

# Too many New Mexicans cannot afford to earn college credentials

New Mexico needs a better-educated workforce



and our families need pathways to economic security



77% of projected jobs in NM will require at least

some post-secondary education<sup>1</sup> ... but only 47% of low-income NM working families have a parent with some post-secondary education.<sup>2</sup>

But money and work schedules are significant barriers for students<sup>3</sup>

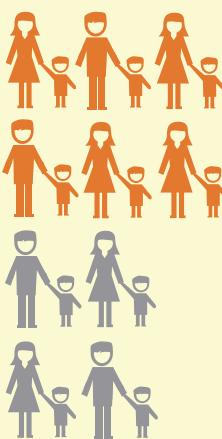


82% of NM students with or completing GEDs reported cost as the biggest hurdle to attending college.

*"I dropped a class because of work. My boss gave me an ultimatum to come to work or lose my job."*  
—NM College Student



Time issues related to work schedules were the next two biggest hurdles.



## Many students need child care

More than 6 in 10 community college student parents are dependent on child care, which can cost more than their tuition.<sup>4</sup>



## College tuition is up

Tuition and fees have increased in NM over the past 6 years:

- 46% at 4-year public universities
- 34% at 2-year colleges.<sup>6</sup>

## The student loan crisis is getting worse

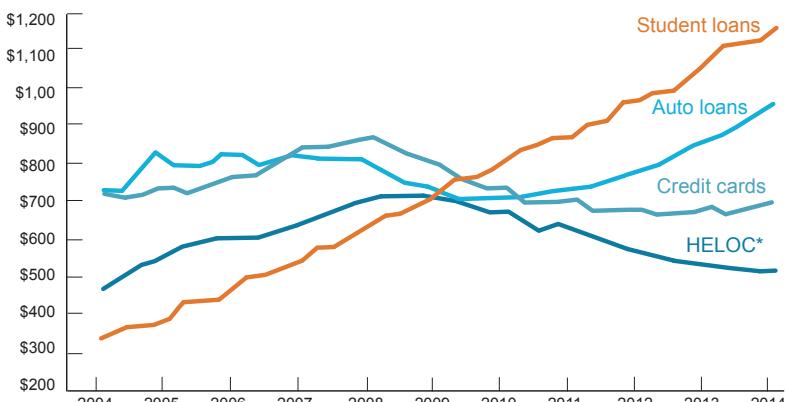
New Mexico's student loan default rate is 20%.

That's the highest rate in the nation.

The national average is 12%.<sup>5</sup>

## Student loan debt has skyrocketed since the recession<sup>7</sup>

National Non-Mortgage Debt (2004 Q4–2014 Q4)<sup>1</sup> in billions



\*HELOC is a home equity line of credit

1 National Skills Coalition analysis of long-term occupational projections from state labor/employment agency (2011-2021)

2 Working Poor Families Project, analysis by the Population Reference Bureau of 2013 American Community Survey data

3 Mission: Graduate 2014-2015 study surveying central New Mexico GED students and GED graduates

4 *Improving Child Care Access to Promote Postsecondary Success among Low-Income Parents*, Institute for Women's Policy Research, 2011

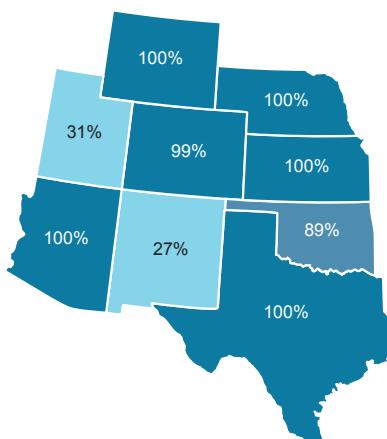
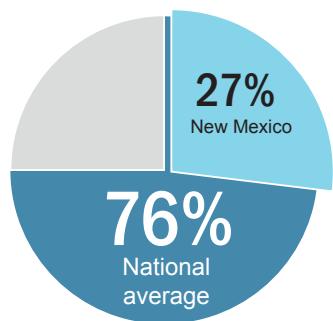
5 U.S. Department of Education, FY 2012 3-year Official Cohort Default Rate

6 Western Interstate Commission for Higher Education analysis of undergraduate tuition and fees at public 4-year and 2-year institutions in

NM, 2009-10 through 2014-15

7 Federal Reserve Bank of New York Consumer Credit Panel/Equifax. Chart from Brown et al., *The Student Loan Landscape*, 2015

# More state financial aid must be need-based if New Mexico is to strengthen its workforce and decrease its poverty



## New Mexico is behind the curve on need-based aid

Just 27% of New Mexico's state-based financial aid is need-based.

The national average is 76%.<sup>8</sup>

## The College Affordability Fund was drained

This need-based fund for low-income students was nearly drained during the recession to plug budget holes and is running out.<sup>9</sup>

## As a high-poverty state, how we award our financial aid is unbalanced



**31%** of the value of the lottery scholarship go to students from families earning **more than \$90,000**. These are families that can better afford to send their kids to NM universities without financial help.<sup>10</sup>

Just **16%** of the value of the lottery scholarship go to students from families earning **less than \$30,000**. Families in this income group are hard pressed to put their kids through school without financial help, but too few receive it.

## Policy Recommendations

- **Increase the share of need-based state financial aid**, including making the Lottery Scholarship need-based, to help low-income adult students earn credentials that will improve our workforce.
- **Restore the College Affordability Fund** to its pre-recession levels.
- **Reduce course load eligibility requirements for financial aid to part-time** for low-income students who need to work to pay for housing and other costs.
- **Restore eligibility for child care assistance** to at least 200% of the federal poverty line.
- **Fund more achievement coaches and case managers** to help low-income students with academic supports, career guidance, and financial assistance.

8 National Association of State Student Grant and Aid Programs, Academic Year 2013-2014; as analyzed by CFED  
9 Legislative Finance Committee FIR analysis

10 NM HED data of Legislative Scholarship tuition payments by family income ranges for spring 2012 for first-time scholarship recipients

Icons by Freepik and OCHA from www.flaticon.com

NEW MEXICO VOICES FOR CHILDREN