

WHY IS EDUCATION IMPORTANT FOR YOUR FUTURE AND HOW CAN EDUCATION IDAs HELP YOU REACH YOUR EDUCATIONAL GOALS?

Education is often the best tool for creating wealth and happiness. Education can help your long-term economic prospects and help you obtain and maintain a home or business in the future. Here are some reasons to consider starting with education as your first IDA asset.¹

¹ Adapted from www.ed.gov/thinkcollege

ECONOMIC BENEFITS OF ATTENDING SOME FORM OF COLLEGE:

- ◆ According to statistics on average annual salary, individuals who attend college earn more as a result of their higher levels of education. In fact, college graduates earn more than twice as much as high school graduates. Some studies have found that college graduates with a bachelors degree earn 80% more per year than those with only a high school degree.
- ◆ The more schooling you have, the more your average salary increases.
- ◆ Individuals who attend college are employed at higher rates and with greater consistency. Individuals without a high school degree are three times as likely to be unemployed than someone with a bachelors degree.
- ◆ Individuals who attend college save more money and have more assets including homes, cars, and investments.
- ◆ People who attend college tend to work in white collar jobs in office buildings or other facilities with air-conditioning, heating, and conveniences that improve the quality of life.
- ◆ Individuals who attend college tend to make more informed decisions as consumers, which can also lead to having more money.
- ◆ Individuals who attend college have greater work opportunities and tend to have skills that can be easily applied in different work settings and different geographic locations. In other words, they have many more work options, which helps stabilize their income in changing times.

BUT THERE IS MUCH MORE THAN ONLY AN ECONOMIC BENEFIT TO ATTENDING COLLEGE—IT CAN TRULY CHANGE YOUR LIFE (AND YOUR CHILDREN'S LIVES) AND LEAD TO GREATER HAPPINESS AND HEALTH.

SOCIAL BENEFITS OF ATTENDING SOME FORM OF COLLEGE:

- ◆ A survey by Public Health Services indicates that those with a college education have longer life expectancies. They also tend to exercise more and play more sports.

- ◆ Children of college-educated individuals are more likely to graduate from high school and attend college and have higher cognitive skills.
- ◆ College students tend to have jobs that are more meaningful and interesting and allow them more freedom to make decisions at work.
- ◆ College students are more satisfied with their careers and daily life.
- ◆ College students have higher self-esteem and more self-direction.
- ◆ They are better at solving problems and handling day-to-day decisions.

NO OTHER ASSET CAN LEAD TO SO MANY DIFFERENT POSITIVE OUTCOMES THAT CAN IMPROVE YOUR OVERALL LIFE CONDITION. SO WHAT ARE YOU WAITING FOR?

Perhaps you think college is not for you, or you are afraid. Perhaps you think that there is enough money available for education in terms of financial aid so that you do not need to save. Here are seven common myths about college that you should consider before you decide too quickly that education is not the right asset for you (adapted from College is Possible website).

Education myths:

1. *College is too expensive.* There is a tremendous amount of scholarship money available from the federal and state government that will cover a majority of the tuition for higher education. Most of the financial aid is need-based. So, if you are afraid that college is out of your reach because it costs too much, you will find that financial aid is available to everyone with a desire for a college education.
2. *Saving for college effects your chances of getting financial aid.* This is not true for low-income students. Low-income students' assets are generally protected as part of the financial aid process. Even if it does impact the Pell Grant, the amount is nominal, around 5%.
3. *College is for kids and not for adults.* The majority of students attending many colleges are adults, not youth. If you go to a community college campus, most of the students attending are adults. It is never too late to go to college.
4. *I can't go to college because no one in my family has ever attended college.* In every family, someone has to be first. And if you go to college, your children are more likely to go to college. While some family members may not understand, the list of benefits above is something you can discuss with them to help them understand your choice.
5. *I have never been good in school. I hate math and I'm not very good at writing.* There are all sorts of different programs in college. Some programs do not require any math. Most colleges offer tutoring and help for returning adults to work on their math and writing skills. Also, community colleges offer many vocational programs which differ from much of the work you did in high school and are directly tied to your career such as automotive training or criminal justice.
6. *I cannot go to college, because I just won't fit in.* Colleges have people from every sort of background you can imagine. You may think that only wealthy people go to college, but that is not true. Also, there are many first-time college students on campuses. You will find people just like yourself.
7. *I am not going to get into college.* Community colleges are open access and generally accept all applicants. You can find a college to attend. Also, community colleges offer more than vocational and technical training and also offer a general education curriculum if you are interested.

NOW, YOU HAVE NO MORE EXCUSES OR REASONS NOT TO GO COLLEGE! AND AN EDUCATION IDA CAN PROVIDE YOU WITH THE MONEY TO ATTEND COLLEGE.

PERHAPS YOU ARE CONVINCED AND YOU WANT TO GO TO COLLEGE. HERE ARE THREE WAYS THAT AN EDUCATIONAL IDA CAN HELP YOU REACH YOUR NEW EDUCATIONAL GOALS:

- ◆ *Match funds.* Unfortunately, not all of the financial resources needed to go to college are available through scholarships or financial aid. College requires that you buy expensive textbooks, a computer, and sometimes equipment to complete a vocational program. The IDA is perfect to cover these types of costs which often prevent low-income people from attending or completing college.
- ◆ *IDA and college counselor.* You may think that applying for college and an IDA is more difficult than buying a house. But, your IDA counselor will help you understand the various processes and many resources to help you go to college. Give us some time to help you learn about it. Also, campuses have counselors and support services as well. Your IDA counselor has developed relationships with these counselors and they will help you transition to college.
- ◆ *Career planning.* Many people do not know what to study at college. That is okay because your IDA counselor will help you think through different career choices and what might be a good course of study according to your interests. The first few courses in college usually help you to identify more of your interests and what you might want to study. Colleges also have career services where you can explore are your interests with a counselor.

BEGIN YOUR EDUCATIONAL JOURNEY TODAY BY APPLYING FOR AN EDUCATION IDA!

IDA-PAYS Research Team

Adrianna Kezar, Vikki Frank, Jaime Lester, Hannah Yang

Our project focuses on how IDAs can be used to increase low-income students' access to and retention in postsecondary institutions through partnerships. For more information on IDAs visit the Assets for Independence website at www.acf.hhs.gov/programs/ocs/afi/ and for a further description of our research project and to view other papers and tools we have written from this study, visit our website at <http://www.usc.edu/dept/chepa/IDApays/>.

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About CHEPA

The Center for Higher Education Policy Analysis (CHEPA) is an interdisciplinary research unit led by Director, William G. Tierney, and Associate Director, Adrianna Kezar. The Center was established to engage the postsecondary-education community actively, and to serve as an important intellectual center within the Rossier School of Education; it draws significant support and commitment from the administration. The Center's mission is to improve urban higher education, strengthen school-university relationships, and to focus on international higher education, emphasizing Latin America and the Pacific Rim. Working on fulfilling that mission are the Center's faculty, research assistants, and staff.

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Lumina Foundation for Education, an Indianapolis-based, private, independent foundation, strives to help people achieve their potential by expanding access and success in education beyond high school. Through grants for research, innovation, communication, and evaluation, as well as policy education and leadership development, Lumina Foundation addresses issues that affect access and educational attainment among all students, particularly underserved student groups, including adult learners. The Foundation bases its mission on the belief that postsecondary education remains one of the most beneficial investments that individuals can make in themselves and that society can make in its people. For more details on the Foundation, visit its Web site at www.luminafoundation.org.

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CENTER FOR HIGHER EDUCATION POLICY ANALYSIS

Rossier School of Education

University of Southern California

701 Waite Phillips Hall

Los Angeles, CA 90089-4037

(213) 740-7218

www.usc.edu/dept/chepa