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Testimony on H. 2365 and S. 1004

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College attainment is a key economic driver in the United States, yet college completion rates are stagnant because many students are unable to afford to complete degrees. Working during college is an American pastime, but that strategy does not work like it used to. One key reason is the declining value of the minimum wage.ⁱ I therefore write in **strong support** of H.2365 and S.1004, which would raise the Massachusetts minimum wage by \$1 each year over four years until it is \$15 an hour in 2021.

Massachusetts is facing serious challenges to growing its educated workforce, even though it is above average in educational attainment.ⁱⁱ In particular the state needs middle-skill workers—those with a postsecondary credential but not a bachelor’s degree, since by 2020 about 30% of jobs will require those skills.ⁱⁱⁱ Community colleges are the most common sites of talent development for such workers, and in Massachusetts they enroll nearly 100,000 students. But community college prices in Massachusetts are higher than ever, as tuition and fees rose between 39 and 82 percent over the last decade, depending on the school.^{iv} Even after discounted for grants and scholarships, community college students in Massachusetts from low-income families (earning less than \$30,000 a year) pay almost \$7,000 per year, while students with more moderate incomes (\$30,001-\$75,000) pay closer to \$8,000 a year. This amounts to requiring at least 20 hours per week of minimum wage work on top of attending college.^v While working during college is common, the research is clear: working long hours (more than 15 per week) greatly reduces the odds that students will complete degrees. The only alternative to work is student loans, and rates of successful repayment among community college students are low. This is a major reason why the vast majority (upwards of 3 in 4) of community college students work.^{vi}

Raising the minimum wage in Massachusetts would have many benefits. But one of the most important is that by reducing the number of hours students need to work, it would promote college attainment among community college students. In turn, this would propel educational and economic development in the state, benefitting businesses and communities. Raising the Massachusetts hourly minimum wage from \$11 to \$15 would allow students to work approximately five fewer hours per week, allowing them to re-allocate that time to school. In an experimental study, my research team tested the effect of reducing students’ work hours (using grants not higher pay) and found that degree attainment improved, in part because they were able to study a bit more.^{vii} Alternatively, if students continued to work the same number of hours, raising the minimum wage would add \$4,960 to the annual income of a community college working part-time (20 hours per week) during the school year, and full-time (40 hours) during a 10-week summer break.^{viii} These new earnings could help to reduce the pervasive

housing and food insecurity that my research team has found also inhibits degree completion among community college students.^{ix} Another significant benefit of raising the minimum wage is that it could reduce student debt, which is a critical goal since a growing number of Massachusetts community college students (about 1 in 4) are taking on debt and many of those students are then defaulting on their loans.^x

I worked my way through college and suspect that many legislators considering this bill did too. Students today are more than willing to work to afford college, but that work has to pay sufficiently well to make college affordable. Massachusetts is considering other efforts to reduce the price of college, and raising the minimum wage should be part of that set of actions.

ⁱ Goldrick-Rab, S. (2017). *Paying the Price: College Costs, Financial Aid, and the Betrayal of the American Dream*. University of Chicago Press.

ⁱⁱ Lumina Foundation (2017). *A Stronger Nation*. <http://strongernation.luminafoundation.org>

ⁱⁱⁱ Georgetown Center for Education and the Workforce.

^{iv} Boston Globe. (2015). "More Mass. Community college students defaulting on loans." July 19.

^v The Institute for College Access and Success. (2017). *A State By State Look at College (Un)Affordability*.

^{vi} Goldrick-Rab, S. (2017). *Paying the Price: College Costs, Financial Aid, and the Betrayal of the American Dream*. University of Chicago Press.

^{vii} Goldrick-Rab, S. (2017). *Paying the Price: College Costs, Financial Aid, and the Betrayal of the American Dream*. University of Chicago Press.

^{viii} National Center for Education Statistics.

<https://nces.ed.gov/collegenavigator/?s=MA&ct=1&ic=2>

^{ix} Goldrick-Rab, S. et al. (2017). *Hungry and Homeless in College*. Wisconsin HOPE Lab.

^x Boston Globe. (2015). "More Mass. Community college students defaulting on loans." July 19.