Opportunity Center corroborates existing research and the anecdotal experience of legal service providers and financial aid

administrators in revealing the greatest barriers to degree completion of low-wage working adults. The survey solicited the experiences of two populations—low-income students currently attending school and those who wish to attend school—and confirmed the seriousness of the challenges facing low-wage students. Of the 272 respondents, most cited finances as the greatest barrier to postsecondary completion. Many respondents not currently attending college reported a struggle with previous student loans that were in default. In other words, they had started college, acquired loan debt, and stopped attending prior to program completion. Often, these students stopped going because of a lack of financial resources—a problem now exacerbated by their defaulted student loans.

Inadequate financial resources are also a barrier for those students currently attending college. In fact, according to the survey, help with finances was considered the most important form of assistance. Finances included the cost of tuition, as well as the cost of maintaining health care coverage, childcare, and reliable transportation. Students report that they have had to take out personal loans and accrue credit card debt to cover these expenses. “Of those attending college, nearly one out of five estimated they would have more than \$20,000 in school loans by the time their program was completed.”²⁷

Support for necessary expenses such as emergency car repairs, after school childcare, or a pricey textbook eases the financial burden for adult students trying to balance commitments of work, school, and family. With so many responsibilities, earning a degree will clearly be difficult, but additional financial support can help make attaining a degree, that once seemed impossible, far more manageable.

Survey respondents further noted that after financial assistance, the next important support would be counselors to help them navigate the educational system. Because many low-wage workers are first-generation college students, they may be unfamiliar with college culture and system expectations. Many are also unfamiliar with existing services that might provide help, and how to access them. In many cases, having access to someone who can answer questions and provide support can be the difference between completing a program and dropping out.

Over the past several months, the Maine Women’s Policy Center and Maine Equal Justice Partners have conducted interviews with low-income adults currently enrolled in college and those who want to attend college but still struggle to get there. Several clear themes arose from those interviews. All respondents reported

a desire to advance their education and training as a way to increase economic security for themselves and their families. These Maine women and men share a clear vision for their future, a vision that includes education as a vehicle to change their life circumstances. Unfortunately, however evident the connection between advanced training and higher wages may be, the pathway to get there remains riddled with obstacles.

Again, the largest barrier cited was financial, specifically childcare costs, transportation, books, supplies, and fees associated with advanced training. Another barrier facing respondents was time. Even if they could find a method to pay for tuition, taking time off from work to attend classes would mean a loss in wages critical to family support.

Another central theme apparent in the interviews was the importance of assistance that folks received from programs like Parents as Scholars and Federal TRiO programs. Without this support, many students felt they would not still be in school. Parents as Scholars provided necessary financial assistance for transportation and childcare. Although in many instances it was not a lot of money, it was the difference between earning a degree or dropping out and returning to low-wage work. The students served by Federal TRiO programs talked extensively about the value of the academic, personal, and career support they received from TRiO program personnel.

Denise, a Central Maine Community College student, qualifies for loans but no other forms of assistance, and the loans aren't enough to cover her expenses. "I had to start working part time ... The loan granted me the exact amount of money I would need for classes. So, I had to pay for my own books." Denise worries that she won't be able to continue her education until graduation because her finances are so tight. "It all depends on the financial aid. People have to abandon dreams, give up, before they are given a chance."

Increasing Access to Education: Maine's Pathway to Economic Prosperity

Labor market officials from the Maine Department of Labor are directing attention

to Maine's impending skilled-worker shortage. They are calling on Maine leaders to define a new workforce development strategy for adult workers that will increase the economic security of Maine people and meet the needs of Maine employers and our State's changing economy. "Policymakers must align a comprehensive workforce development strategy with economic development aspirations to ensure continued growth of the Maine economy."²⁸ Because labor market demand for skilled workers is increasing while highly paid production jobs that require few credentials are disappearing, improving access to postsecondary education is now an urgent economic issue as well as a social imperative.

Programs that Work

Parents as Scholars pays off

The payoff from investing in access to education has been demonstrated by the success of Maine's Parents as Scholars program (PaS). This program, which has been replicated by many states throughout the country and championed by Maine Senator Olympia Snowe, provides access to education for some Temporary Assistance to Needy Families (TANF) recipients so they can move from public assistance to a well-paying job. The majority of participants in both PaS and TANF are women who are single parents.

Though PaS does not provide direct tuition assistance, except in rare cases, it enables degree attainment by reducing the costs indirectly associated with attending school. Participants can receive help paying their individual needs, such as childcare, transportation assistance, or even a business suit to allow a student to interview with a potential employer. In addition, career services, eyeglasses, and in some cases, car repairs are available as needed. This kind of support keeps students in school when the challenges seem insurmountable.

This comprehensive support system helps turn low-income people into degree holders who can break into higher-wage jobs and leave public assistance – for good. In 2002, PaS participants who left welfare reported a median wage of \$11.71 an hour, while other former welfare recipients who had not obtained a postsecondary degree, earned a median wage of only \$7.50 an hour.²⁹ A study of workers who have left the TANF program found that two out of three of them with a college degree had access to a health insurance plan through their employer.³⁰ Less than half of individuals who have left the TANF program with a high school diploma

or less had health insurance available from their employer. Given these statistics, it is not surprising that adults with a postsecondary education report better health overall and have lower mortality rates than those whose education stopped at the secondary level.

Parents as Scholars is a program available only to parents eligible for TANF and is not available for low-income families who do not qualify for public assistance. However, PaS poses promise as a model for establishing pathways to education for low-wage workers. The positive effects of higher education for low-wage workers go well beyond increased income levels. When workers break into higher-skill occupations, they and their families benefit from a better quality of life. Jobs with postsecondary degree requirements offer greater benefits than jobs without educational requirements. If replicated for low-income workers who don't meet TANF eligibility, the Parents as Scholars program could be an effective and self-sustaining strategy for reducing the ranks of Maine's working poor.

Promising new program: The Competitive Skills Scholarship Program

A new program, The Competitive Skills Scholarship Program, created during the first regular session of the 123rd Legislature, will assist adult workers to advance their education and move into new careers. The program, aimed at adult workers with incomes below 200% of the poverty level, will be coordinated through the Maine Career Centers. These new funds are for training in high-growth, high-wage jobs. The scholarships will pay for tuition and fees not covered by other sources of financial aid and can be used for educational supports including childcare, transportation, books, supplies, equipment, and remedial and prerequisite training not available elsewhere. This program, though limited in scope, provides a promising model for increasing degree attainment, reducing the cycling in and out of the unemployment insurance system, and meeting the workforce needs of Maine industries.

Opportunities for Action

It is in the interest of all Maine people to raise the State's workforce standard to a level that can meet the demands of an economy redefined by technology and globalization and promote the economic success of workers and their families. As the lifelong value of a postsecondary degree increases, so too should the efforts of policymakers to create educational opportunity for those most in need of the benefits.

Fortunately, there are proven models available and promising policy opportunities that, if implemented, would have an immediate impact on people’s lives. By maximizing existing programs and resources, developing new opportunities to ensure student success, and creating coordination and accountability for all agencies and institutions involved in workforce development, the pathways to educational opportunity—and economic prosperity—can become clear. The following recommendations aim to reach those goals:

Maximize existing resources

- **Help workers package resources to support degree attainment.** More effective packaging of existing support services at Career Centers and other venues is a strategy for increasing postsecondary degree attainment. For example, many low-income adults qualify for essential supports that would help them enter and stay enrolled in college but they do not know that these supports are available to them. Programs like the Earned Income Tax Credit, subsidized childcare, MaineCare, SCHIP, and food stamps can fundamentally change the resource calculus for low-wage workers. This change enables them to consider college as a viable option. There should be a uniform procedure, including a checklist for prospective students to indicate areas of need as part of the development of their education and training plans. Staff should help would-be students identify and access programs that may meet those needs. These procedures should be applied uniformly throughout the State and monitored to ensure that they are effectively administered.
- **Prioritize adult education as a means for remedial education through the College Transitions program.** As a vehicle for remedial course work, adult education courses can be less expensive than those offered through the community college and university systems. College-based remedial courses trigger the use of Federal financial aid, thereby limiting the amount of funding left for completing the academic program. Maine’s College Transitions program, recently funded to expand to 22 locations throughout the State, creates a smooth transition from adult education into college. The College Transitions program should be further expanded to meet the needs of students in all geographic regions of the State.

- **Require clear-cut policies—with written notification to students—on use of “professional judgment” by financial aid administrators.** There is a valuable support, little-known by students, created by Federal law for financial aid administrators to use professional judgment on a case-by-case basis to change a student’s financial aid award based on “special circumstances” (20 USC 1087tt).³¹ Generally, the Federal financial aid calculation relies on prior-year income and asset information, assuming that it is a good predictor of a family’s financial strength in the upcoming year. However, in many cases, these amounts are not true predictors of a student’s financial situation. In those “special circumstances,” a financial aid officer may adjust the data used to determine a student’s eligibility. These adjustments often result in an increase in Federal financial aid to the student.

Special circumstances warranting the use of professional judgment include, but are not limited to, recent unemployment; medical or dental expenses not covered by insurance; unusually high childcare expenses; or other changes in the family’s income or assets. Greater use of this “adult-friendly” financial aid policy will go a long way to ensure the utilization of all available Federal aid. However, there is currently no requirement that financial aid applicants be given notice of this potentially beneficial requirement, and there is no uniform practice throughout the State requiring maximization of aid through this provision. Educational institutions should be required to adopt a written policy related to the use of professional judgment in financial aid determinations, to make the policy available to students applying for Federal financial assistance, and to assist students who want to apply for additional assistance based on special circumstances.

- **Ensure that college programs are scheduled at times and places that meet the needs of working adults.** Evening and weekend classes, predictable school hours, and school schedules aligned with the K-12 educational calendars will go a long way towards making sure adult workers, parents in particular, can manage to blend work and family with college success. Administrators should prioritize the needs of this population when approving semester and course schedules.

Develop new opportunities to ensure student success

- **Create a flexible State-funded financial aid supplement to Federal financial aid in order to move more individuals into successful degree attainment.** The Parents as Scholars program has a record of proven success. Expanding this model program by increasing eligibility and general fund resources will help more students achieve their academic goals. Other state models could be examined. For example, recent success in Georgia demonstrates that providing universal, flexible financial aid for up to two years of postsecondary education—aimed at helping workers reach at least the tipping point for moving up to a better job—pays real dividends to individuals and businesses. “The Georgia HOPE grant began in 1993. For-credit enrollment at GA tech colleges went from about 64,000 students in 1994 to about 101,000 in 2000.”³² Importantly, the aid package covers books, fees, tuition, childcare, and enhanced personal and academic counseling. State-funded programs such as this would go a long way to align current postsecondary opportunities with the needs of adult low-wage workers.
- **Expand the successful TRiO program through a State match to Federal TRiO dollars.** The Federal TRiO Programs are educational opportunity outreach programs designed to motivate and support students from disadvantaged backgrounds. TRiO includes six outreach and support programs targeted to serve and assist low-income, first-generation college students, and students with disabilities to progress through the academic pipeline from middle school to post baccalaureate programs. Importantly, the programs are designed to ensure students’ success through one-on-one counseling and support. National studies clearly demonstrate the remarkable success of federally supported TRiO programs in helping low-income adults enroll in college, increasing participant grade point averages, and improving overall year-to-year retention rates. In Maine, demand for these programs far exceeds the available resources. During the last five years, Maine Educational Opportunity Center (a Federal TRiO program) placed 2,937 low-income adults in college, at a cost of only \$280 per participant. Matching these Federal dollars with State monies would allow for the hiring of more student support workers and increase access to higher education for low-income students.

- **Develop financial aid package to support summer course work.** Low-income adults often need to take summer courses in an effort to complete their programs as quickly as possible; however, they seldom have access to sufficient financial aid to pay for the tuition and fees required for these courses. A fund should be created to support adult students who wish to attend summer courses.
- **Pilot a “career ladder” initiative to formalize pathways to credentials and high-earning jobs for adult students.** In order to provide visible and realistic pathways to high-wage jobs through education, several states have formalized career pathways or “ladders” to smooth entry into high-demand industries. In Massachusetts, for example, career ladders provide grants to nursing homes and home health agencies so lower-skilled, lower-paid nursing home workers can achieve greater economic security. For example, a food service worker might progress to become a Certified Nursing Assistant (CNA), a CNA to a medical technician or RN, etc. These nursing homes and home health agencies partner with other long-term care facilities, community colleges, community based organizations, workforce investment boards, and others to help create the career ladders. Each rung represents an identifiable increased credential or skill set and pay raise. Kentucky has also modeled such a program. This collaboration of businesses and educational institutions develops strategic pathways for students. A similar collaborative should be developed in Maine, guided by information from the Maine Department of Labor Center on Workforce Research and Information. Once developed, the career ladder pilot could be replicated for additional careers.
- **Monitor the Competitive Skills Scholarship Program.** The newly established Competitive Skills Scholarship Program holds promise for

“As a non-traditional student, reentering the academic arena was not only intimidating but also unrealistic. My TRiO advisor encouraged me to cross the barriers of my own fear and achieve a life-long dream, a college education.”

- Bonnie, Bucksport

providing a clear pathway to higher education for individuals to attain high-wage jobs. This new program will provide counseling and career planning, identification and “packaging” of supports, and make additional funds available to cover tuition and support services not otherwise covered by existing programs. Moreover, this program will reduce dependence on the unemployment insurance system and meet employer demands for skilled labor. Maine policymakers should monitor the success of this program and consider a future increase in program funding with the goal of serving more participants.

Establish an entity with responsibility for coordination and accountability

- **Develop an overarching entity to provide evaluation, data collection, and accountability from Maine’s educational systems by codifying the role of Maine’s Workforce Cabinet. This entity would ensure that we are adequately serving low-income students and effectively coordinating educational offerings with industry and workforce needs.** Governor Baldacci established the Workforce Cabinet to create a cohesive strategy for workforce development. However, there is no statute creating this entity, clearly delineating its responsibility and authority, or ensuring its longevity. It currently has no staff and does not have the resources necessary to develop comprehensive workforce policy and ensure its effective implementation and coordination. A coordinating body to guide a sustained effort in this area, established by law, has proved successful in other states. For example, the State of Kentucky has modeled such a strategy through the Council on Postsecondary Education.
- **Measuring success.** In order to achieve the bold goal of increasing access to higher education for adult low-wage workers, we must measure our progress. We can only reach this target by establishing a consistent measurement and accountability system to track Maine’s progress. We recommend the creation of a system of benchmarks to track success in enrollment, retention, and credential completion for low-income adults. Additionally, success deserves rewards. Policymakers should consider awarding incentive payments when higher education institutions reach their benchmarks.

The Next Steps

Low-wage workers remain on the sidelines of the 21st century economy, contributing critical labor but reaping few rewards. In order for families to thrive and help build a prosperous Maine economy, low-wage workers need pathways to education – pathways to prosperity. There are many issues facing low-wage workers who want to attend college or participate in advanced training. As recent interviews, informal surveys, research literature, and focus group conversations reveal, financial barriers continue to be the primary obstacle facing low-wage, would-be students. Far beyond the costs of tuition are the associated costs of education – from fees, books, uniforms, and supplies to the costs of childcare and transportation. The impact of these expenses is compounded by lost wages from reducing work hours in order to earn college credentials. Pathways to higher education must therefore prioritize maximizing existing resources and creating new ones to support students' success.

The Maine Women's Policy Center and Maine Equal Justice Partners recognize that although low-income Maine people face large obstacles in accessing education, there are promising new methods to create pathways to prosperity. Existing programs such as Parents as Scholars and Federal TRiO programs have strong, proven records of accomplishment in increasing economic security for low-income Maine families. Increasing resources for these programs will greatly increase the number of low-income students who are able to access higher education and improve their lives. New programs such as the Competitive Skills Scholarship Program hold great promise. In addition, other states in our nation have constructed new policies and created overarching governmental agencies with authority to guide the process of workforce development.

Access to higher education is an economic imperative: Policymakers should tap the energy created by this urgency. It is time to replicate successful existing programs and to model State initiatives to light the pathway to prosperity for Maine's hardworking families.

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