### Balancing Work and Learning IMPLICATIONS FOR LOW-INCOME STUDENTS



EXECUTIVE SUMMARY ANTHONY P. CARNEVALE NICOLE SMITH 2018

#### GEORGETOWN UNIVERSITY



McCourt School of Public Policy

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# **Balancing Work and Learning**

**IMPLICATIONS FOR LOW-INCOME STUDENTS** 



Anthony P. Carnevale and Nicole Smith | 2018

# **Executive Summary**

Go to school. Be financially responsible. Work hard. These are the tenets we teach our children about the responsible pursuit of the American Dream.

Yet for some of the hardest-working students from low-income families, following these tenets has not led to the success they have been promised. These low-income working learners are going to school more and working more hours, yet struggling to make it. They have been failed by

- an education system that perpetuates intergenerational inequality;<sup>1</sup>
- a labor market that offers them fewer high-quality job opportunities with career-building work experience while they are in school;<sup>2</sup>
- skyrocketing college prices that make it practically impossible to work one's way through college anymore;<sup>3</sup>
- poor information about education and career pathways and their outcomes;<sup>4</sup> and
- a lack of sufficient support mechanisms and financial and social safety nets.<sup>5</sup>

<sup>&</sup>lt;sup>1</sup> Carnevale and Strohl, *Separate and Unequal*, 2013.

<sup>&</sup>lt;sup>2</sup> Carnevale et al., *Recovery*, 2013; Carnevale et al., *Failure to Launch*, 2013.

<sup>&</sup>lt;sup>3</sup> Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau and Bureau of Labor Statistics, *Current Population Survey*, 1970, 2016.

<sup>&</sup>lt;sup>4</sup> Carnevale et al., *Career Pathways*, 2017.

<sup>&</sup>lt;sup>5</sup> Carnevale and Smith, "Learning While Earning," 2016.

This is a shameful state of affairs. Policymakers, educators, and business leaders can and must do more to help these motivated and hardworking low-income working learners gain the valuable skills and high-quality experience they need to reach their potential.

Over the past half century, the relationship between working and learning has changed in profound ways that have made it more difficult for students, especially students from low-income backgrounds, to attain the right mix of work experience and schooling necessary to qualify for entry-level jobs with a future.

The structural shift from an industrial to a post-industrial economy is at the root of this new set of problems. As a result of this shift, the entry-level standard for most jobs has increased from high school to postsecondary education in combination with high-quality work experience. In the 1970s, three out of four jobs required a high school education or less; today, two out of three jobs require at least some postsecondary education or training.<sup>6</sup>

# Over the past half century, the relationship between working and learning has changed in profound ways.

Thus, more education is required to launch a career. In the old industrial economy, high school graduates and dropouts developed specific technical skills and general skills through formal and informal learning on the job after entering the labor market. In the modern economy, only about 20 percent of young people, virtually none of whom are female, can still get the specific and general skills they need with a high school diploma and on-the-job training alone. Instead, in the 21st century, the majority of entry-level jobs require a rich mix of formal postsecondary education along with high-quality work experience, preferably matched to an individual's career pathway or postsecondary field of study.<sup>7</sup>

The need for formal postsecondary education and training as well as high-quality work experience has made the transition from youth dependency to independent adulthood more difficult for all young people. As a result, the age at which young workers begin to earn the average wage for all workers has increased from 26 in 1980 to 34 in 2017.<sup>8</sup>

These changes have put more economic pressure on students from low-income families, who are less likely than higher-income students to attain a postsecondary credential. Economic inequality has increased immensely since 1980; 60 to 70 percent of the increase is due to the growing difference between the earnings of high school and college graduates.<sup>9</sup>

<sup>&</sup>lt;sup>6</sup> Carnevale et al., *Recovery*, 2013.

<sup>&</sup>lt;sup>7</sup> Carnevale et al., *Failure to Launch*, 2013.

<sup>&</sup>lt;sup>8</sup> Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau and Bureau of Labor Statistics, *Current Population Survey*, 1980, 2017.

<sup>&</sup>lt;sup>9</sup> Goldin and Katz, "The Future of Inequality," 2009.

### The current structure of youth employment works differently for disadvantaged students compared to those who are better off.

When they choose to work, higher-income students have access to the best jobs and work experience, including internships: 14 percent work in a lucrative career field like science, technology, engineering, and mathematics (STEM); business; or healthcare, while only 6 percent of low-income students work in these fields.<sup>10</sup>

Low-income students are more likely than higher-income students to work in food service, sales, and administrative support fields. Work experience in these jobs provides basic skills like conscientiousness and teamwork, but does not provide the deeper technical and general skills that foreshadow good career entry-level jobs.

### Low-income working learners are different from their higher-income counterparts in many ways.<sup>11</sup>

- Low-income working learners are disproportionately Black and Latino,<sup>12</sup> women, firstgeneration college-goers, and new citizens and residents of the United States for whom English may not be the primary language spoken in the home.
- Low-income high school students are less likely to attend college than higher-income students: 69 percent of low-income students were enrolled in college in 2015, compared to 83 percent of higher-income students.
- Low-income students are more likely to enroll in certificate programs and to attend either two-year public or for-profit colleges than higher-income students, who are more likely to enroll in bachelor's degree programs and attend selective four-year colleges and universities. Meanwhile, the bachelor's degree remains the gold standard for long-term career and personal development.
- Low-income working learners are more likely than higher-income working learners to work full time while in college and are more vulnerable to experiencing declining grades when the average number of hours they work approaches or exceeds 40 hours per week.
- Low-income students are less likely to have access to strong financial safety nets, such as checking or savings accounts, and are more likely to choose credit cards to pay their tuition and fees. Higher-income students often have access to these financial tools and are more likely to rely on student loans to pay tuition and fees.

<sup>&</sup>lt;sup>10</sup> Georgetown University Center on Education and the Workforce analysis of data from US Department of Education, National Center for Education Statistics, *High School Longitudinal Study of 2009*. For the purposes of this report, we have defined low-income working learners as those with family incomes that fall below 200 percent of the federal poverty line, and higher-income working learners as those with family incomes at or above 200 percent of the poverty line. For data from *National Postsecondary Student Aid Study (NPSAS)*, 2012; *Education Longitudinal Study of 2002* (*ELS:2002*), 2002; and *Beginning Postsecondary Students*, 2012/2014 and 2004/2009, parental income of less than \$35,000 is used to delineate low-income working learners.

<sup>&</sup>lt;sup>11</sup> Carnevale and Smith, "Learning While Earning," 2016; Carnevale et al., *Learning While Earning*, 2015. See the Appendix of the full report for additional analysis and sources supporting these points.

<sup>&</sup>lt;sup>12</sup> In this report, we use the term Black to refer to people who identify as Black or African American and the term Latino to refer to people who identify as Hispanic or Latino. We use single terms for different racial/ethnic groups—White, Black, Latino, and Asian—to alleviate ambiguity and enhance clarity. In charts and tables, we use White, Black/African American, Hispanic/Latino, and Asian.

- Low-income students are more likely to be enrolled in more narrowly focused fields of study at the sub-baccalaureate level, where they are less likely to gain the long-term adaptability that comes with the mix of general and specific education characteristic of the two-year or four-year degree.
- Low-income working learners are less likely to earn a credential overall, even if they come from the upper end of the academic performance distribution.

### Table 1. Low-income working learners are more likely to be mature, female, and Black or Latino compared to higher-income working learners.

TOTAL WORKERS	155 million		
TOTAL COLLEGE STUDENTS	20 million		
	Low income	Higher income	All
WORKING LEARNERS	6 million (100%)	8 million (100%)	14 million (100%)
SEX			
Male	2.5 million (42%)	3.7 million (46%)	6.2 million (44%)
Female	3.5 million (58%)	4.3 million (54%)	7.8 million (56%)
RACE/ETHNICITY			
White	2.7 million (45%)	5.8 million (73%)	8.5 million (61%)
Black/African American	1.1 million (18%)	560,000 (7%)	1.7 million (12%)
Hispanic/Latino	1.5 million (25%)	1 million (13%)	2.5 million (18%)
Asian	420,000 (7%)	320,000 (4%)	740,000 (5%)
Other	240,000 (4%)	320,000 (4%)	560,000 (4%)
AGE			
Mature (30–54)	2.2 million (37%)	2.5 million (31%)	4.7 million (34%)
Young (16–29)	3.7 million (62%)	5.6 million (70%)	9.3 million (66%)
DEPENDENTS			
Have children	1.2 million (20%)	2.1 million (26%)	3.3 million (24%)

Source: Carnevale and Smith, "Learning While Earning," 2016; Georgetown University Center on Education and the Workforce analysis of data from US Census Bureau, *American Community Survey*, 2012–2015 (pooled data); Carnevale et al., *Learning While Earning*, 2015; and US Department of Education, National Center for Education Statistics, *National Postsecondary Student Aid Study (NPSAS)*, 2012.

Note: The columns may not add up to 100 percent due to rounding.

### New economic realities and policy changes are at the heart of the challenges facing working learners.

- The K–12 education system has become focused on college preparation to the exclusion of career-related training. Vocational education in American high schools was jettisoned in the 1980s following the publication of *A Nation at Risk*, a seminal Department of Education report that laid bare the fact that vocational education had become a dead-end track for low-income, Black, Latino, and female students.<sup>13</sup> Based on the report's recommendations, high schools across the nation adopted a New Basics curriculum that included a test-based college-preparatory framework: four years of English and math, and three years of science, social studies, and foreign language. As a result, career preparation and training have now moved almost completely into the postsecondary realm.
- The youth labor market has collapsed, denying young people opportunities to earn and learn on the job. In the 1970s, more than half of teenagers gained some work experience; today, only one-quarter of teens are in the labor force.<sup>14</sup> The collapse of the youth labor market has limited youth opportunities to work for money as well as the quality of learning available in the work experiences that remain.
- Even as youth work and learning opportunities have declined, publicly funded youth employment and training subsidies have been cut back dramatically. Public job training and youth employment and training programs have been gutted across the country.<sup>15</sup> From the 1970s through the 1990s, dedicated federal funding streams supported summer work opportunities for low-income high school students in places like hospitals, libraries, and schools.<sup>16</sup> In 1998, however, federal funding for youth summer jobs programs was eliminated,<sup>17</sup> and federal funding for youth employment programs has been stagnant since 2000. Youth employment programs still exist,<sup>18</sup> but at a small scale: funding federal job training and youth employment programs at the same level as in 1980 would cost \$30 billion annually, \$25 billion more than current allocations.<sup>19</sup>

<sup>&</sup>lt;sup>13</sup> Gardner et al., A Nation at Risk, 1983.

<sup>&</sup>lt;sup>14</sup> Morisi, "Teen Labor Force Participation before and after the Great Recession and Beyond," 2017.

<sup>&</sup>lt;sup>15</sup> Carnevale and Hanson, "Learn and Earn," 2015.

<sup>&</sup>lt;sup>16</sup> These opportunities took place under at least five different federal programs: Job Corps, the Summer Program for Economically Disadvantaged Youth (SPEDY), Youth Employment and Training Programs (YETP), Youth Community Conservation and Improvement Projects (YCCIP), and Youth Incentive Entitlement Pilot Projects (YIEPP). Subsequent federal legislation limited these programs: Year-round youth programs were favored rather than dedicated summer employment programs. In addition, funds were distributed through formula-based grants to states and localities rather than through direct appropriations by the federal government.

<sup>&</sup>lt;sup>17</sup> The Workforce Investment Act of 1998, which replaced JPTA, cut the summer jobs for youth programs in favor of year-round youth programs. In 2009, the American Recovery and Reinvestment Act (also known as the federal stimulus package) included new funding for youth summer jobs programs.

<sup>&</sup>lt;sup>18</sup> Youth employment programs currently comprise the Youth Activities program, Job Corps, and YouthBuild. The Youth Activities program is a formula grant program for state and local workforce development boards to provide year-round employment services. Established in the 1960s during the Johnson administration's War on Poverty, Job Corps provides job training for low-income youth (ages 16 to 24). YouthBuild is a competitive grant program that provides training in the construction industry.

<sup>&</sup>lt;sup>19</sup> Fernandes-Alcantara, Vulnerable Youth: Employment and Job Training Programs, 2017.

POLICY AND PRACTICE Recommendations

### Colleges need to better inform students of tradeoffs between working and learning.

While having some level of employment during one's studies is associated with improved employment and earnings outcomes later in life, employment while enrolled should be considered only complementary to one's studies. The value of education is generally much greater than the value of work, because successfully completing more education has a greater influence on future income streams and working too many hours—above the 15-hour threshold per week—can have a negative impact on students' chances of completing their education. However, sometimes there is no real choice or way around it: many low-income students simply have to work to survive.

College leaders must do more to inform students before they enter college about the costs and benefits of working while in school, what kinds of opportunities are most likely to yield the most positive results, and how to better synchronize what they are studying and the jobs they may hold while in school with their long-term career objectives.

#### Students need the right kinds of work experience.

For work experiences to be valuable and to propel workers up the career ladder, employment should relate to the student's field of study and include *reflective learning on the job*. Reflective learning on the job, the work-based equivalent of metacognition, is essential because it empowers working learners to think intentionally about their future career trajectory and development, identify potentially relevant skills to develop, and acquire a disposition toward lifelong learning.

#### To help working learners from all backgrounds, we should strengthen the connections between learning and work beginning in K–12.

Helping low-income working learners will require systemic reform that cuts across institutional silos that separate

- academic from applied learning pedagogies;
- general from career-specific education;
- high school from postsecondary institutions; and
- educators from employers.

We can erase these counterproductive divides by building a superhighway from high school to college, career, and lifelong learning with multiple pathways to adulthood and no educational or career dead ends. These pathways would begin in ninth grade and infuse high school with early college programs and work-based learning.

# We can better connect our K-12 education system to work by investing in career and technical education, youth apprenticeship and internships, career counseling, and youth employment programs.

Elementary and middle schools should promote activities that lead students to build awareness of different careers, such as field trips to local businesses, classroom visits by adults working in a variety of fields, and other career-oriented, course-based activities. Middle schools should offer counseling and career fairs that prompt students to think intentionally about building competencies aligned with different careers so they are equipped to make informed decisions about career preparation activities in high school and beyond.

Ideally, beginning in high school, all students would get

- required career counseling that assesses individual talents, interests, values, and personality traits and ties each of these to possible occupational pathways;
- firsthand exposure to these occupational pathways through internships and other applied learning opportunities;
- work experience to cultivate basic employability skills such as conscientiousness and collegiality in diverse workplaces; and
- access to certificates and industry-based certifications, thus improving postsecondary access and affordability.

#### Strengthening the connections between postsecondary education and careers will require policies that promote transparency in the economic value of education, reform our funding models, and encourage work-based learning.

The most cost-effective way to strengthen the connections between postsecondary education and careers is to ensure that students, parents, educators, and policymakers understand the labor market outcomes of postsecondary programs. Federal and state policymakers have made substantial progress over the past decade in developing data systems that allow us to measure the economic value of postsecondary programs; it is now time to put this information in a userfriendly format and give it to students so they can make informed choices about the programs they enroll in and the careers they pursue.

## Work experience provides the most value when it is connected to students' long-term career goals.

Work experience provides the most value when it is connected to students' long-term career goals. The Federal Work-Study (FWS) program, which subsidizes part-time employment for students, should be reformed to promote working in fields related to students' majors or fields of study by extending eligibility for FWS to nonprofit and for-profit employers off campus.

Promoting policies and practices that strengthen the connections between education and work will help working learners of all backgrounds move to and through college on their way to a successful career and, at a minimum, a middle-class life.

Balancing Work and Learning: Implications for Low-Income Students can be accessed online at cew.georgetown.edu/LearnAndEarn



Georgetown University Center on Education and the Workforce 3300 Whitehaven St. NW, Suite 3200 Washington, DC 20007 cew.georgetown.edu

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