

# Helping Students and Families Understand the Post-Secondary Payoff

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# Before we begin this session...

Discuss with a neighbor:

- Prior to attending college/university, how well did you understand the differences in community college, four year universities, technical schools?
- Prior to attending college, how well did you understand student loan debt and other types of financial awards?
- Prior to attending college, had anyone explained to you the differences in certifications, trade licenses, associates, bachelors, and post graduate degrees?

# What we know now compared to what we knew then...

## My Own College Journey



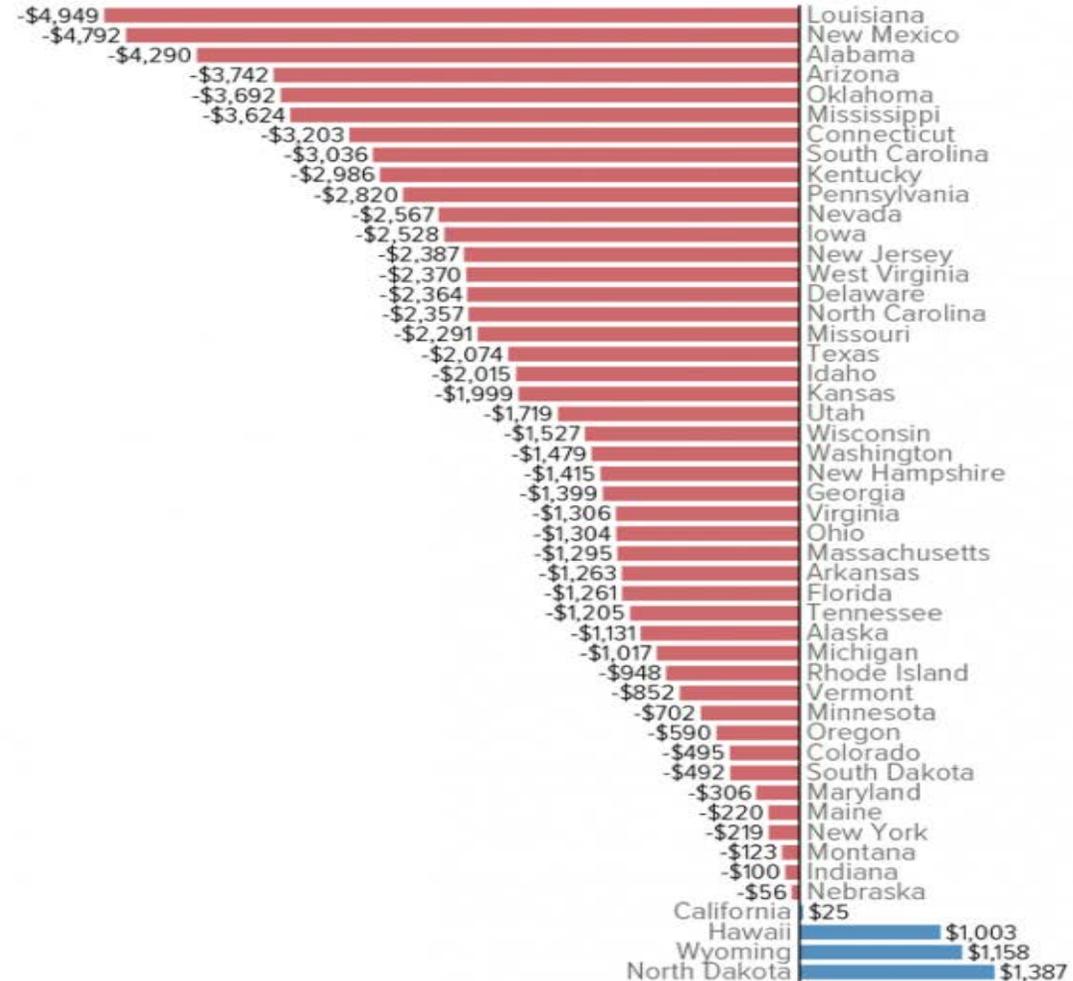
## My Professional Journey

- Investigator, Crimes Against Children
- Masters in Human Development Counseling, Vanderbilt University
- Elementary, Middle, and High School Counselor
- Experience with military, urban, high poverty, ELL, first generation youth
- Focus on career and college readiness
- Legislative experience with NCLB, ESSA, and HEA including TRIO

# State Disinvestment in Higher Education 2008-20018

## State Funding for Higher Education Remains Far Below Pre-Recession Levels in Most States

Change in state spending per student, inflation adjusted, 2008-2018



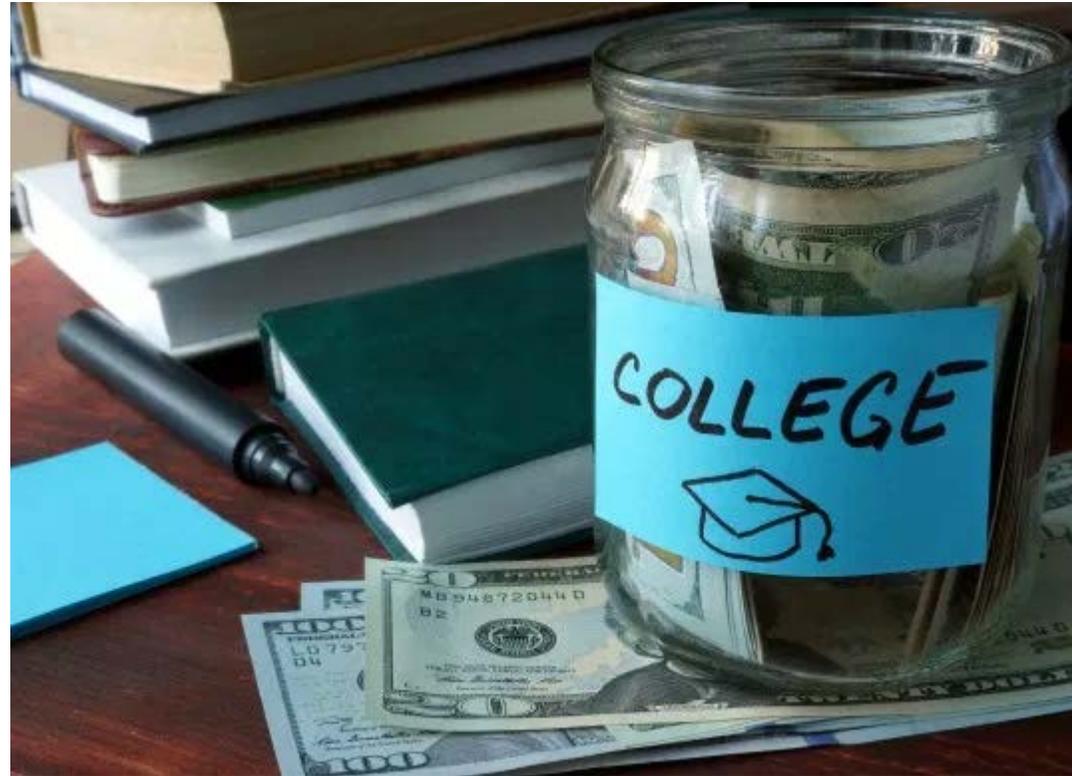
Note: Illinois was excluded because the data necessary to make a valid comparison are not available. Since enrollment data are only available through the 2016-17 school year, we have estimated enrollment for the 2017-18 school year using data from past years.

Source: CBPP calculations using the "Grapevine" higher education appropriations data from Illinois State University, enrollment and combined state and local funding data from the State Higher Education Executive Officers Association and the Consumer Price Index, published by the Bureau of Labor Statistics

# The Impact of the State Disinvestment...

1. Dramatically increased tuition (3x the rate of inflation)
2. Reduced academic opportunities and student services
3. Changes in recruitment strategies

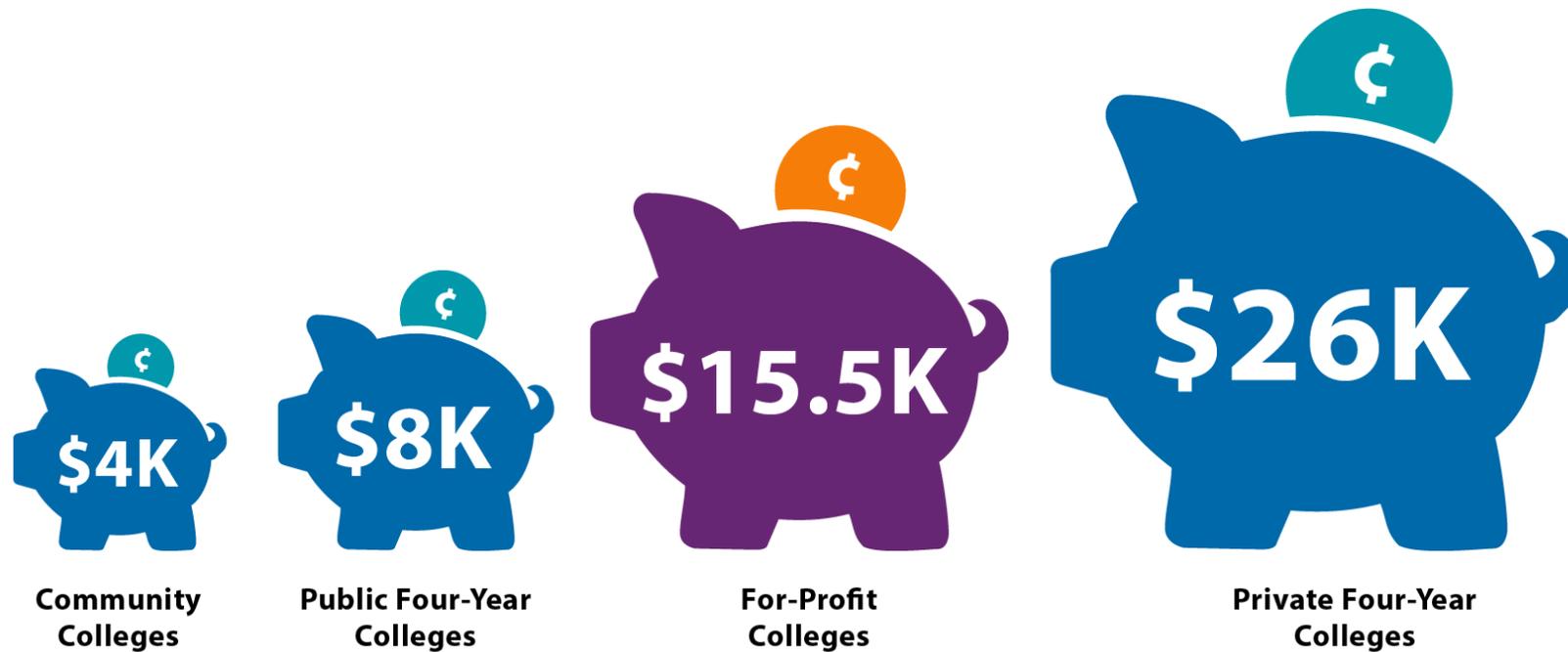
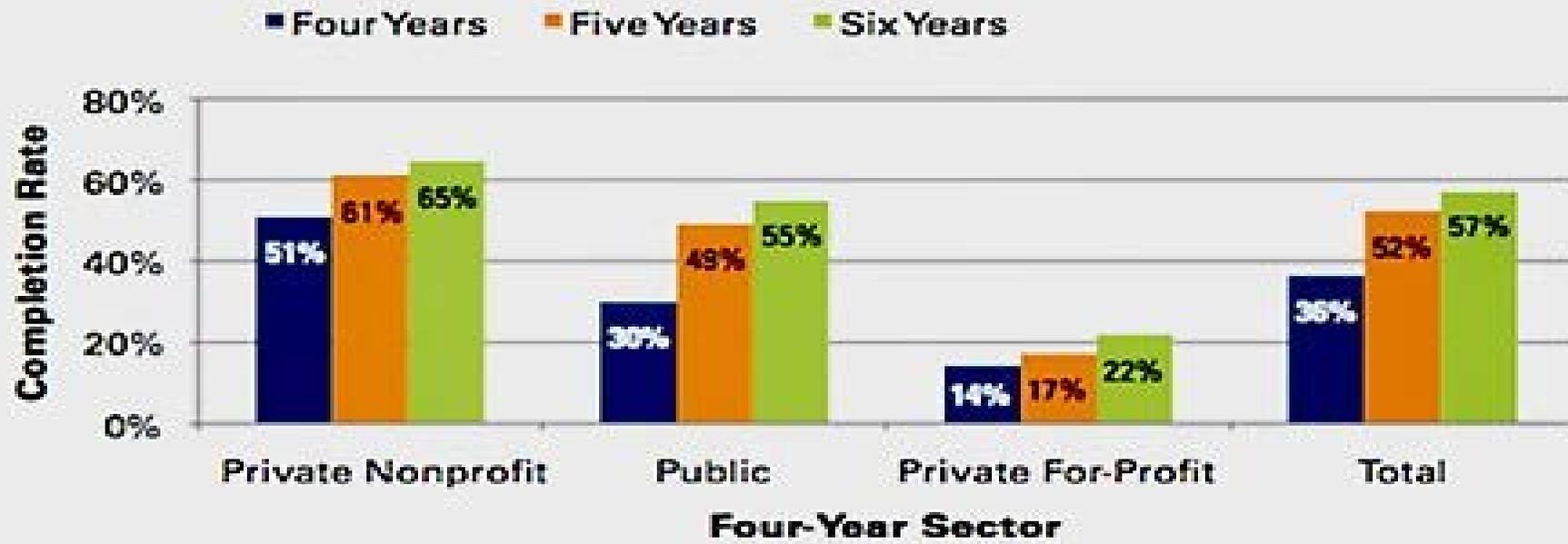
(Curry & Milsom, 2017;  
Mitchell, Leachman,  
Masterson, & Waxman, 2018)



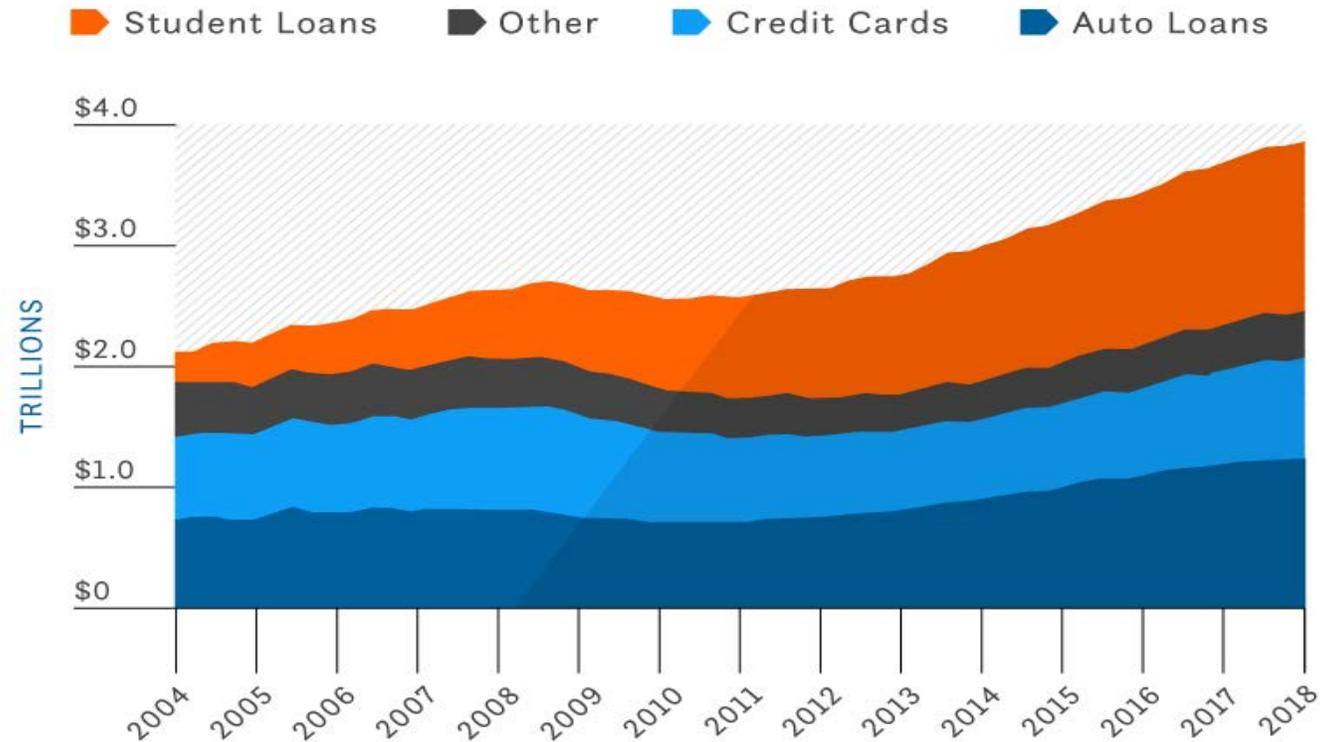
# Dramatic Increases in Tuition & Fees

- **Tuition costs deter some students from enrolling in college.** While the recession encouraged many students to enroll in higher education, the large tuition increases of the past few years may have prevented further enrollment gains.
- **Rising tuition may harm students of color and reduce campus diversity.** In a recently published study, researchers found that tuition increases reduced campus diversity, particularly at non-selective institutions. For full-time freshmen enrolled at non-selective schools, a \$1,000 increase in tuition costs was associated with a 4.5 percent drop in class diversity.
- **Tuition increases likely deter low-income students, in particular, from enrolling.** College cost increases have the biggest impact on students from low-income families. Low-income families' relative lack of knowledge about the admissions and financial aid processes (college readiness capital) may exacerbate this problem. Students from families that struggle financially— including those who live in communities with lower shares of college-educated adults and attend high schools that have higher student-to-counselor ratios — tend to overestimate the true cost of higher education.
- **Tuition increases may push lower-income students toward less-selective public institutions, reducing their future earnings.** According to a 2013 Brookings Institution Study, a large share of high-achieving students from struggling families fail to apply to any selective colleges or universities.

(Hoxby & Avery, 2013; Mitchell, Leachman, Masterson, & Waxman, 2018)



## Consumer Student Loan Debt Compared to Other Nonhousing Debt



SOURCES: FRBNY Consumer Credit Panel/Equifax

# Reduced academic opportunities and student services

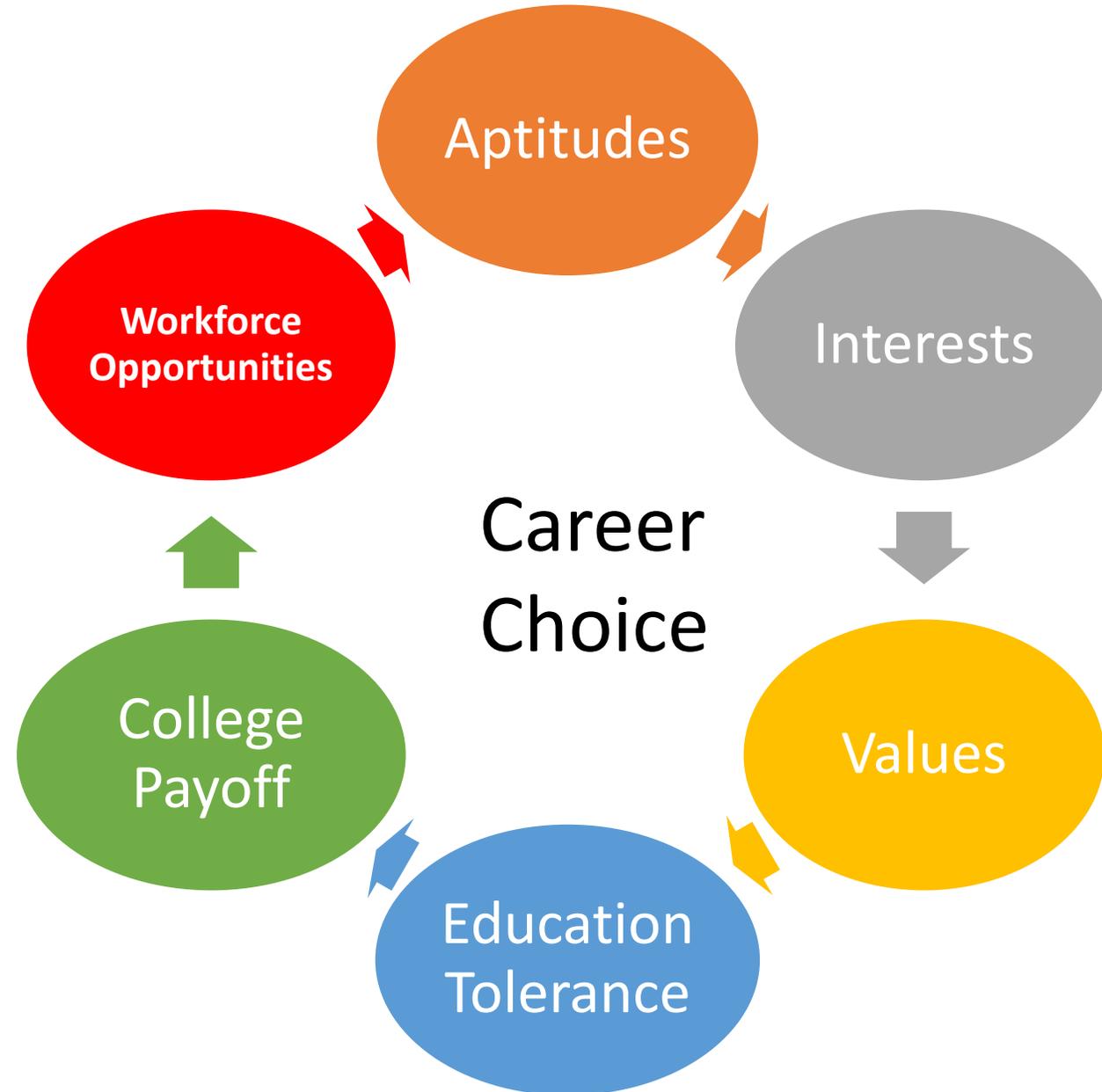
- Reductions in faculty lines at four year universities
- Reductions in services at many universities
- Larger class sizes, many taught by instructors and teaching assistants
- Additional fees
- Move classes online
- Outsource services (e.g., residence halls, health centers, recreation centers, student insurance)
- Reductions in staff (or staffed by graduate students)

# Recruitment Strategies

- More money spent to recruit out of state, international, graduate, and online students
- Recruit students with higher incomes who are likely to be able to pay tuition
- Tour potential students to places that look most attractive (new residential halls, renovated buildings, small classrooms)
- More money also spent on services like recreation (lazy river!)
- Private and For Profit: BUYER BEWARE!

How can we help students and families make sound post-secondary decisions?

Help  
Students  
Understand  
Career  
Choice in  
Context



# Ensure students have the skills to *explore* careers:

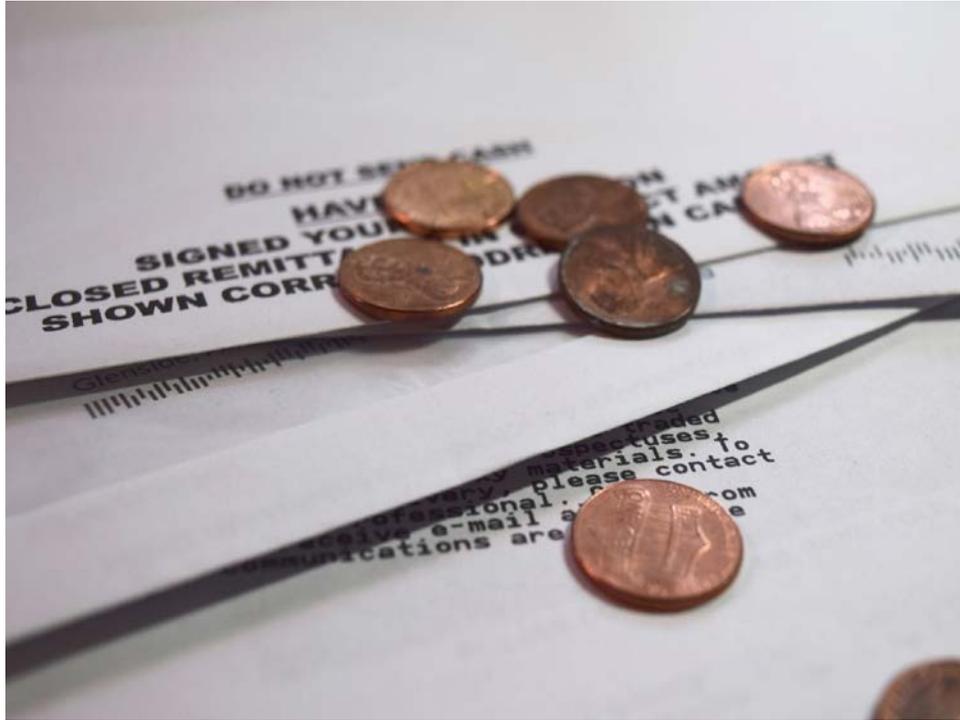
Search a career interest including:

1. Using technology to explore careers
2. Determining the projected outlook of the career
3. Identifying related careers
4. Articulating the typical day on the job
5. Stating the median salary
6. Recognizing characteristics, dispositions, skills, education and training individuals who have the career generally need to be successful and consider how they align to each of these realistically (what strengths/challenges might they have if they make this career choice?)
7. Applying a basic understanding of how career industries are location bound
8. Exhibiting conscious connections between personal values and career choices

# Engage students in meaningful career exploration early and often:

- Occupational Outlook Handbook
- O\*Net (Interest Profiler has a free Holland interest inventory-just 60 questions)
- Values Card Sorts
- Future Fantasy Exercises
- Career Genograms
- ASCA Career Conversations
- Savickas Career Construction Interview
- Building Resume and Job Descriptions

# Communicate the Rules of the College Payoff



Four rules to the college payoff  
(Carnevale, Rose, & Chea, 2011):

1. Degree level matters
2. Occupational choice can mean more than degree level
3. Within occupation degrees still matter in terms of salary
4. Race/ethnicity and gender are complicating factors that actually matter more than education or occupation in determining earnings

# Degree level matters

Educational attainment	Median usual weekly earnings	Unemployment rate
Doctoral degree	\$1,743	1.5%
Professional degree	1,836	1.5
Master's degree	1,401	2.2
Bachelor's degree	1,173	2.5
Associate degree	836	3.4
Some college, no degree	774	4.0
High school diploma, no college	712	4.6
Less than a high school diploma	520	6.5
Total	907	3.6

Note: Data are for persons age 25 and over. Earnings are for full-time wage and salary workers.  
Source: U.S. Bureau of Labor Statistics, Current Population Survey, 2017

# Occupational choice can mean more than degree level

<b>A.S. Sonography \$67,080, *17% growth</b>	<b>B.S., Agriculture/Food Science (Horticulture), \$64,020, 7% growth</b>
A.S. Radiation Therapy \$82,330, 13% growth	M.A./Ph.D. Historian \$61,140 *6% growth
A.S. Radiological Technologist \$61,240, 13% growth	M.A./Ph.D. Sociologist \$82,050 *1% growth
B.S. Electronics Engineers \$99,070, 7% growth	LCSW Social Work \$49,470 *16% growth
B. S. Information Security Analyst, \$98,350, 28% growth	Ph.D., Post-Secondary Faculty \$78,470 *15% growth

# Within occupation degrees still matter in terms of salary

- Early Childhood Education, A.S., \$29,280
- Elementary Education, B.S., \$57,980
- Middle School, B.S, \$58, 600
- High School, B.S., \$60,320
- Instructional Coordinators, M.A., \$64,450
- Educational Administrators, M.A., \$95,310



# Race/ethnicity and gender are complicating factors that actually matter more than education or occupation in determining earnings

- Reality: we don't live in a race neutral or post-racial world (Patton, 2014).
- Gender still matters in regard to earnings in every state. For New Mexico, the median salary is \$35,000 with women earning 82.7% of men's earnings by the dollar for the same job. Women occupy 39% of professional and managerial jobs in New Mexico and the state earned a C- grade for these factors from the Institute for Women's Policy Research (2019).
- Disability is another consideration.

# Provide Financial Literacy Training for Students and Families

- Subsidized versus Unsubsidized loans, grants, scholarships, work-study
- How to develop a realistic budget
- FAFSA, financial aid, and calculating how much students will need to finance
- Credit card debt
- Tuition, fees, books, room and board
- Tools for calculating costs based on federally regulated dashboards: College Navigator (NCES-compare programs, cost, graduation/retention rates; College Score Card, U.S. DOE-avg annual cost, graduation rates, and salary after graduating by majors)



# References

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