



COLLEGE COUNTS

EVIDENCE OF IMPACT

A RESEARCH ANALYSIS OF THE ARKANSAS CAREER PATHWAYS INITIATIVE

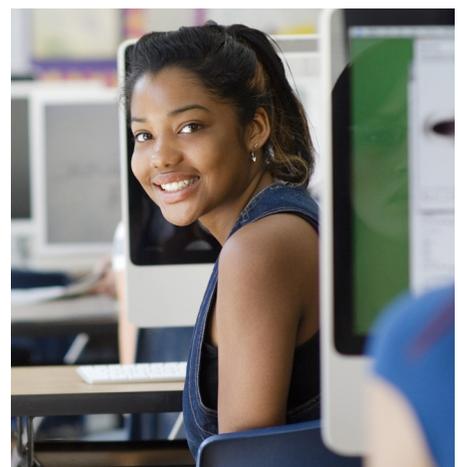
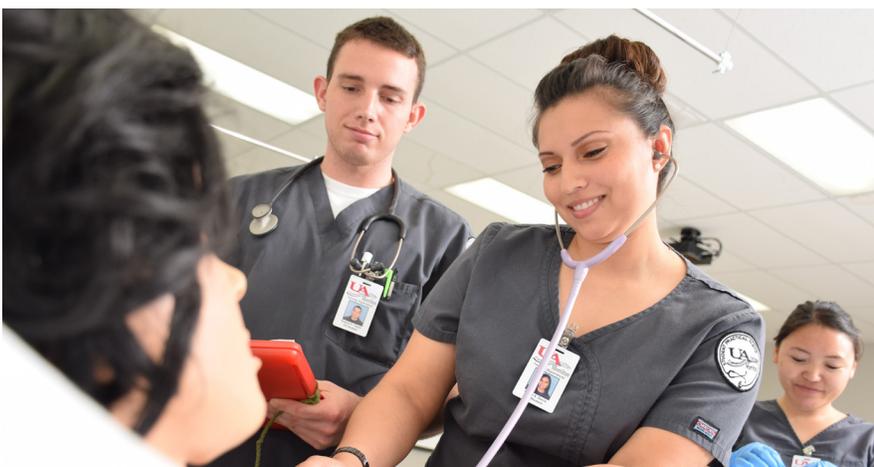
INVESTING IN THE FUTURE OF AMERICA'S WORKFORCE

For more than a decade, the state of Arkansas has been on the cutting edge of workforce development reform efforts, having undertaken a unique approach that uses federal Temporary Assistance to Needy Families (TANF) dollars allocated to the state, to target education and training to low-income Arkansans.

The Career Pathways Initiative (CPI), administered by the Arkansas Department of Higher Education and the state's 22 community colleges and three university-based technical centers has provided education and training to more than 30,000 low-income Arkansans, helping them acquire degrees and certificates to obtain and hold jobs in high-demand and higher-wage industries.

A new external evaluation of the CPI reveals the extraordinary results of this innovative investment of federal TANF dollars. Low-income parents participating in CPI are graduating from college with a degree or a certificate at greater than twice the average of their community college peers at Arkansas community colleges. African-American and Hispanic CPI participants are completing degrees or certificates at three and almost four times the rate of their fellow students of color at Arkansas two-year colleges.

And these students are not only completing degrees and certificates, but are also employed and earning significantly more income than matched comparison groups of similar low-income parents from their communities. The evidence is clear. This initiative is changing lives and may be beginning to break the cycle of inter-generational poverty in the state of Arkansas.



BACKGROUND — ARKANSAS CAREER PATHWAYS

The Arkansas Career Pathways Initiative (CPI) seeks to help low-income parents gain workplace skills and earn “stackable” academic or technical credentials that lead to economic self-sufficiency and reduces TANF (Temporary Assistance for Needy Families) reliance. The program is a shift from traditional programs that have reduced TANF rolls by moving recipients into low-wage, entry-level jobs, providing few opportunities for career advancement.

CPI’s programs objectives are:

- Increased **enrollment** in college-level certificate and associate degree programs,
- Increased **attainment** of stacked college-level certificates and associate degrees, and
- Increased **job attainment and job retention** in well- paying, high-demand jobs in the local region.

CPI was established in 2005 **utilizing existing dollars** from Temporary Assistance to Needy Families (TANF) funds. Administered by the Arkansas Department of Higher Education with TANF funds provided through the Arkansas Department of Workforce Services, the initiative serves students who are current or former recipients of Transitional Employment Assistance (TEA); current recipients of Supplemental Nutritional Assistance Programs (SNAP), ArKids First, or Medicaid; or those earning 250% percent of the federal poverty level or less. Individuals must be a custodial parent or guardian of a child under the age of 21 that is living in the home.

In FY2009-10, for example, more than 3,780 individuals enrolled in CPI programs at a community college or technical center across the state. With an average age of 29, 89% of participants were female, and 58% were single parents. Some 66% were non-Hispanic Caucasians and 28% were African-American. More than 80% received SNAP or Medicaid and 39% were deemed eligible based on earning 250% or less of the federal poverty level. At the time of initial enrollment, only 41% were employed. Seventy percent of entering participants had earned a high school diploma while an additional 22% held a GED, and 8% had neither. CPI students’ skill levels are such that most were earning minimum wage and were not self-sufficient.

“

I think that what helped me most was the gas vouchers because I did live in Hot Springs. The classes that they have, the classes that they team up with TRiO, job skills, resume building – things like that. They gave me day care vouchers. They didn’t just give it to you either. They sit down with you, they talk to you. ‘How are your grades going?’ And they ask you where you are at currently in the semester. And if you have a C they are going to say, ‘Rebecca, you need to go to tutoring’ this or that. They always want you to succeed and do your best in college. And right now I consider Miss Johnnie my mentor, for here and after I left College of the Ouachitas.”

Rebecca, Associate of Arts, College of the Ouachitas, transferred to University of Arkansas Little Rock for Bachelor of Social Work



CPI is designed to help these non-traditional students overcome the barriers that too often keep them from being successful. Wrap-around case management services include:

- **Hands-on Advising and Career Planning.** This includes academic and skill assessment, aptitude and interest inventory, career plan development, and accountability measures to monitor class attendance and student progress.
- **Family support,** including financial support for childcare and transportation expenses.
- **Coursework support,** including funds available for textbooks, calculators, and some technology support.
- **Employment support services,** from resume writing, to interview preparation and job application completion.

These support systems result in holistic case management for students from the start of their college careers. Career preparation is incorporated into co-curricular activities, and student progress towards educational and career goals is closely monitored. Communities of practice are cultivated across the 25 sites, to share proven strategies for enhancing career preparation and to learn from national thought leaders with a demonstrated track record of success in the college-to-work transition. Regular staff development using proven models such as the Bridges Out of Poverty simulation helps sensitize college team members to better understand the realities experienced by participants. Finally, effective training programs allow students to be better prepared to immediately enter the world of work, and emphasis is placed on improving the level of engagement among educators and employers to generate work opportunities for students and to serve the workforce needs of the private sector.

“

I probably would not have been able to enter the program because of the books. And daycare is a hassle too. It's already hard enough to come here from 8 to 4, for class, then work, then having to take care of a child too. I don't know. If not for Career Pathways, I wouldn't be here sitting where I am now.”

Kerri, current student at Southeast Arkansas College, Licensed Practical Nurse Program



EVIDENCE OF IMPACT

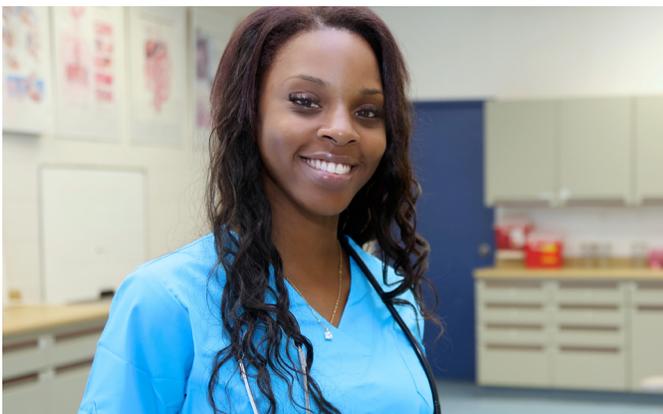
Impressed and intrigued by the evident success of Arkansas' experiment, in 2015, the Winthrop Rockefeller, Annie E. Casey and the Ford Foundations combined efforts to fund a rigorous external evaluation of the Arkansas Career Pathways Initiative to explore the impact of this targeted use of federal TANF dollars on providing education and training for a highly at-risk population, and to determine whether there were lessons to be learned for other states or for federal TANF policy.

College Count\$: Evidence of Impact evaluated the educational and economic outcomes for the more than 30,000 low-income Arkansans who have participated in the Arkansas Career Pathways Initiative (CPI) since 2005. The research team, led by Metis Associates of New York City, approached this evaluation with a commitment to objectively measure the impact of this significant investment of federal TANF funds on the lives of low-income parents. Research protocols of the U.S. Department of Education's What Works Clearinghouse were consulted to ensure that the research design met its rigorous standards for quasi-experimental designs, and that any observed differences between participants and comparisons could be confidently attributed to CPI participation.

Researchers evaluated data from CPI's unique database of 30,000+ program participants and compared their results to matched comparison pools of similar TANF recipients who did not participate in CPI, and the general community college population who did not receive the CPI treatment. These comparison groups were matched for age, gender, income prior to entering the program, and locale.

A total of nine years of anonymized data were provided to the research team by the Arkansas Research Center, including: Unemployment Insurance (UI) wage data; Temporary Assistance for Needy Families (TANF) data; CPI enrollment data; general community college enrollment data; and completion and/or graduation data, including the awarding of certificates and degrees.

Utilizing Arkansas Department of Higher Education datasets, degree and certificate completion were examined by annual entering cohort and compared to the two matched comparison groups. Educational outcomes were also disaggregated by participant race/ethnicity, and region of the state. Utilizing Department of Workforce Services Unemployment Insurance wage data, the team also has examined income levels for these same students, one year after leaving the program. These income results were then compared to their two matched comparison groups and also broken down according to different employment sectors.



“

So, I think that the behind-the-scenes care that we have, is what makes us special. I think if we just rolled in here and gave everybody the books they needed and paid their tuition, we would not see the success that we have.”

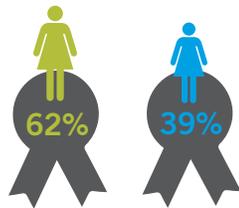
Tami, Southeast Arkansas College
Case Manager

RESEARCH FINDINGS

National studies report degree completion is directly correlated with improved employment, higher lifetime earnings and social benefits. In addition to the matched comparison group design, data from CPI participants, Arkansas's community colleges and the state were compiled and analyzed for a more global view of the possible effects of program participation on the served populations.



Of all 27,517 low-income participants enrolled in the CPI between 2006 and 2013, more than **52%** graduated with a degree or certificate. This is more than **double the 24% completion rate** of Arkansas community college students who did not participate in CPI.



Sixty two percent of CPI students who enrolled in 2008 had completed a degree or certificate within five years. Using National Student Clearinghouse Data, only **39%** of students who enrolled at a public two-year college nationwide completed a degree or certificate in this same time period.



CPI students of color are completing degrees and certificates at greater than **three times** the rate of their non-participating ethnic/racial group peers. Forty five percent of all African American CPI participants have completed at least one higher education degree or certificate, compared to only 17% of African American non-CPI students in Arkansas. Fifty-six percent of Hispanic CPI students exited with at least one degree or certificate compared to only 14% of Hispanic students who did not participate.



CPI graduates who enrolled in 2011 **earned \$3,100 more** in their first year than their TANF counterparts from the same region and field of employment, despite having earned similar incomes prior to entry into the program.

RETURN ON INVESTMENT (ROI) TO THE STATE

Next the College Count\$ researchers created an ROI framework that compared program costs with financial benefits associated with: 1) increases in tax payments to state government; and, 2) decreases in public assistance spending by the state and federal government.

ROI studies are often overly reliant upon average cost data and/or assumptions applying multiplier effects that seem too optimistic or far-fetched. With this in mind, the method used for the College Count\$ ROI study aimed to minimize the need for such assumptions through maximum use of actual case-level data derived from state data files and the study's various CPI treatment groups and their respective matched comparison group counterparts.

The ROI study anchors measurement of gains related to the cohort of participants completing CPI in the program year of 2009 and projects the impacts related to this cohort across five years.

Wage Increases

The researchers examined wage increases across annual cohorts of CPI students compared to wages of matched comparison pools of non-participating TANF recipients and a comparison group from the general Arkansas community college student population. In the 2009 cohort, for example, CPI participants earned on average \$2,564 more annually than their non-CPI TANF peers across all industries in the year after they exited college.

Increased Tax Revenues

Higher wages result in increased tax revenue to the state of Arkansas from increased payments to state income, sales and grocery taxes. ROI findings showed annualized increases in earnings for the 2009 cohort resulted in an additional \$917,743 in tax revenue to the state over the course of five years. The ROI would increase by an additional factor if city and county taxes were included.

Reduction in Public Assistance Benefits

As CPI participants have become employed, the College Count\$ research demonstrates significant savings to government in reduced reliance on public assistance benefits such as traditional TANF cash benefits, SNAP and Medicaid.

When public assistance usage by CPI TANF recipients for the 2009 cohort was compared with non-participating TANF recipients, on average CPI participants required fewer cash benefits, and SNAP and medical assistance for shorter periods of time than their non-CPI counterparts. The ROI model estimates a public assistance savings of \$4,110,247 over five years.

Average Program Costs

1,576 participants were served statewide in the 2009 CPI cohort, at an average per participant program cost of \$1,142 and a total program cost of \$1,799,792, according to ADHE records.

ROI FINDINGS

According to the model's calculation of net gains, every dollar invested in CPI programming in 2009 resulted in a return of \$1.79 to taxpayers over the course of five years.

These solid fiscal returns to the state of Arkansas investment are further enhanced by the more intangible but nonetheless well documented societal benefits of a better trained workforce and well-educated general population, such as improved health and quality of life, and lower rates of incarceration.

These results, when added to the earlier findings of improved educational and income outcomes for CPI participants, suggest that the Arkansas Career Pathways model is proving to be extremely effective in forging a path for low-income citizens to break the cycle of poverty and to achieve economic self-sufficiency.

WHAT IS THE SECRET OF CPI'S SUCCESS?

In the final phase of research in 2017, College Count\$ undertook several different quantitative and qualitative approaches to begin to understand "what is the secret to CPI's success?"

Student exit surveys conducted by CPI case managers over past years as students left the program were examined. An online survey instrument was emailed to current and past participants, including both completers and individuals who left the program without completing a degree or certificate. And, a team of ethnographers conducted in-depth telephone and video-taped in-person interviews with a small cross-section of CPI participants and staff from across the state with the goal of better understanding what elements of program implementation led to the positive results found in earlier phases of the College Count\$ research.

There was remarkable consistency across all evaluation findings. On the surface, CPI seems like a very simple program – financial assistance to further postsecondary education and training. But the research uncovered that, in addition to the critical financial aid that help participants overcome the financial obstacles that serve as barriers to at-risk students, key to the success of the program is the holistic case management support that encourages students to persist, regardless of their challenges.



We try to instill in them that where you start is not where you have to end. And so if they're starting at minimum wage, hopefully through the training that they gain here and everything, they can earn a higher living wage. And not just have the bare minimum, but have what they want."

Tammy, Arkansas State University Beebe
at Searcy Case Manager

CPI case managers serve as transformative agents in the lives of their students, encouraging, mentoring, counseling, assessing and meeting needs, providing the varied kinds of support students need to persist in their journey toward a better life. In addition to being key intermediaries in the distribution of economic resources, case managers are also direct providers of a complementary set of non-economic resources – guidance, goal-setting, motivation, and emotional as well as academic support.

In short, case managers see the whole person, and draw no boundaries around the kind of supports needed to help a student persist in his or her journey toward a better life.

Some of the findings:

The great majority of respondents were very satisfied with the CPI program (93%), and 96% were very likely to recommend the program to friends or relatives.

When asked to identify the single most helpful parts of the program, participants identified the support and ongoing advisement from staff. Almost all survey respondents rated CPI staff as excellent or outstanding with respect to efficiency, program knowledge and motivation. Other important components of the program identified by a large percentage of participants included: financial assistance; gas vouchers; assistance with books; childcare assistance, and job search assistance.

When asked what they would change about the CPI program, respondents described various suggestions, including: serving more students; increasing CPI program funding and staffing; expanding the CPI program to four-year colleges and universities. A good number of respondents were completely satisfied with the program and had no suggestions for improvement. Comments included: “I wouldn’t change a thing. This program alone made it possible for me to attend college.”

One student, who completed an associate degree and is now enrolled at a four-year university, summed up her experience in the Career Pathways Program and the support she received:

“I don’t think that I would have honestly finished. I hate to say that, but I don’t know if I would have been as successful as I have been. They gave me the resources at that time that I needed, being a single mother, driving back and forth, not having the money for daycare. With their educational classes that they had, too, that also helped me, and Miss Johnnie [case manager] really did help me when I needed it, like anytime that I needed it. I just feel like having that support system really is what helped me to finish my goals.”

WHY THIS RESEARCH MATTERS

Career Pathway programs are not new. There are different versions of Pathways programs and Bridge Programs for at-risk college students that are being experimented with across the country and are finding good results.

What is unique about this Initiative is:

- This is not a boutique, short-term experiment serving a small population of students; CPI has been operating for 11 years statewide and has operated in both urban and rural, and all socioeconomic areas of the state, serving in excess of 30,000 participants;
- CPI has been supported by three different gubernatorial administrations of both parties, and is seen by both Democratic and Republican legislators as meeting both workforce development as well as social needs of the state;
- The source of funding for the program is unique. To our knowledge, no other state has devoted such a significant proportion of its federal block grant to serve a TANF-eligible population with education and training;
- From inception, the legislature required the CPI to keep a dataset regarding degrees earned, job placement and retention and wages for their students ensuring accountability. This has resulted in an extensive student dataset that is unique in the country;
- As a result of that dataset, College Count\$ has been able to rigorously evaluate educational and economic outcomes with findings that will allow policymakers to make informed decisions about the value of such investments in the future. The rigor of this external evaluation is unusual in programs of this kind;
- The dataset is unique in that it has the potential for examination not only of outcomes for participants, but to explore the impact of these efforts on the next generation. In our experience, that potential alone makes this research extraordinarily unique and important when examining the impact of poverty across



When students come, they have a career goal – pathways, basically. If they don't know what they want to do at the initial enrollment, we help them to decide, because we don't like our students to take what we call cafeteria classes that don't lead to anything. If they're here a year and they don't get a Certificate of Proficiency or Technical Certificate, we call them in and just say, 'Okay, let's pinpoint – don't take classes here and there, they won't lead to anything. We want you to get some type of certificate.' And we help them decide."

Johnnie, College of the Ouachitas
Case Manager

generations.

- There are lessons other higher education systems can learn from the case management support that is provided to CPI participants. CPI students seem to be significantly more successful in completing remedial coursework, in retention, and in completing a true sequential pathway earning multiple stacked credentials than similar efforts across the country.
- Over the past few years, policymakers have placed significant emphasis on work-first initiatives, limiting participation in education and training through prescribed Work Participation Rate (WPR) regulations that make it difficult for students to complete a degree or certificate. The evident success of this program may call into question whether or not current federal WPR regulations should be revisited to allow greater flexibility in allowing educational options for TANF recipients.
- One of the reasons that CPI has been so successful for more than a decade is the cooperation and data sharing that has existed among state agencies in Arkansas. CPI is a partnership between the Arkansas Department of Higher Education, the Arkansas Department of Workforce Services, the Arkansas Department of Human Services, and the Arkansas Research Center which serves as a quasi-state data warehouse. Other state agencies have also cooperated when needed. This model of cross agency collaboration has been essential to the program's success, as well as the success of this rigorous evaluation.

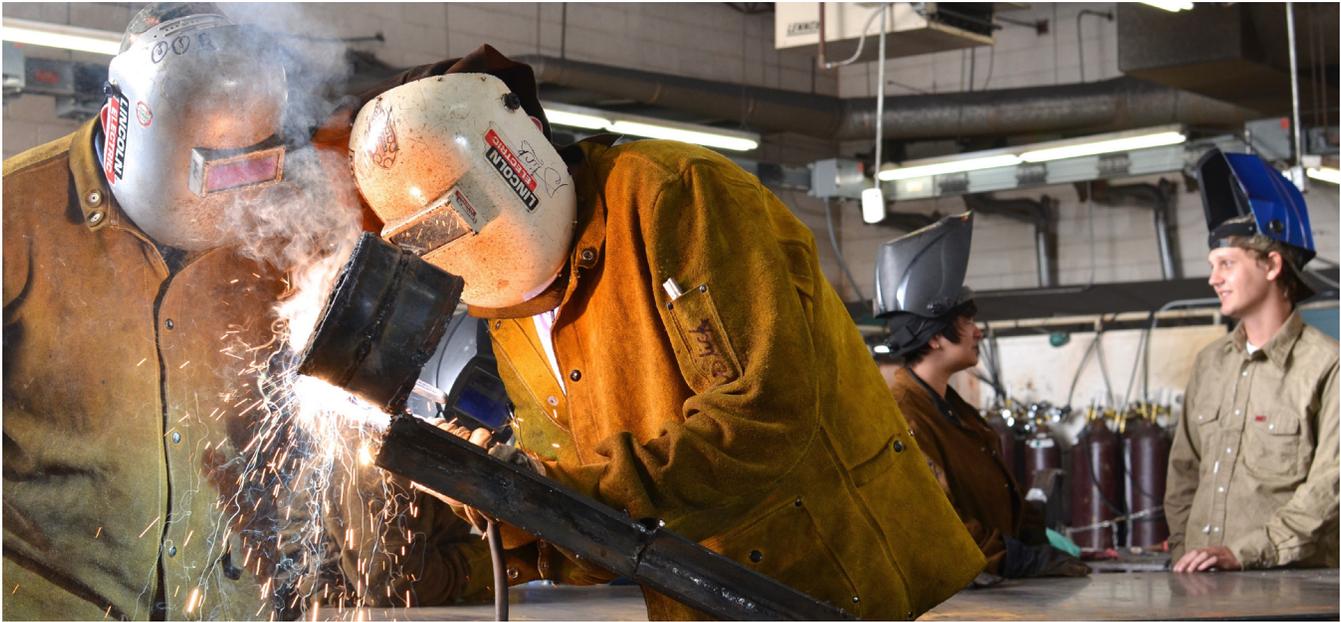
“

It [CPI] changed my life completely. Completely. I mean, not only do I have the financial aspects of it, you know, I'm making more money; I can provide for my family; I can do the things that I want to do, have the things in life that I want to have, or not worry week to week am I going to be able to pay this, am I going to be able to pay that. But I have a career that I love. I mean I love nursing. And I would not have that if I did not go through Career Pathways. It makes me feel like a better person.”

Katie, Licensed Practical Nurse, Arkansas State University Beebe at Searcy

More comprehensive research findings can be found at:
<http://www.collegecounts.us/results>





COLLEGE COUNT\$ RESEARCH SUMMARY CONCLUSIONS

The evidence seems clear. This innovative state investment of federal TANF dollars in support of comprehensive career pathway programs at community colleges for a vulnerable population of low-income Arkansans is paying huge dividends. Given the significant increase in completion rates compared to the general college population, it would seem to suggest that expanding these support systems to additional groups of students would further increase college retention and graduation rates, would contribute to further economic development attracting new industry to the state, and the preparation of a globally competitive workforce.

We believe CPI is an effective model for giving low-income families a hand up, helping individuals gain the workforce skills to achieve economic self-sufficiency rather than remaining dependent upon public assistance. And, the state of Arkansas is generating \$1.79 in increased revenue and reduced benefits for every dollar invested in the program.

Furthermore, we believe that there is a growing body of evidence that these efforts are contributing not only to increased economic self-sufficiency for participants, but will ultimately have an impact on the next generation and will contribute to a significant reduction in multi-generational poverty in the state of Arkansas.

“

Well, I wanted to better myself for her [student's daughter], so we can have a better life, just have a better living. Because I knew that me getting a degree and getting a better-paying job and starting a career would do that, and to show her that she can do anything she wants to do in life. It's just motivation. She's my motivation.”

Errica, Associate in Arts,
Business/Office Administration,
Southeast Arkansas College

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