SOCIAL INNOVATIONS Journal

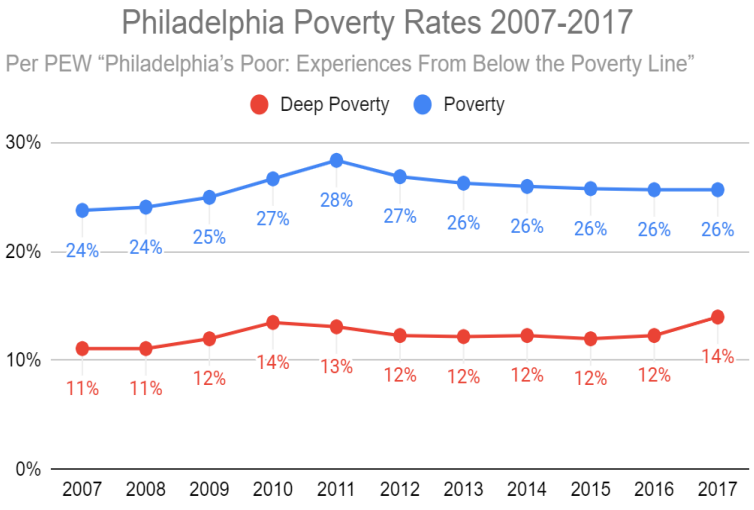
Helping Adult Learners Achieve Higher Education:

Toward Meaningful System Change in Philadelphia's Workforce

By David Castro, Cynda Clyde and Fernando Castro

The Urgent Challenge of Poverty in Philadelphia

It is no secret that the City of Philadelphia faces an ongoing challenge with poverty. Data reports from 2018 show that 24.5% of the city's population lives below the poverty line, making it the second poorest city in America. To understand and address this challenge remains critical, because poverty lies at the root of many other serious issues, including limited access to healthcare, housing, nutrition, and increased exposure to risk of abuse, addiction, incarceration, and crime.[1] Before the economic devastation caused by the COVID-19 pandemic, the poverty rate in Philadelphia had shown modest improvements; however, even at the heights of recent economic prosperity, the "deep" poverty rate—the number of people earning at most half the poverty line—was rising. [2]



[1] In 2016, 76% of all violent crimes reported in Philadelphia occurred in economically challenged neighborhoods. In areas with poverty rates exceeding 40%, the frequency of violent crime tripled. Pew, "Philadelphia's Poor: Experiences From Below the Poverty Line"

[2] Pew, "The State of Philadelphians Living in Poverty, 2019"

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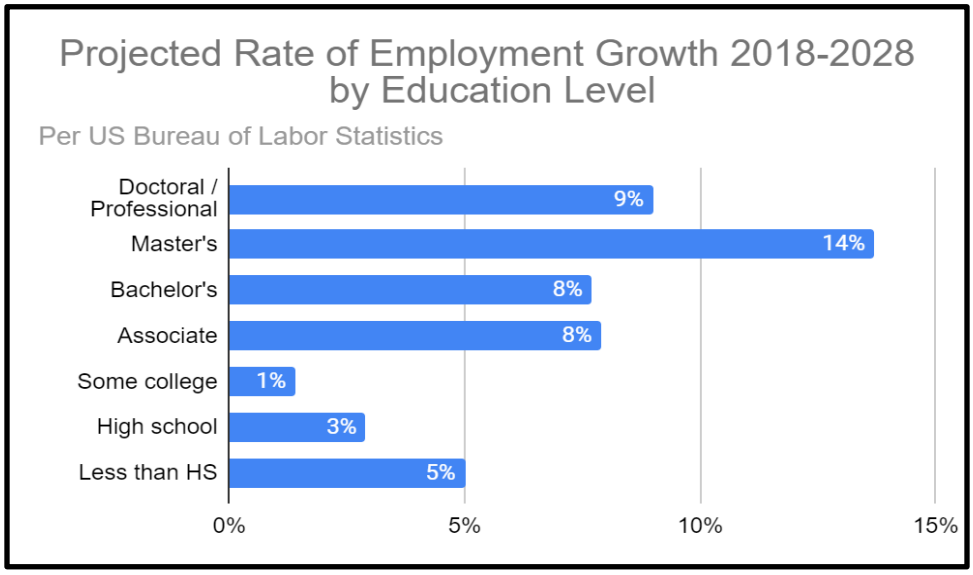
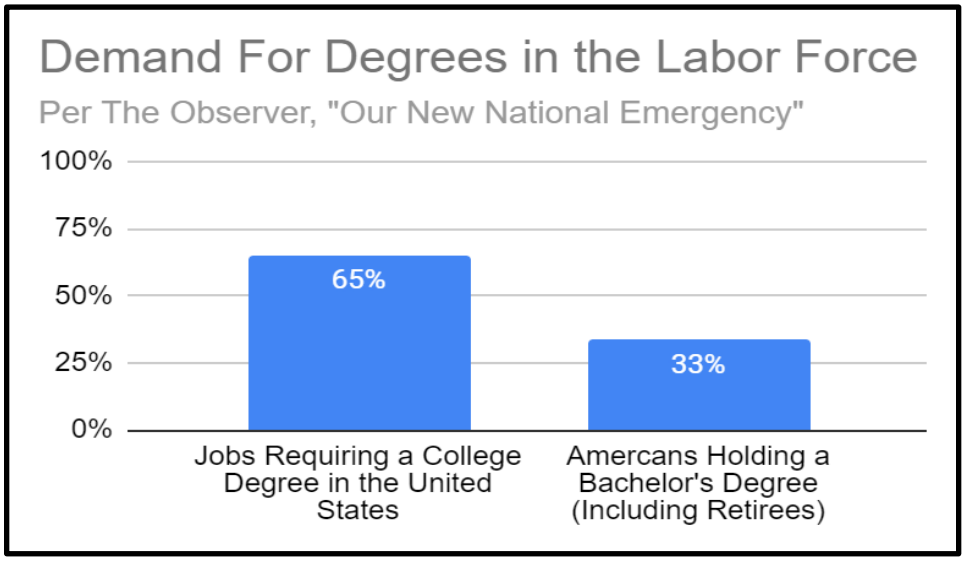
The Unique Promise of Higher Education in Transcending Poverty

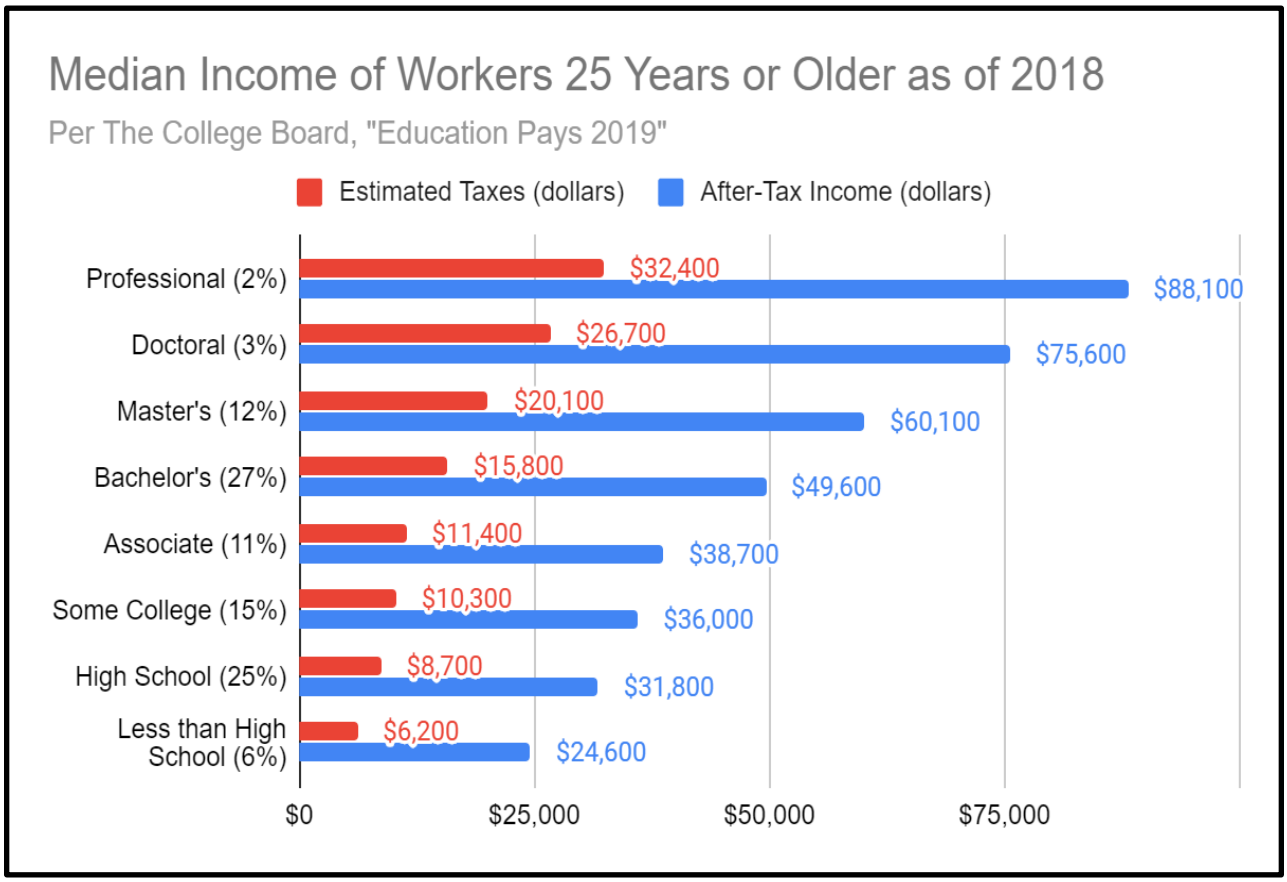
Attainment of a college degree provides a powerful and stable path out of poverty. The labor market's demand for college educated employees has grown rapidly, while the demand for those lacking college education has been shrinking (US Bureau of Labor Statistics).



Nationally, the percentage of jobs in America requiring a college degree is nearly double the percentage of Americans that have a college degree (Tures, 2019).

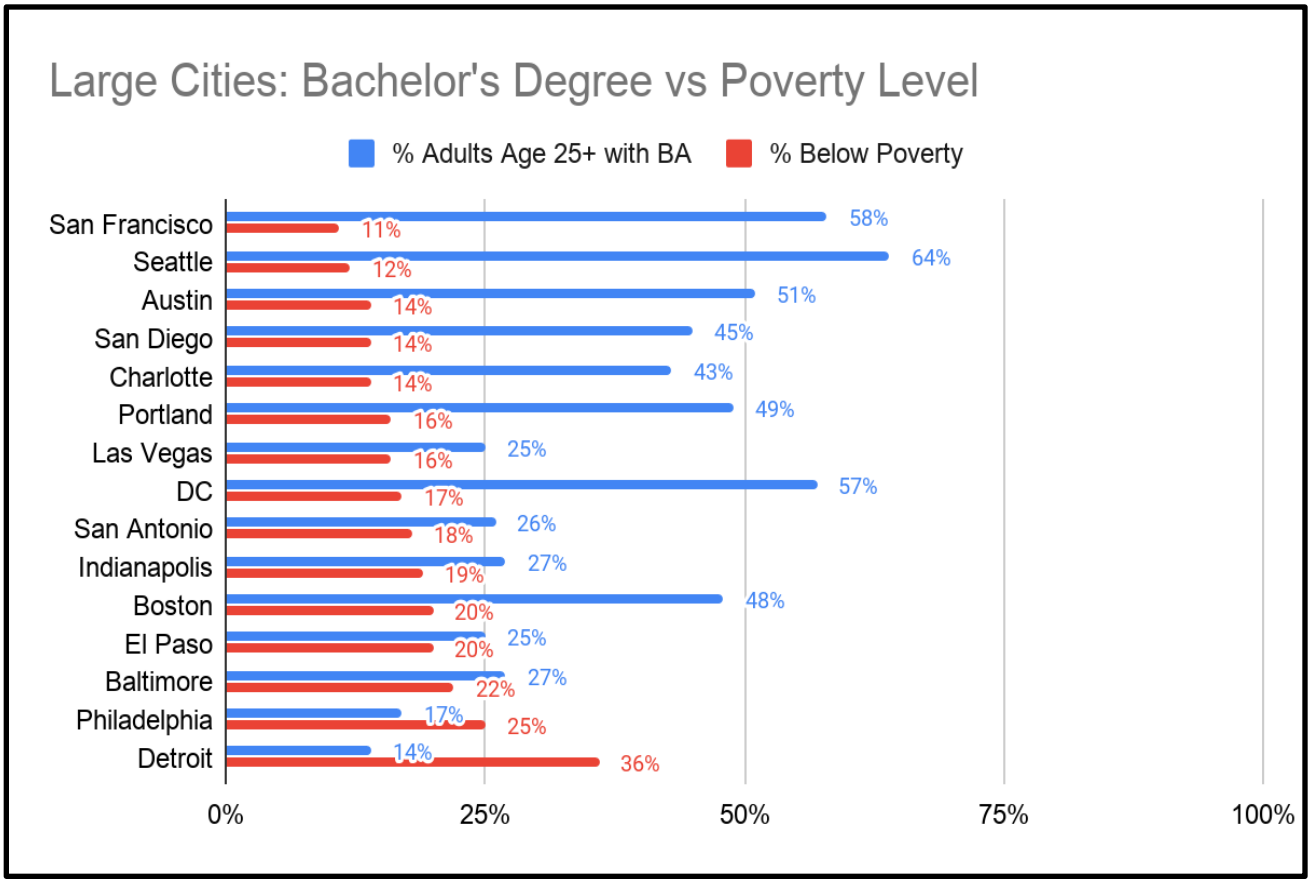


The increasing demand for higher education in the labor force continues a decades long trend and is reflected in sharply higher average salaries and a wide array of available job opportunities (College Board, 2019).



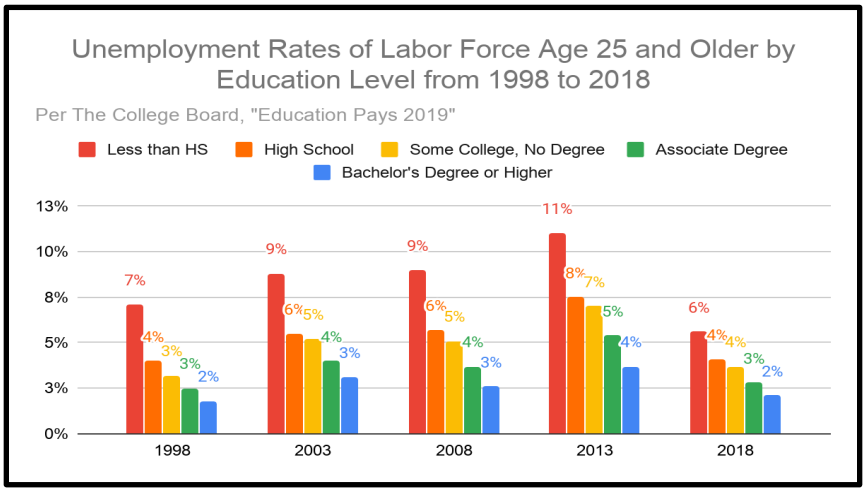
Over the average lifespan of a labor force member (18 to 64), a worker with a bachelor's degree earns approximately $400,000 dollars more, after all education costs are deducted, than a worker with a high school diploma alone. The earnings premium remains even though approximately four years of wages are "lost" in the pursuit of a bachelor's degree (College Board, 2019).

The impact of a higher educational attainment strategy to reduce poverty can be observed by way of comparing the striking inverse relationship between poverty levels and bachelor's degree attainment levels across some of the country's largest cities.

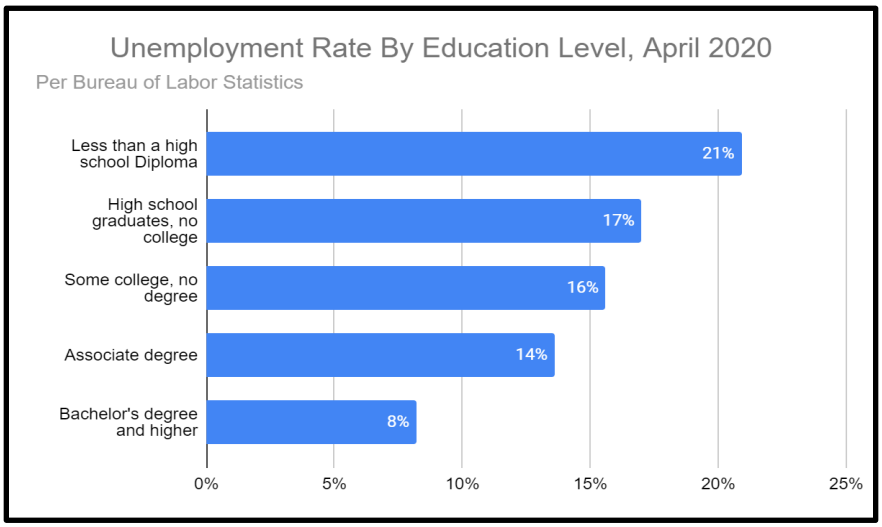


While higher education clearly enables economic prosperity, the opposite is also true: the absence of higher education attainment increases the risk of poverty. The Bureau of Labor Statistics shows that there exists, in both Philadelphia and the United States generally, a powerful inverse correlation between education level and employment rates. More specifically, as the labor force splinters according to education level, the less educated subsets suffer increased unemployment.

In the period of 1998-2018, laborers with college degrees showed more resilience against recessions, and maintained lower unemployment rates than less educated workers in comparison.



The COVID-19 pandemic has sharply exacerbated these trends. At this writing, a few months into the crisis, the unemployment rate has skyrocketed as thousands of jobs in service industries have been snuffed out by the "shelter in place" orders enacted in response to the virus. Many low income Philadelphians (approximately 69.8% of the Philadelphia labor force who lack higher education attainment) rely on service industry jobs because a college degree is not required for entry. There exist few opportunities outside the service industry for this sector of the labor force. At the same time, in the midst of the pandemic economic crisis, degreed workers in the knowledge economy are experiencing unemployment at half the rate of those lacking degrees, as their jobs are more amenable to work online.



College educated employees also demonstrated this resilience during the great recession of 2009, when unemployment mushroomed to 23.5% (College Board, 2019) for those lacking degrees, but held to single digits for those with a bachelor's level education or above.

While unemployment rates will certainly regress to less severe levels as the service and travel industries learn to cope with a broad spectrum of profound restrictions, the effects of COVID-19 threaten to inflict permanent damage on the employment options for those lacking higher education. The COVID-19 crisis has deepened a problem of erosion in service industry jobs which was already strongly underway: increasing automation. To gain a sense of the pending disruption, one only has to imagine the impending impact of self-driving vehicles on the work opportunities for those who drive for a living, such as taxi drivers, truckers, professional chauffeurs, and delivery personnel.

Indeed, across the United States, disparities in employment, income and opportunity between those who graduate college and those who do not will continue to grow. "Over the past four decades, the size of the average earnings advantage for completing a bachelor's degree [and working in the college labor market] has grown substantially," says Dr. Paul Harrington of the Center for Labor Markets and Policy at Drexel University's School of Education (ETS, 2018) Relatedly, Anthony Carnevale (2016) of Georgetown University's Center on Education and the Workforce has written, "Postsecondary education and training sets in motion the runaway train of earnings differences that have made us a nation of postsecondary haves and have-nots." Philadelphia will continue to face this challenge as the overall labor market continues progress toward a "knowledge economy" which values specialization and skills that require higher education. All the data points in the same direction: to

reduce unemployment as a strategy for poverty alleviation, the number of people who attain college degrees must increase.

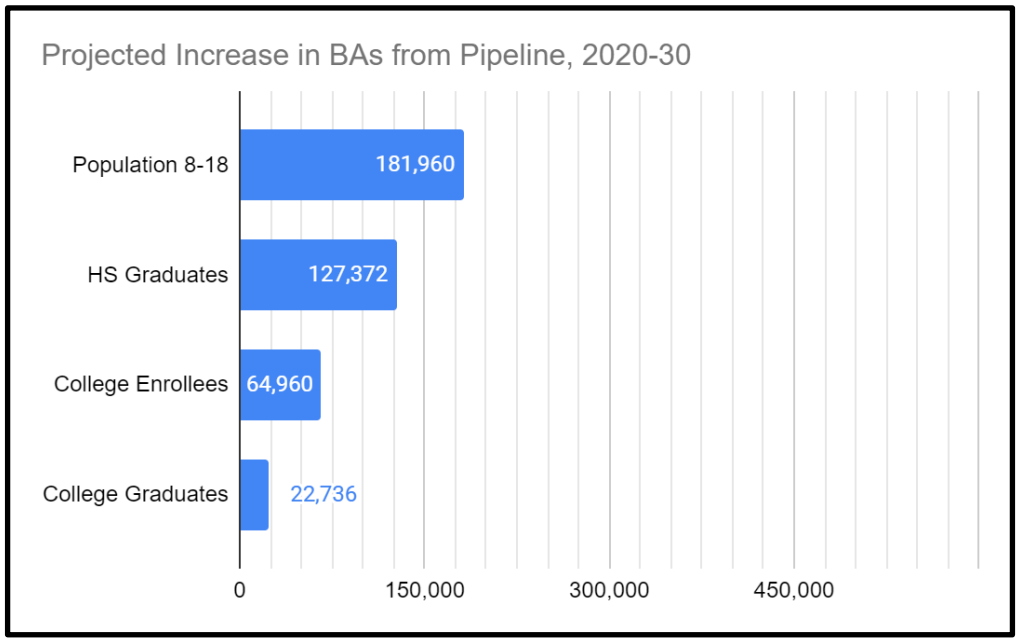
Tipping the Labor Force: the Pipeline and the Pool

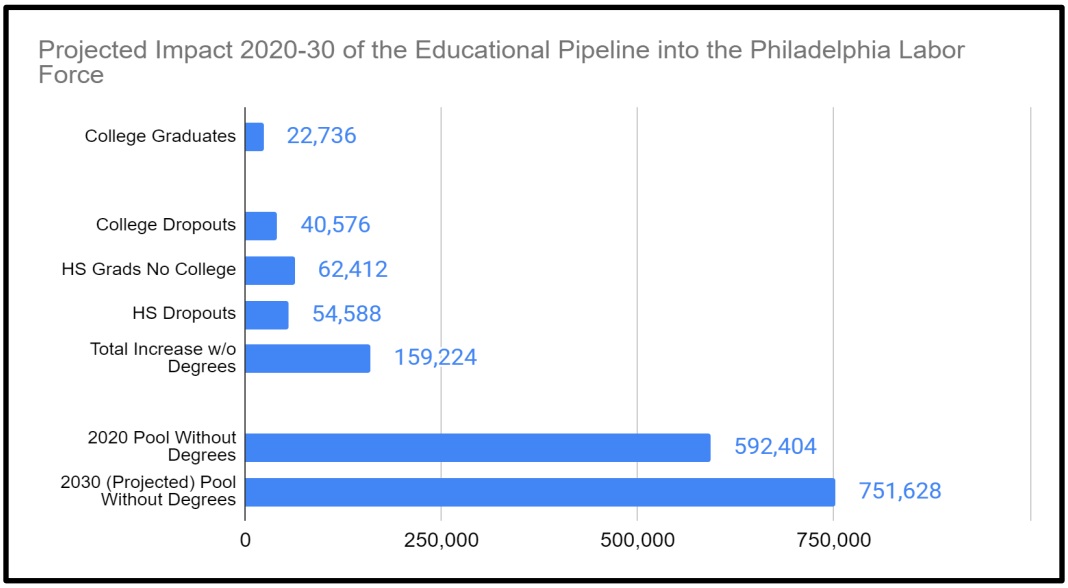
Recognizing the critical importance of higher education to long term poverty alleviation, we should consider the efficacy of current strategies being employed to alter these system dynamics for the future. At the present time, most policy conversations involving higher education and its connection to poverty alleviation revolve around programs that focus on the labor force "pipeline." In this context, the pipeline refers to young adults entering the labor force over the next ten years. For example, as of this writing, the pipeline for the time frame 2020-2030 in Philadelphia, is composed of the current population aged 8-18. The theory underlying this strategy posits that the best way to increase the education level of the Philadelphia labor force overall (the "pool") is to increase graduation rates for youth emerging from middle and secondary education. According to this theory, increasing "pipeline" success will change the fundamental educational composition of Philadelphia's labor "pool."

However, there is good reason to believe this focus on the pipeline *alone* will fail to produce significant change in the pool. Here's why: The current population of the workforce in Philadelphia ages 25-64 is approximately 856,190. Of that population, 263,786, or 30.8% have attained a bachelor's degree or higher. Comprising the vast majority (69%) are 592,404 members of the labor force who lack degrees. Meaningful poverty reduction in Philadelphia cannot be accomplished unless a sizable percentage of these undereducated achieve college education (Harrington & Fogg, undated).

Furthermore, the situation is not static. Consider the next ten years as a meaningful period for action. During this time, approximately 181,960 current students, ages 8-18, will flow through the pipeline into the Philadelphia labor force. Out of that group, 70%, or 127,372, are projected to graduate

high school. Note that 54,588 who fail to graduate from high school will flow into Philadelphia's pool of undereducated adults. Out of the group that succeeds in completing high school, only 51%, or 64,960, are projected to matriculate in college. Note that the 49% (62,412) who do not matriculate in college will follow the high school dropouts into the pool of Philadelphia's labor force lacking college degrees. Finally, out of the group that enrolls in college, only 35%, or 22,736, are projected to finish college within six years. However, the remainder, an additional 40,576, will also flow through to Philadelphia's labor force pool lacking degrees. In summary, at current rates of college achievement, only 13%, or 22,736, of the labor force pipeline will earn a degree, while 87%, or 159,224, will join Philadelphia's pool of undereducated workers. After ten years, we can easily imagine that the number of people struggling with poverty in Philadelphia will grow, because the number of people lacking degrees will swell from 592,404, to 751,628, an increase of over 25%.





It is sobering to recognize that even a doubling of the college achievement rate among Philadelphia's labor force pipeline would not produce a significant increase in the percentage of college-educated among Philadelphia's workforce. Even such a profound success would not diminish the total number within Philadelphia's workforce struggling with reduced income due to a lack of college achievement. It would only slow the growth of that number.

Let us move on to consider another tributary to the flow of Philadelphia's labor force. What about the students who graduate from Philadelphia's many prestigious universities? First, it is clear that many of them are passing through Philadelphia. In Temple University's 2018 freshman class, (Fall 2018 enrollment), 31% of the students were not from Pennsylvania, let alone Philadelphia (Temple University, 2019). At Drexel University (2018), 58.1% of the 2018 freshman class were not from Pennsylvania. At the University of Pennsylvania (2017), as of the 2016 fall semester, 81% of all students enrolled were not from Pennsylvania. These students are not part of the City's population to start with, and many will not remain after they graduate.

Second, those graduates from outside Philadelphia who do choose to remain and become permanent residents may well affect the city's overall demographics, but they will not reverse the projected growth of Philadelphia's workforce at risk of poverty due to lack of higher education achievement. Essentially, they represent a driver of gentrification, an imported workforce available to partially fill the local demand for college educated workers, while many in the growing pool of undereducated workers remain sidelined.

This analysis yields a critical conclusion. To reduce poverty in absolute terms through a higher education strategy requires strengthening programs that reach beyond the pipeline to the pool, directly serving adult learners within the present stagnant workforce lacking college degrees.

Toward Fundamental Change in Philadelphia's Labor Force: Promising Strategies

Given the number of workers in the City's labor force who have not earned a college degree, it will take the proverbial village of higher education institutions and programs to make a meaningful impact. There is an abundance of student prospects in their 30s and 40s with half of their working lives remaining who could help meet the labor market demand for college graduates if we look beyond the traditional age "pipeline."

Community College of Philadelphia

With an annual enrollment of more than 15,000 degree or certificate seeking students, Community College of Philadelphia is a clear resource for the City to draw upon to confront the challenge of an undereducated workforce. However, it cannot be depended upon to "move the needle" alone. On an annual basis, an average of 1,700 Philadelphians earn an associate degree through CCP. Following the pipeline flow described above, CCP promises to add an approximate total of 17,000 associate degree holders to the City's labor force over the next ten years. While not an insignificant

number, 17,000 unfortunately represents a small fraction (2.2%) of the anticipated 751,628 member pool of undereducated workers in Philadelphia. Even if CCP were to double its capacity and graduate 34,000 people in the next decade, its contribution still leaves much of the pool of adult learners unserved, especially considering that 50% of projected graduates will be of traditional college age. CCP's contribution could be substantially increased by strengthening the retention level of students already enrolled, which averages 23% among all categories of student (first time, non first time, full time, part time) (IPED data base, 2019).

Graduate Philadelphia

Graduate! (Philadelphia) offers a complementary strategy to address the challenge of the City's undereducated workforce: a novel, data driven approach targeting the near 20% of Philadelphia's workforce who have earned some college credit, but not completed a bachelor's degree program. Graduate has provided college advising services to over 6,200 adults above age 25, connecting them with partner institutions to complete their degrees. Through their efforts, over 2,500 adults have restarted college careers and more than 1,000 associate and bachelor's degrees have been conferred (Graduatephiladelphia, undated).

I-LEAD (Achieve College Education)

An additional higher education model designed to serve adult learners was created by I-LEAD, Inc. The program, known as "Achieve College Education," has graduated 1,136 from associate degree programs through its academic and community partnerships. I-LEAD developed an effective system and organization to facilitate the education of this subset of the workforce by addressing the barriers and hurdles faced by working adults when navigating their path to a college degree. I-LEAD empowers adults who did not consider college to be an option to complete their degrees.

First and foremost in the I-LEAD model, adult learners can continue to have time for their jobs and families while attaining their degree. Classes are held in the evening, on a consistent schedule semester to semester, and most importantly, in the communities of its learners, reducing commute time to a traditional campus. I-LEAD further saves time for its learners by combining remedial courses and for-credit courses simultaneously, allowing adult students to hit the ground running in their program of study thereby reducing time to degree. Though classes meet only two evenings per week, students maintain full time status and are eligible for a requisite financial aid package.

While being time efficient, the I-LEAD program is accessible and welcoming to adult learners. The community organizations that I-LEAD works with serve as physical class sites, familiar to students, and act as support networks, providing assistance with financial aid, career counselling, program selection, and navigation of and communication with college departments. I-LEAD and its community partners create classroom environments which respect the experience and learning styles of adult learners, who may not receive such customized services from a traditional, pipeline-oriented college. By taking classes to the communities, the group learning environment cultivates communication and teamwork, along with experiential and interactive learning, which are vital parts of the education process for the adult audience.

Further, the I-LEAD model is cost-effective to the community by engaging the existing facilities of community partners as mini campuses. Given their proximity to and relationships with community members, community partners are able to penetrate a market segment of adult learners unreached by standard recruitment methods. The model provides an accessible onramp to higher education for these learners who, upon graduation, transition to higher paying jobs and bachelor's degree programs, contributing both enhanced financial and human capital to their City of residence. Even more

powerfully, graduates are often first generation college students who model higher education achievement for their families and children, disrupting the intergenerational cycle of poverty by live example.

As the old saying goes, “Insanity is doing the same thing and expecting different results.” The fertile knowledge economy in the United States continues rapid growth, and it heavily values higher education. Deep structural economic challenges will continue to undermine the service economy that offers hope to undereducated workers. Such challenges include ongoing labor automation and the lasting impact of the global pandemic-driven recession. If we are intent on reducing poverty in Philadelphia by increasing earning power, increasing higher education attainment offers the most powerful solution. But the focus to-date on the labor force pipeline is not enough to make a significant impact that changes the system dynamics. We must consider alternative ways to make a bachelor’s degree a staple of the labor force, in Philadelphia and the rest of the country. Therein lies the potential for real progress.

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