

## **Reimagining the Role of Postsecondary Education and Its Impact on Poverty**

By Nikia Owens, Ph.D. and Carniesha Kwashie, MS

### **Summary**

In the wake of the coronavirus (COVID-19) pandemic, the nation is seeing the highest unemployment rates in its history. Pennsylvania and New Jersey are two of 12 states hit hardest by COVID-19. In counties like Philadelphia, Montgomery and Camden, communities, especially vulnerable populations, are being impacted disproportionately by confirmed COVID-19 cases, deaths and rising unemployment rates. As unemployed Americans prepare to re-enter the job market and compete for jobs, what impact will postsecondary education have in a world that is forever changed by the pandemic? How employers, job seekers and policymakers work to reimagine a competitive American workforce will heavily rely on postsecondary policies, practices and programs. Communities living in poverty are at greater risk of falling deeper into economic disparity. Access to postsecondary supports is key for communities living in poverty being able to overcome the impacts of the pandemic. Impoverished communities must be prepared to compete across all industries and sectors, especially those that are economic drivers in the region.

### **Challenges of Postsecondary Education**

Demand for education and training in the United States has been on the rise for decades and Pennsylvania's economy reflects this national trend. Pre-COVID-19 projections by Georgetown University's Center on Education and the Workforce states that more than 60% of jobs in Pennsylvania and across the nation will require at least some postsecondary education by 2020. More than one-third (733,000) of the 2,154,000 projected job openings will require at least a bachelor's degree. These numbers reflect the increasing demand for individuals with a bachelor's degrees (particularly in the fields of engineering and science). Unfortunately, many young people are left without the means or opportunities to acquire a postsecondary education. In Philadelphia's public-school system (not including charter schools) fewer than four out of 10 high school graduates will attend college immediately after graduating, and half will never attend college. According to the Census Bureau and PEW report, the percentage of college graduates in Philadelphia is 30.9%, once again falling below the national average of 32.6%. For those who are able to attend a four-year institution, the average college student in Pennsylvania graduates with more than \$37,000 in debt leaving Pennsylvania students with the second highest debt nationally.

### **Philanthropic Response to Postsecondary Education**

United Way of Greater Philadelphia and Southern New Jersey's (UWGPSNJ) mission to tackle poverty in the region is not exempt of challenges, but UWGPSNJ brings a unique and diverse group of stakeholders and

funders together to drive systemic change and address its community's most pressing needs. As a results-based organization, UWGPSNJ is committed to investing in quality agencies and programs producing real, measurable outcomes. UWGPSNJ's financial empowerment efforts aim to help individuals build skills to acquire employment where the compensation equals an individual or family's sustaining wage and works with individuals and families to build assets needed to become financially stable. In an effort to impact its communities served, UWGPSNJ helps individuals become financially stable through the following:

- **Income Supports:** Access to benefits that offset/address the costs of basic and/or immediate needs in an effort to maintain employment, housing and/or safety, which include the following: food, clothing, shelter, transportation, childcare and utility assistance.
- **Job Training:** Job seekers receive the basic life skills, attitudes, behaviors, workplace skills, communication (language) and reliability to succeed in jobs in their region.
- **Building Assets:** Includes six core asset building approaches: 1) Financial Education; 2) Getting Banked; 3) Borrowing/Debt Management; 4) Individual Development Accounts (IDAs) and College Savings Accounts; 5) Public benefits; and 6) Tax credits.
- Convene key stakeholders to advocate for public policies that advance local and state workforce and asset development policies.

By focusing resources and expertise on the aforementioned key strategies UWGPSNJ implements local initiatives to target pressing community needs like financial assistance for postsecondary studies. United Way's Lubert Individual Development Account (IDA) program serves as an integral component to the overarching financial empowerment strategy by ensuring low-to-moderate income students have access and an opportunity to pursue and acquire a postsecondary education, which it believes is a gateway for upward mobility.

United Way of Greater Philadelphia and Southern New Jersey's Lubert IDA program is working to lower debt and make a postsecondary education accessible to low-to-moderate income students by providing a 3:1 match, where the student saves \$1,000 and receives \$3,000 toward their tuition and school expenses. The IDA program participants receive six hours of financial education to help them manage a budget and save. In addition, the financial education includes saving for education and specialized training and assistance in identifying and applying for scholarships and other financial aid (two hours are dedicated to navigating the postsecondary educational system, career and vocational planning). Participants must complete all savings and counseling requirements within six months to one year after enrollment. In addition, **College Savings Accounts (CSA)** were added to the IDA initiative to focus on helping high school students gain financial awareness, incorporate good financial behaviors early and access postsecondary education by building savings to support their postsecondary goals. Over a decade of research and practice shows that building youth savings can accomplish a number of desirable outcomes inclusive of the following:

- **Increasing college expectations:** Savings for postsecondary education fosters a college-bound identity.
- **Improving college attendance:** Savings are associated with youth staying on course to attend college.

- Increasing college completion: One study reveals that low-to-moderate income children with dedicated college savings of \$500 or less are three times more likely to attend college and four times more likely to graduate from college than those without savings.
- Reducing student loan debt by providing savings to supplement financial aid.
- Increasing families' financial capability by giving accounts that are appropriate, accessible, affordable and secure.

CSA participants that save \$500 during their senior year of high school will be matched \$1,500 with the option of using the funds toward application fees, college deposits, housing, tuition and other postsecondary expenses.

Adding the CSA component to the IDA program was further designed to serve as a bridge to the larger (3:1) IDA match program and to allow for better data tracking and reporting.

Notwithstanding, one in five Americans has zero or negative net worth and student loan balances have jumped nearly 150% in a decade, the Individual Development Account (IDA) and College Savings Account program is playing an instrumental role in decreasing the wealth gap, reducing student loan debt, helping more individuals and families become financially secure and communities more stable and creating more fiscally responsible savers. The IDA/CSA program is the single most significant income program within UWGPSNJ's income portfolio. The IDA/CSA program is working to change the future trajectories of low-to-moderate income individuals/ and families by building assets that impact the community and future generations.

### **Addressing Disparities of Postsecondary Education and Job Training Efforts**

In addition, to the Financial Empowerment strategies and practices, UWGPSNJ's Job Opportunity Investment Network (JOIN) collaborates and provides a framework for training providers, employers, funders, government and other stakeholders in the region to address racial and social disparities that individuals living in poverty experience. This is done in order to reduce disparities for individuals as they strive to be competitive in the workforce. Using a six-step racial equity framework designed by Race Forward and a Continuous Process Improvement tool designed by Corporation for Skilled Workforce, JOIN is working to build the capacity of the sector by:

- **Honing in on improvement goals** established by workforce practitioners through lessons learned and survey results which **generate and test strategies for change**.
- Examine continuous learning related to engaging and sustaining long-term **employer relationships**.
- Understanding the **regional data** related to workforce equity and understanding the **regional impact** of this learning community.

JOIN's postsecondary providers are diligently working to adapt new mindsets and behaviors that prioritize equity to improve matchmaking between jobseekers, incumbent workers and employers alike. This is needed across the sector to improve policy, funding and programs to increase success for those living in poverty.

Understanding the impacts of credential attainment, practices such as competency-based hiring, and access to unrestricted support services for individuals impacted by poverty will enable us to better understand how philanthropy can further support postsecondary efforts.

## **Conclusion**

Philanthropy is designed to create the equity government cannot make on its own. The philanthropic investments of UWGPSNJ and others must be strategically designed to address gaps, provide results that influence policy change and create opportunity for those living in poverty. There is a collective responsibility all stakeholders to ensure communities living in poverty have economic mobility and prosperity opportunities. Constituents living in poverty repeatedly express and show they want to achieve success. Now is the time in history to revisit policies and practices that inhibit those living in poverty from succeeding and accessing their full potential.

## **Works Cited**

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## **Author bios**

**Carniesha Kwashie** is a national and regional award-winning nonprofit professional known for her social and economic justice driven initiatives. She has extensive management experience working on large scale national programs in the government, nonprofit, and private sector. She currently serves United Way of Greater Philadelphia and Southern New Jersey as the Director of the Job Opportunity Investment Network (JOIN). To increase the capacity and improve performance of workforce agencies, Carniesha designed and implemented, in partnership with the Corporation for a Skilled Workforce (CSW) and Race Forward, a racial equity driven Workforce Benchmark Network initiative -- the first of its kind in the nation. Prior to leading JOIN, Carniesha directed and managed the Better Bike Share Partnership and Indego Bike Share Program with the City of Philadelphia's Office of Transportation and Infrastructure Systems (OTIS). Under her leadership and focus on social justice driven innovative transportation solutions both programs served as national models for an equitable bike share system. Currently, Carneisha serves as the co-chair of the PHL COVID-19 Fund which has

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**Dr. Nikia Owens** is Managing Director of Financial Empowerment at United Way of Greater Philadelphia and Southern New Jersey (UWGPSNJ). Prior to joining UWGPSNJ, Dr. Owens served as Vice President as well as several director positions overseeing internal and executive communications, housing and basic needs, information manager/planner/evaluator and family violence with national nonprofits and county agencies. Dr. Owens is the Founder/Owner of 3Ps N U, LLC a consulting agency offering services in strategic planning, management, evaluation, and training. Dr. Owens has taught at the collegiate level and within her leadership roles served on state and local boards, presented before state officials, analyzed public policy, garnered bipartisan support on state programs, and most recently served on Mayor Barbarann Keffer's transition team for Upper Darby Township. Dr. Owens holds a Bachelor of Science and Master of Social Work from Howard University and a Doctor of Philosophy in Social Work Planning, Administration, and Social Science from Clark Atlanta University.