

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 education¹ ... but only 47% of low-income NM working families have a parent with some post-secondary education.²

But money and work schedules are significant barriers for students³

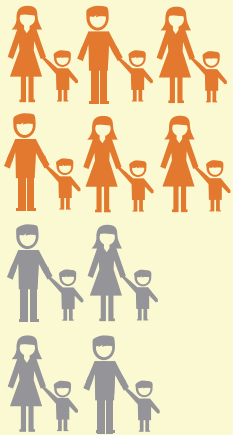


82% of NM students with or completing GEDs reported cost as the biggest hurdle to attending college.

"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.⁴



College tuition is up

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

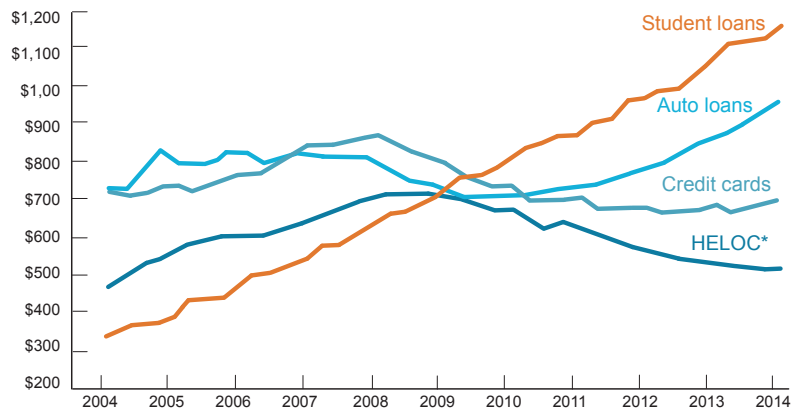
- 46% at 4-year public universities
- 34% at 2-year colleges.⁶

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%.⁵

Student loan debt has skyrocketed since the recession⁷

National Non-Mortgage Debt (2004 Q4–2014 Q4)¹ 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

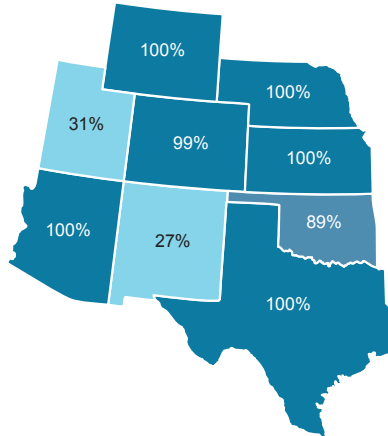
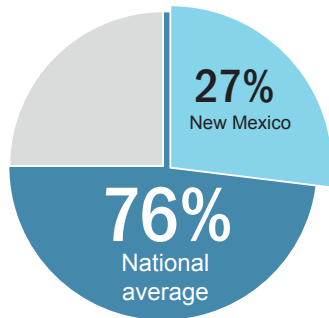
NM, 2009-10 through 2014-15

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



(OVER)

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



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.⁹

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%.⁸

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.¹⁰

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

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