Levers

Now that we understand the forces holding many Coloradans back from achieving economic mobility, it's time to explore how the following "levers" can help rebuild our state's middle class.

These levers are just some of the ways Colorado can implement broad change to support low- and middle-income families across the state. Throughout our analysis of how these levers currently operate and how they can better serve Coloradans, we offer recommendations for how to capitalize on their benefits and most effectively impact economic mobility in Colorado.

Education: Learning to Live and Work

Early Childhood Education

All children can benefit from responsive, stimulating curricula and classroom environments in their early years. This is especially true for children from low-income and dual-language backgrounds.

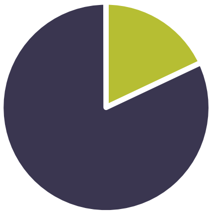
Yet, high-quality preschool is financially out of reach for many. Nationally, the average cost of providing preschool ranges from $4,700 (part day) to $8,600 (full day). Tuition charge to parents can be even higher. As such, many children don't attend preschool, or instead attend lower-quality programs or child care options. This means a significant number of Colorado children lack access to critical early childhood learning experiences that could lead to increased success and opportunity in adulthood.

To help rectify this problem, the Colorado Preschool Program (CPP) provides preschool funding for 3- and 4-year-old children who have certain factors in their lives that increase their risk for challenges later in school. To be eligible for the program, a 4-year-old must have at least one risk factor (though most served have two or more) and a 3-year-old must have at least three.

In 2015, the average cost for a Colorado 4-year-old to attend preschool was

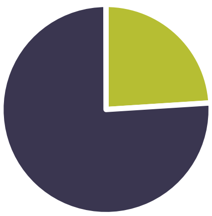
$11,089

For a family making the state median income of $60,629, that's **18%** of their annual income.



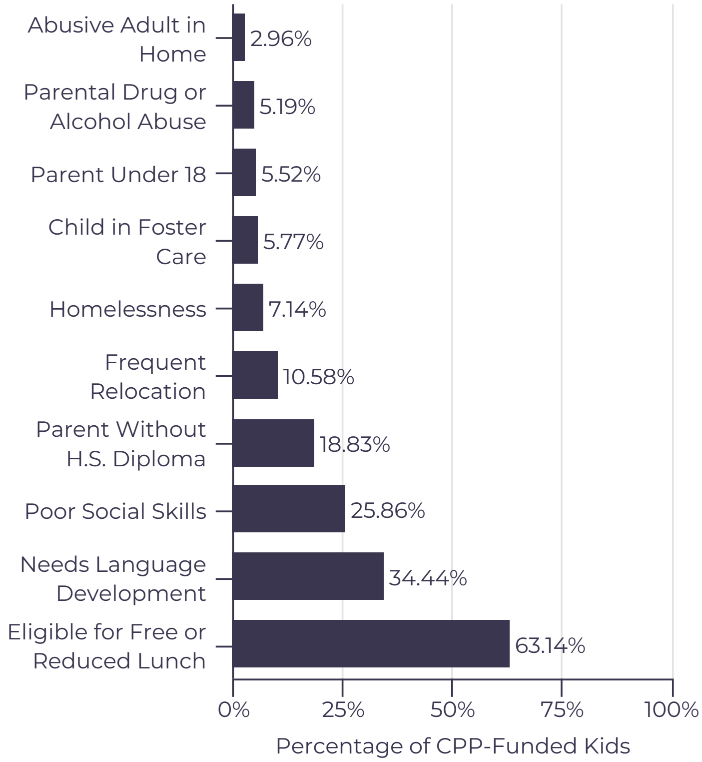
For a family of four earning $45,510 (185% of FPL), the cost of sending one kid to preschool jumps up to

24%



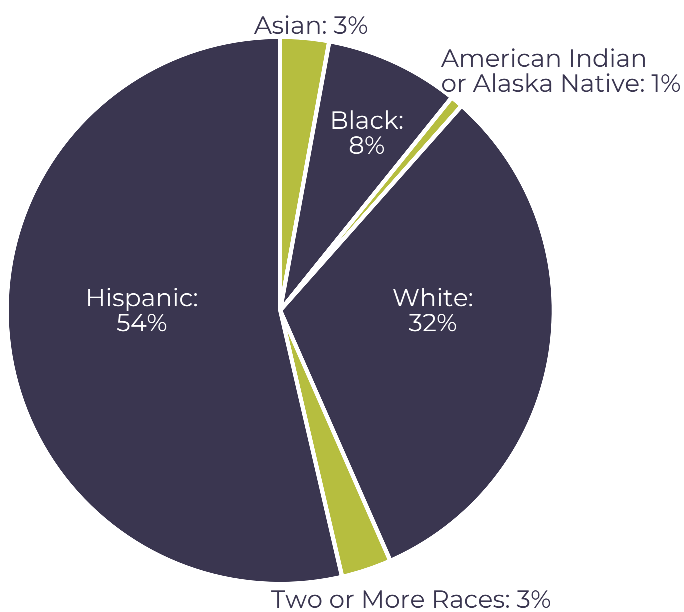
Source: Center for American Progress Child Care Desert Report, Bell analysis

What Risk Factors Affect
Colorado Preschool Program Students?



Source: 2017 Colorado Preschool Program Annual Legislative Report

Which Children Are Served by
Colorado Preschool Program?



Less than 1 percent of children served by CPP are Hawaiian/Pacific Islander

Source: 2017 Colorado Preschool Program Annual Legislative Report

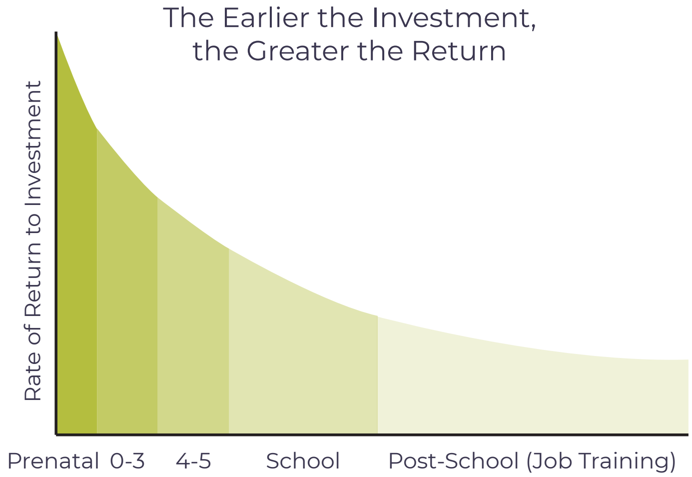
According to the 2017 CPP Annual Legislative Report, in the 2015-2016 school year CPP served 26,907 children, or nearly 20 percent of Colorado's 3- and 4-year-olds. CPP is funded at half the amount of per-pupil revenue districts receive for other students; this amount is determined and appropriated each year through the formula in the School Finance Act. School districts receive funding for slots and are required to use at least 95 percent of them for half-day preschool.

Colorado's public investment in early childhood education (ECE) and child care programs adds $832 million to the economy, in both short- and long-term benefits, according to estimates by Early Milestones Colorado. These benefits include kindergarten students who are better prepared to start school, higher academic achievement, higher adult wages, and decreased rates of arrest. Early childhood investments typically take time to produce returns (e.g., reduced reliance on public assistance, or reduced crime in adulthood), but CPP demonstrates savings more quickly. For example, CPP children are about half as likely to repeat a grade in kindergarten through third grade.

As the 2016-2017 statewide average per-pupil funding was $7,425 for K-12 education, this indicates a savings of over $11 million to the state in terms of additional funding saved from being spent on repeated grades for three cohorts of CPP students, or about $3,692,700 per cohort funded.

At the local level, the Denver Preschool Program (DPP) helps Denver 4-year-olds attend preschool, regardless of income. An evaluation of the program demonstrates its effectiveness in preparing children for success through third grade, regardless of income level, race, gender, or natural language. Earlier analysis by the Bell cites longitudinal studies of programs like CPP and DPP which find a return on investment of nearly $13 for every $1 invested. Nobel Laureate James Heckman's research also shows ample return on investment for preschool programs like CPP.

Early Childhood Development is a Smart Investment



Sources: James Heckman, Nobel Laureate in Economics

The successes of CPP could be even greater with more resources. Colorado ranks 39th in spending on statewide preschool ($2,505 less per pupil than the national average), leaving 4,140 Colorado kids on waiting lists for early childhood education and care. According to the Colorado Department of Education, 8,397 at-risk 4-year-olds were unable to attend either CPP or the federal Head Start Program, which also provides preschool programs, during the 2015-2016 school year.

Much of the progress left to be made in Colorado pertains as much to investing in the ECE workforce as it does to increasing family access to quality early learning experiences. Colorado meets only half of the quality standards set forth by the National Institute for Early Education Research. Its report finds Colorado could make improvements by providing teachers with access to professional development planning or coaching, as one example.

Additionally, compensation for early childhood workers is low. In 2016, the mean salary of Colorado preschool teachers was $30,177, which is only 57 percent of the mean salary for all Colorado occupations. A recent brief by the Working Poor Families Project says ECE workers, which also include those working with children under three, are paid only slightly more than cashiers and dishwashers, slightly less than coat and locker room attendants, and less than half of what kindergarten teachers earn despite working full-time, year-round.

Recommendations

Colorado should expand the Colorado Preschool Program. Fully funding CPP to provide slots for all eligible 4-year-olds would increase spending by about $31.5 million, but both CPP's documented results and the outcomes experienced by universal (available to all) preschool programs show this would be a smart investment. Colorado could target its approach by first providing access to children insured by Health First Colorado, the state's Medicaid program, as proposed by the Colorado Commission on Affordable Health Care. Research with a nationally representative sample shows preschool enrollment isn't well linked with other service systems. Connecting services for these children could improve their health, educational, and economic outcomes.

Make the Colorado Preschool Program full day. In 2013 and 2014, the legislature created and bolstered the Early Childhood At-Risk Enhancement (ECARE) program (SB13-260). ECARE authorized 8,200 new slots for at-risk children to enroll in either preschool or full-day kindergarten, depending on how school districts prioritize slots. The Colorado Department of Education finds most children served with ECARE are kindergarteners. Research has shown a full day of preschool benefits children — and families need full-day preschool to accommodate work schedules. Policymakers could also consider further enhancing ECARE to incentivize more full-day preschool slots.

Prioritize improving the quality of early childhood education jobs. Strategies like teacher loan forgiveness, wage supplements, and tax credits, as well improving workplace benefits such as flexible schedules, paid time off, and insurance, could dramatically improve these positions and make careers in ECE attractive at a time when they are desperately needed.

Released in fall 2017, Colorado's Early Childhood Workforce 2020 Plan outlines goals to improve wages and career support for early childhood workers, including those working with preschoolers. The plan also includes a variety of objectives to address fair compensation.

Two-Generation Success

Two-generation strategies are aimed at moving the entire family out of poverty and into economic stability. These strategies involve an intentional commitment to serving children and adults simultaneously, thus helping the entire family advance economically. Yet most programs focus on children or adults exclusively, so low-income parents are often unable to access education programs and workforce training because the programs don't provide needed supports for them as parents.

Looking at education through a two-generation lens, state investments in early care and education help parents invest in their own development through educational activities and further engagement in the workforce. Effectively serving Colorado's children during their earliest years not only yields downstream societal savings in the future, but also provides immediate support to parents.

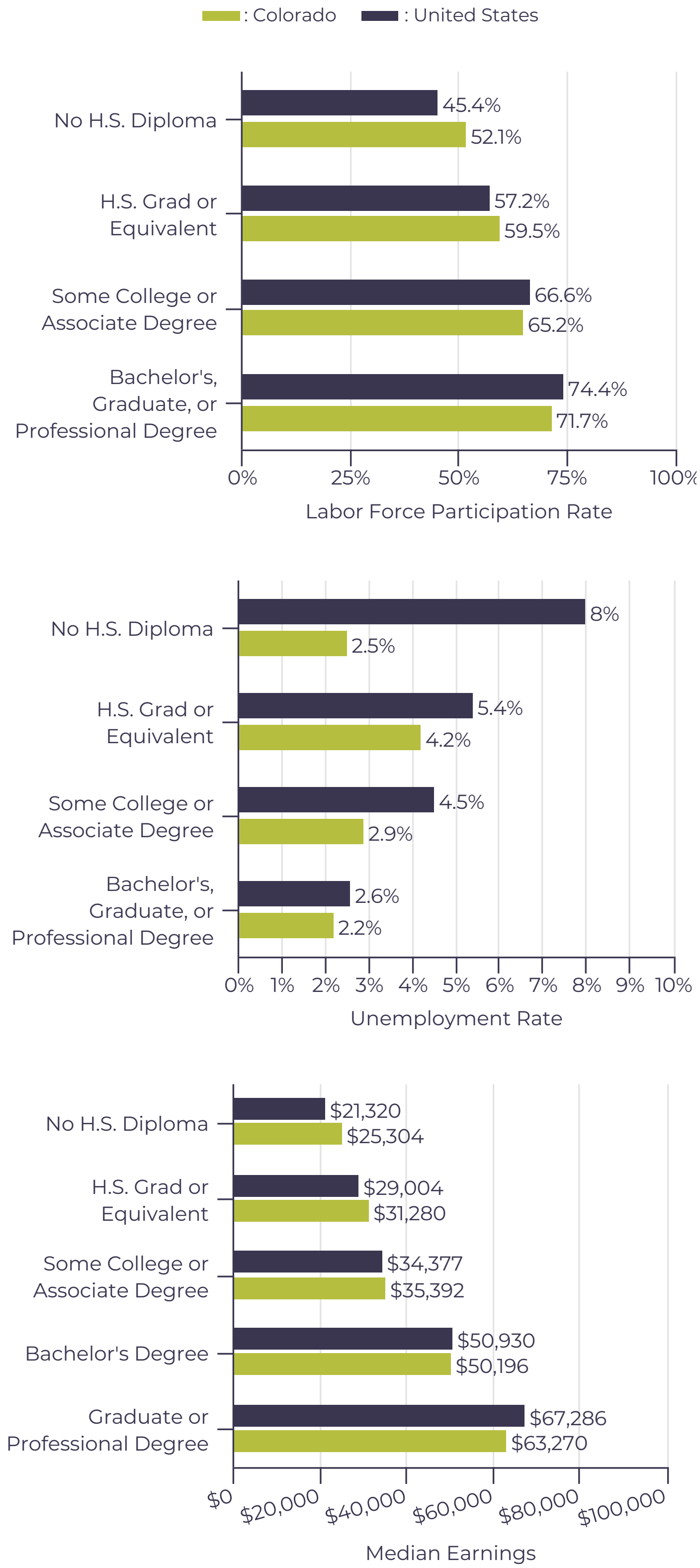
Research shows when both children and parents are engaged in education, the effects on low-income families moving out of poverty are even greater. According to the National Head Start Association, research shows "how interventions in both the quality and quantity of low-income children's early learning experiences and their parents' increases in education, employment, and income can contribute to strengthening children's outcomes — particularly when those interventions are integrated."

Early Milestones Colorado estimates the "enabling effect" of parents' involvement in the workforce through paid early childhood care and education was more than $4.4 billion in 2015. The net gain would be even greater if more parents could spend a lesser share of their annual income on early care and education.

The Bell's type of two-generation approach — one that intentionally links adult education, job training, workforce development, and postsecondary education for low-income parents with early childhood education for children — finds both kids and parents positively benefit. Advancing this approach is important because it emphasizes long-term investments to build human capital for both children and adults.

As children move past early childhood education into K-12, persistent emphasis on two-generation strategies is imperative. Creating a cycle where education is valued, continued, and accessible further benefits Colorado families and their communities. To learn more about the importance of K-12 education and its specific impact on Colorado, please see the work of the Colorado Children's Campaign and its 2017 Kids Count Report.

Employment Statistics Based on Education Level



Source: Current Population Survey 2016, U.S. Census Bureau, American Community Survey, Colorado Talent Report, 2016

Postsecondary Education & Job Training

As outlined earlier in this report, rapid advances in automation have an increasingly profound impact on jobs. By 2020, 74 percent of all jobs in Colorado will require some level of postsecondary education and training, including targeted skills programs, short- and long-term certificates, and two-year and four-year degrees. However, estimates say in the same year, the work-related knowledge of a postsecondary graduate will have a "shelf life" of less than five years.

To meet this challenge, there is broad consensus postsecondary education and job training must fundamentally modify its approach to what it does, how it does it, who it does it for, and who provides it to ensure future learners are "robot-proof" in our emerging workforce and society. Adapting our current strategy on learning will provide more Coloradans with the opportunity to earn more, avoid unemployment, and build a stronger state economy.

Meeting the needs of a rapidly evolving workforce and a greatly diversified student body means the "ecosystem" of education and training providers will need to expand. It will be essential to think beyond the boundaries of traditional higher education, and even beyond the broader landscape of postsecondary and workforce training programs that currently exist.

The seeds of this new ecosystem are already being planted today in programs such as computer-coding and entrepreneurship boot camps; focused, short-term, intensive training and credentialing programs; corporate "universities" and training systems, online providers and others. Many of these programs can point to tremendous successes for themselves and their students. However, as this expansion in providers moves forward, it will be critical to ensure they serve all learners, and not just those who are already best prepared or have the most resources.

With the rise of new providers, institutions, public/private partnerships, organizational relationships and business models within this ecosystem, there will also be a heightened need for mechanisms, safeguards, and information transparency protecting learners from unfair, deceptive, or predatory practices so they can achieve the outcomes they're promised. State government will have an increasingly important coordinating and oversight role in developing an integrated and diverse future education and training ecosystem that best serves individuals, employers, and the public good.

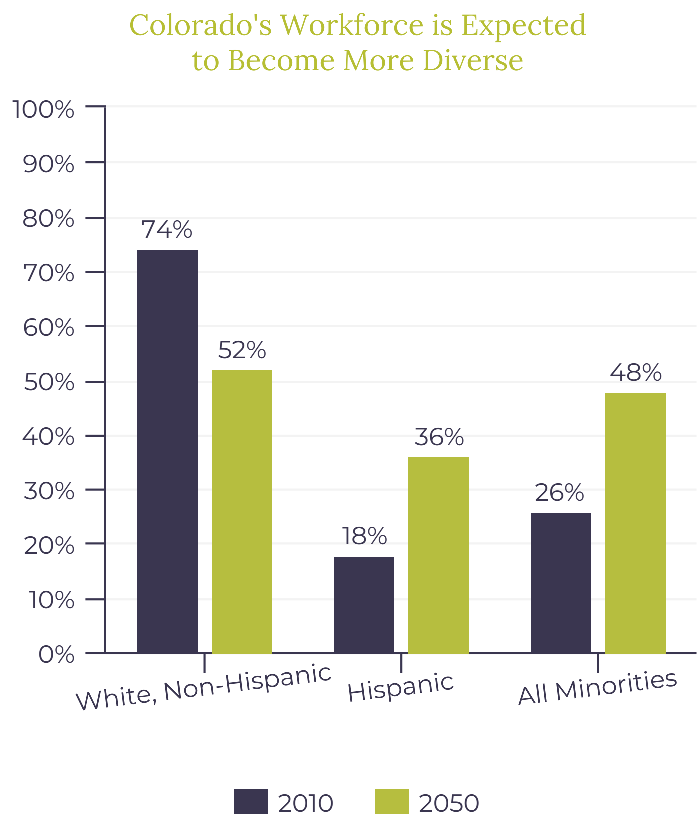
Needs and Disparities

The accelerating rate at which knowledge and technology are advancing means postsecondary education and training can no longer be considered a "one-and-done" activity. Individuals will continually need to update their knowledge and skills throughout their lives, no matter what their level of education, skill set, or job title.

Because of this, one group to account for will be employees in need of "reskilling." Although the actual size of this population is difficult to predict, Bell data from earlier in this guide show many of the occupations held predominantly by low-skill workers have the highest probability of being greatly changed or eliminated through automation, potentially affecting more than 477,000 Colorado workers.

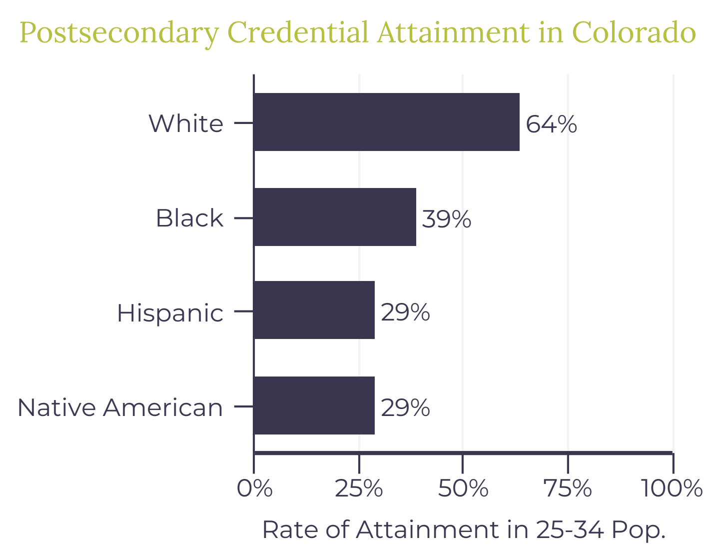
Clearly, to account for workforce demand created by technology and demographic shifts, existing and emerging postsecondary education and training providers will need to serve a far wider variety of learners beyond traditional students. A key challenge for Colorado will come in educating and training those who are currently underserved, including first-generation students, low-income students, and underrepresented racial and ethnic minorities, the latter of whom will comprise 48 percent of Colorado's workforce in 2050, compared to 26 percent in 2010.

Colorado's largest and fastest-growing ethnic group, Hispanics, currently has the lowest college enrollment rate for recent high school graduates and the lowest average postsecondary credential attainment rate of any major ethnic group in the state.



Source: Colorado Talent Pipeline Report, 2016

In fact, the Colorado Commission on Higher Education says the gap between educational attainment of the white majority and Hispanic minority is the second largest in the nation, although racial/ethnic attainment gaps for students from low-income families and first-generation postsecondary students exist across the state.



Source: Colorado Rises: Advancing Education & Talent Development, Master Plan, Colorado Commission on Higher Education, Aug. 2017

Looking more broadly, almost one-third of Colorado's adult population lacks any level of education beyond high school, while another 400,000 Coloradans have some postsecondary education, but no credential. Additionally, about 9 percent of Colorado's current working-age population, 320,000 Coloradans, have not completed a high school diploma or its equivalent.

Many adults without high school credentials are unprepared for postsecondary education or full workforce participation because they lack basic literacy and numeracy skills. Colorado's current financial support for programs serving this population is extremely limited, with just under $1 million of state funds appropriated annually for this purpose. Based on the lack of resources available, state and federally funded adult education and literacy programs are only able to reach about 3 percent of eligible Colorado adults who lack basic skills or a high school equivalency, according to Colorado Department of Education staff.

Recommendations

Expand policies and programs to eliminate our state's equity gaps among both traditional-age and adult learners, including concurrent enrollment and work-based/experiential learning programs, such as apprenticeships and internships in a broad range of fields.

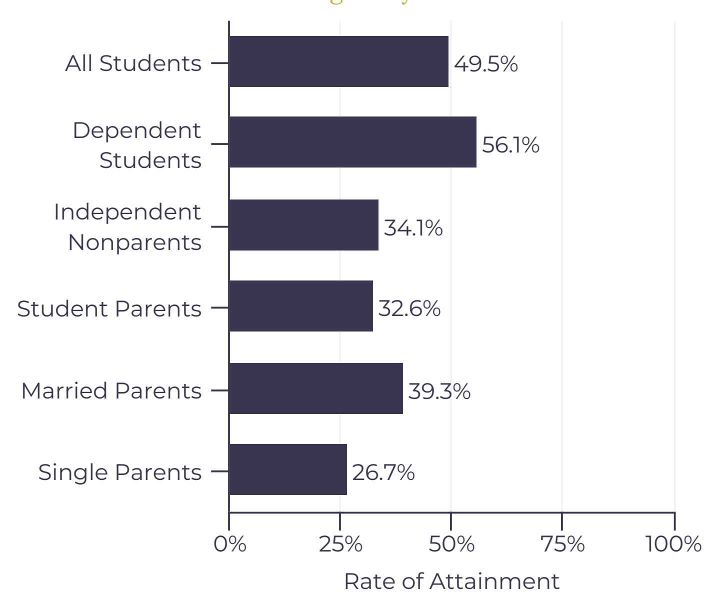
Following the example of innovative programs like the Strengthening Working Families Initiative (SWFI) at Community College of Aurora and Community College of Denver, expand two-generation approaches to help adult students who are parents and their children succeed, and increase the access to high-quality, affordable child care/early childhood education options both on- and off-campus and in the workplace.

Increase Colorado's funding for adult education and literacy programs to help more low-skilled, low-literacy adults prepare for and complete programs leading to high-quality, in-demand postsecondary skills and credentials, and expand our use of Integrated Education and Training (IET) programs that combine basic skills training with postsecondary career and technical coursework.

That said, working-age adults are a significant and growing component of the postsecondary student body in Colorado and across the country. Previously considered "nontraditional," current national data show 40 percent of undergraduate students are working-age adults. According to staff from the Department of Higher Education, 30 percent of undergraduates at public postsecondary institutions are aged 25 or older in Colorado, but if enrollments in private and for-profit institutions, training programs, and other skills-based credential providers were included, that figure would be much higher.

Another subset of formerly nontraditional students to consider: parents. National statistics show 26 percent of working-age students are parents, yet regardless of age, degree completion for postsecondary student parents is quite low, especially when compared to those students without children. A major barrier for student parents that has two-generation policy implications is the lack of affordable, quality on- or off-campus child care and early childhood education opportunities, especially for low-income families. In fact, the availability of on-campus child care has declined over the past decade, both in Colorado and throughout the nation.

How Likely Are Parents to Attain a Degree?
Share of Students Enrolled in 2003-2004 & Attained a Degree by 2008-2009



Source: Institute for Women's Policy Research College Students with Children, January 2017

Changing How Colorado Learns

As the makeup of the Colorado's students change, so too must the way they learn. One way to teach and train for the future of work includes experiential or work-based learning. This includes expanded apprenticeship, internship, mentorship, and co-op opportunities that help students focus on the "how" as well as the "what" of their chosen field.

While there will still be an important role for learning in the traditional classroom setting, it also means a stronger reliance on online and "blended" learning, virtual environments, and augmented reality to simulate real-world experiences. Colorado has been a leader in the areas of apprenticeship and work-based learning opportunities for youth, but more will need to be done to make these opportunities more widely available for a broader range of students. Such an expansion will require stable and sustained funding from both the public and private sectors. Among the various initiatives currently underway in Colorado are those listed in the table below.

Experiential/work-based learning will bring with it a sharper focus on competency-based skill acquisition and an expansion of short-term, intensive programs, micro-credentials, and "badges" that lead to recognized, high-demand job skills. It will mean providing "unbundled" content that is highly individualized to the needs of the learner. It will also require a changed relationship and partnership between employers and postsecondary education and training providers, blurring the boundaries between the two.

Future education and training will also need to emphasize social and human-centered skills and traits. These include creativity, entrepreneurship, curiosity, systems thinking, emotional intelligence, empathy, cultural sensitivity and awareness, and teamwork. They also include the ability — and the desire — to keep learning. Current Colorado job postings already show the human-centered traits employers most value.

Source: Colorado Talent Pipeline Report, 2016

Initiative	Description	Population Served
CareerWise Colorado	Statewide youth apprenticeship model based on the Swiss apprenticeship system. Connects schools and businesses, and provides three-year paid apprenticeships for students, including both in-school learning and on-the-job experience.	High school students. At the completion of the program, students will have earned about $30,000 in wages, completed about one year of college credit, and hold an industry-recognized certification.
Pathways in Technology Early College High Schools (P-TECH)	Partnerships between school districts, community colleges, and local industry employers. Students attend for six years and graduate with both a high school diploma and an associate's degree, as well as work-based skills.	High school students, with an emphasis on socioeconomic and racial diversity, first-generation students, English language learners, and students with disabilities.
Skillful	Public-private initiative of Markle Foundation with LinkedIn, Microsoft, the state of Colorado, and local organization partners. Offers a network of online and on-the-ground resources connecting job seekers to high-demand jobs and training needed to advance their careers.	Reskilling adults and those entering the job market seeking skills-based training and industry-recognized credentials, as well as employers seeking qualified employees.

The Imperative for Affordability

Lifelong learning won't be possible without making it affordable for learners throughout the length of their careers.

The costs to families associated with lifelong learning and reskilling will ultimately be unaffordable if they are asked to shoulder the bulk of the costs on their own. For example, workers who need to upgrade their skills in IT and computer information systems to meet the growing use of AI and robotics, will spend $2,000 for a short-term certificate to $74,700 for a Bachelor of Science degree, depending on the type of institution and the length of the program.

While state and federal resources such as the College Opportunity Fund (COF) stipend, various financial aid grants and loans, and tax credits may be available to help certain students afford a portion of the costs associated with retraining, these have limitations. In a lifelong learning environment, many will exhaust their eligibility for such assistance well before their retraining needs are met. Public resources alone will be insufficient to cover the growing postsecondary and job training population.

To increase investments from both the public sector and employers so students and families aren't excluded financially from critical retraining opportunities, Colorado should encourage and incentivize employers to provide these benefits for employees. This will be especially important if we're to reverse the devastating current reliance on student loans and their crippling effects on individuals, families, and society.

Recommendations

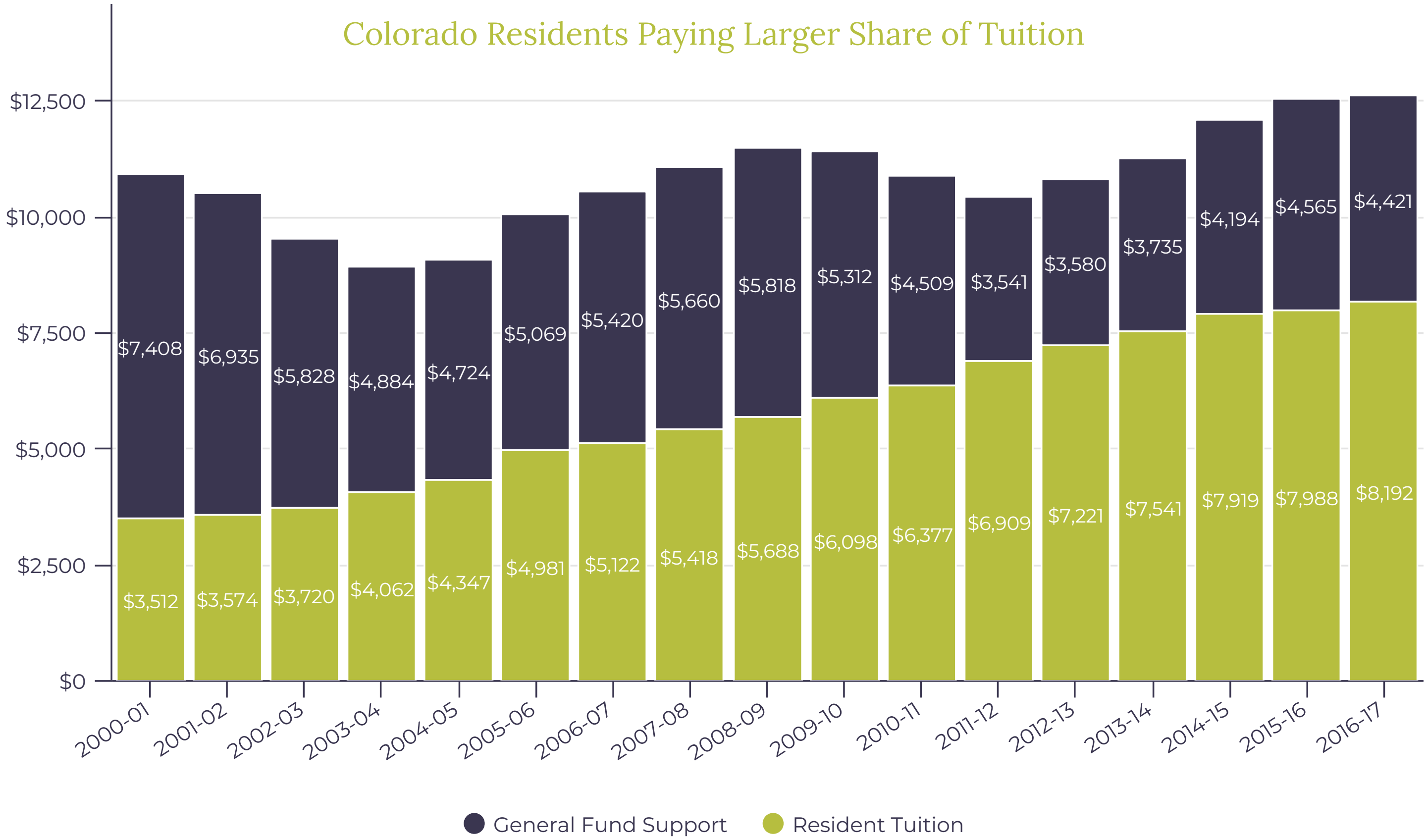
Ensure the state's Credit for Prior Learning/Prior Learning Assessment policy affords all students the chance to demonstrate mastery in subject matters/courses gained through prior educational, work, military, or life experiences. This should also allow for students to receive postsecondary course credit toward graduation without cost.

Establish a public/private partnership between government and business to create and fund a postsecondary education and training benefit for those who are not employed or who work in jobs without benefits, regardless of age, income, educational attainment, or background.

Private IT Education Very Costly

Program	Credential	Provider	Length	Cost
Application Specialist	Certificate	Public Community College	15 weeks	$2,600
Computer Information Systems	Certificate	Public Community College	15 weeks	$1,900
Computer Information Systems	Certificate	Public Community College	30 weeks	$3,500
Computer Information Systems	Associate of Applied Science Degree	Public Community College	60 weeks	$13,000
Computer Information Systems	Bachelor of Science Degree	**Private Non-Profit University**	4 years	**$60,000**
Computer Science	Bachelor of Science Degree	**Private For-Profit Institution**	3 years	**$74,700**
Web Developer ("Boot Camp")	Certificate	**Private Occupational School**	24 weeks	**$21,000**
Web Developer	Certificate	Public Community College	30 weeks	$5,200

Sources: Colorado Department of Higher Education, 2017



Source: Colorado Joint Budget Committee, data provided to the Bell by Amanda Bickel, December 8, 2017.
Amounts shown in constant dollars, adjusted for inflation

Lack of State Investment Causing Cost Shift for Coloradans

Unfortunately, Colorado's state financial support for public postsecondary education is lower now than it was in 2000-2001 when adjusted for inflation, both in the total amount of funding and on a per-Colorado-student basis.

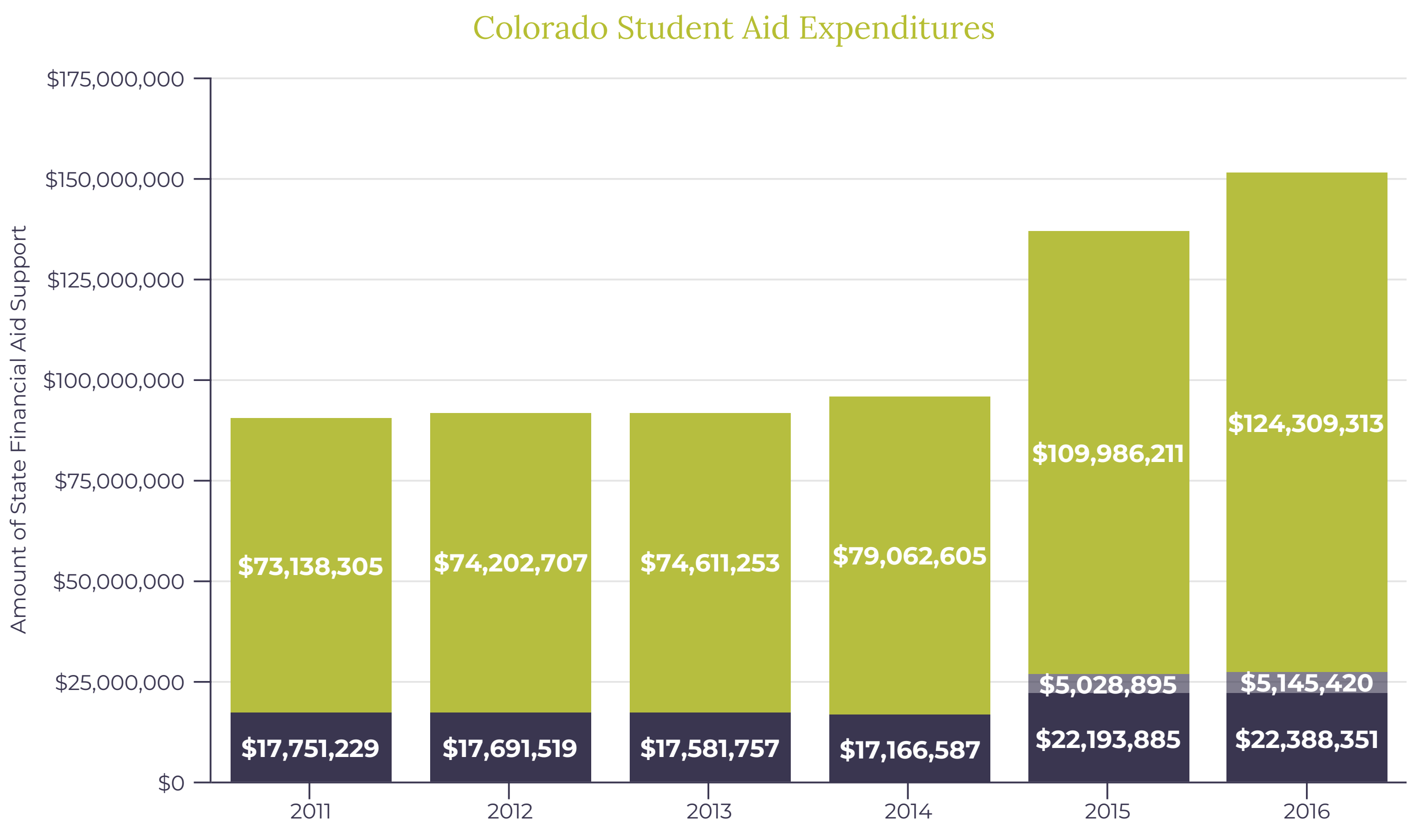
Colorado's relative ranking among other states in funding postsecondary education is also very low, ranking fourth lowest in the country when compared to the U.S. average for per-student appropriations in 2016.

Dwindling funding means students and families are now on the hook for increased tuition and other costs. In Colorado, the legislative Joint Budget Committee staff notes, "Most, but not all, tuition increases in recent years are explained by declines in state support." A recent report by the Center for Budget and Policy Priorities points out nearly every state has shifted costs to students over the last 25 years, but Colorado is among the top states in its reliance on students and families to fund its public postsecondary institutions rather than through public dollars.

In 2000-2001, Colorado state funds covered 68 percent of college costs for in-state students, while student tuition made up the other 32 percent. Since then, Colorado's share of funding has plunged and the share families pay in tuition has more than doubled.

This cost shift particularly impacts the postsecondary attendance decisions of low- and middle-income families, as well as students of color. A 2015 study by New York University researchers says a $1,000 tuition increase for full-time undergraduate students is associated with a drop in campus diversity of almost 6 percent.

Average tuition costs per full-time Colorado student increased about 100 percent between 2000-2001 and 2014-2015, while average household incomes only rose by 0.31 percent over the same period, when adjusted for inflation.



Source: Colorado Department of Higher Education Financial Aid Report 2015-2016

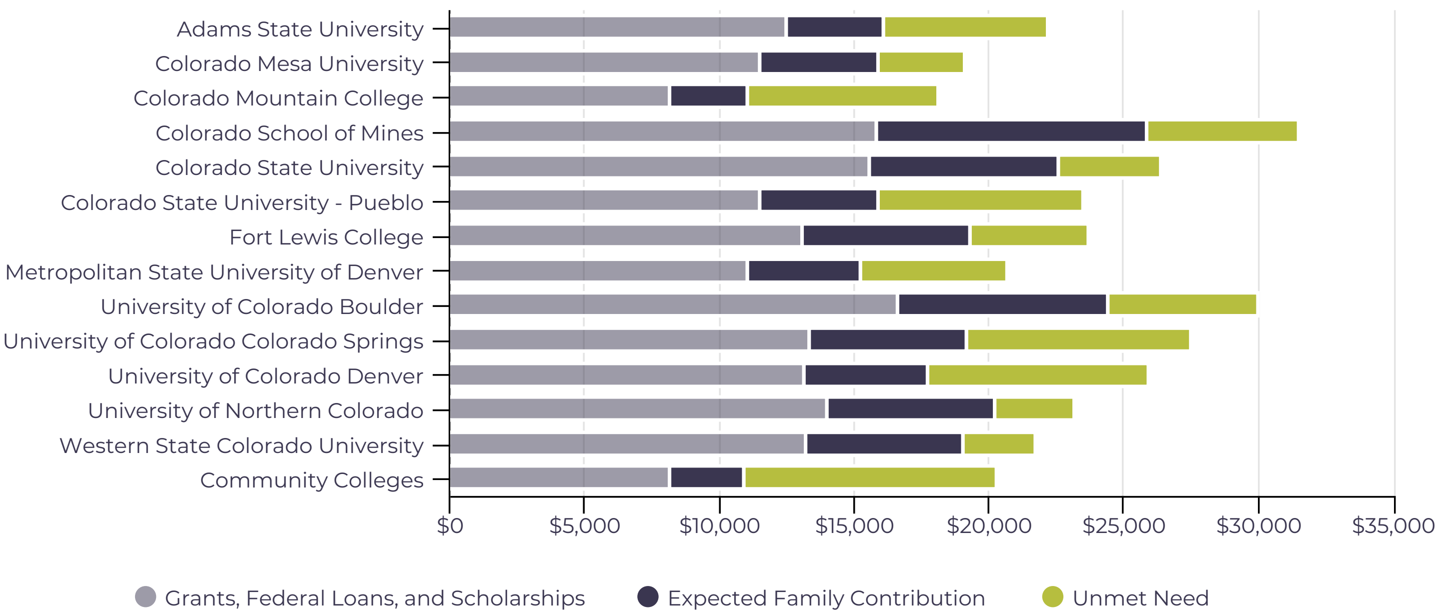
The 2016 University of Pennsylvania College Affordability Diagnosis says it takes 19 percent of Colorado middle-income families' annual incomes to attend our public two-year schools full-time and 24 percent to attend our public four-year schools full-time. The report also characterizes Colorado's public two- and four-year institutions as some of the least affordable in the country when compared to other states.

Need-based grant aid, which does not have to be repaid, is especially important for low- and middle-income students, and is focused on ensuring students who might not otherwise be able to attend college have that opportunity, while merit-based aid provides options for those who would likely attend anyway. To be most effective in expanding opportunity, state need-based financial aid should be available to students of all ages, those enrolled part-time, and those in short-term occupational and career programs leading to high-demand, industry-recognized credentials.

Colorado has done a good job over the years of ensuring the bulk of its state financial aid support is need based.

Although the number of students receiving state need-based financial aid has declined since 2011, the average award size has increased since then. Nevertheless, the amount of aid available has not been able to fully offset, nor even keep pace with, the escalating costs of postsecondary education and training. As a result, even after financial aid from all federal, state, and institutional sources has been awarded — including federal student loans — many students still have a significant amount of unmet need.

Average Unmet Financial Need for Colorado Full-Time Undergrad Students Who Qualify for Aid



Source: Joint Budget Committee, Colorado Department of Higher Education, 2016

Recommendations

Increase the state's investment in postsecondary education and job training, including need-based financial aid, to stop the cost shift to students and families and reduce future reliance on student loans.

Explore innovative options for creating a Colorado version of the "free college" programs being implemented in states across the country, and ensure all Colorado postsecondary students, regardless of age or background, are eligible for the program.

Continue the state's current work on Open Educational Resources, which aim to reduce the costs of books, software, supplies, and other instructional materials, so as to lessen the financial burden of postsecondary studies for students and families.

Student Loan Debt Limiting Opportunity

One of the main ways students address their unmet need, even after federal student loans are received, is by taking on debt through private student loans. This increased reliance on both public and private student loan debt has led to a serious national problem with both personal and societal consequences.

In Colorado, outstanding student loan debt now totals $24.75 billion.

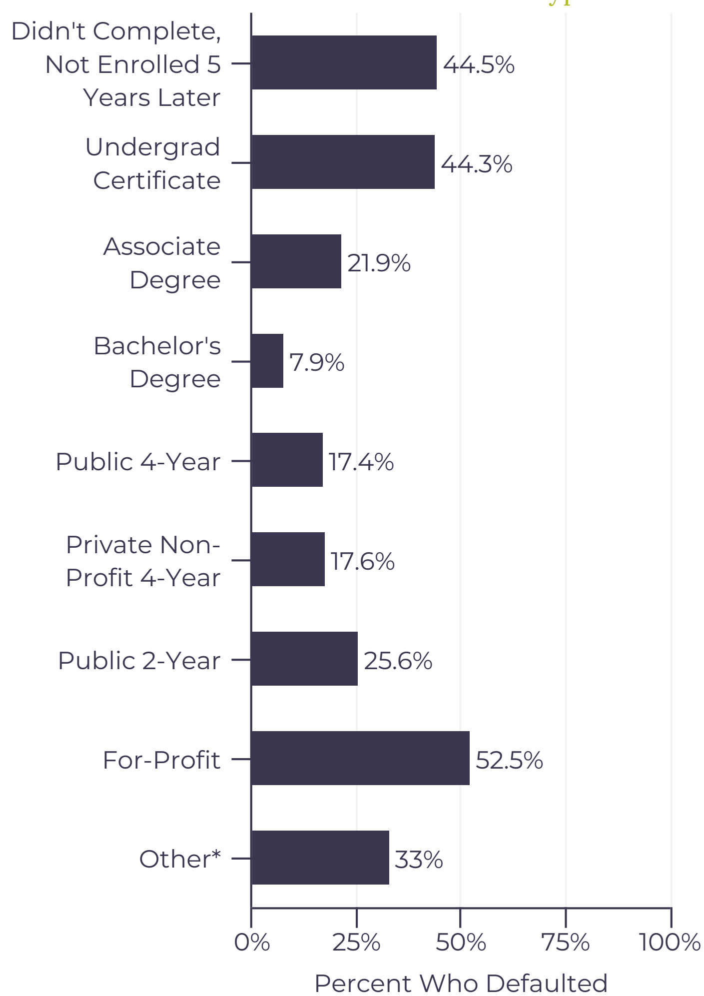
The Colorado Department of Higher Education reports 67.4 percent of students who graduate with a four-year bachelor's degree from a Colorado public institution have debt, with an average amount of $25,877. The Center for Responsible Lending says graduates of Colorado's for-profit four-year institutions owe, on-average, $32,452. Sixty percent of Colorado students graduating with a two-year associate degree hold student debt averaging $13,374.

Common misconceptions lead many to believe student loan debt is just a problem for young people, but the face of unmanageable loan debt is also increasingly retirement-age Americans. While some older borrowers have student loan debt from their own postsecondary credentials, about two-thirds borrowed for a child's or grandchild's education, making this a key two-generation issue.

Between 2005 to 2015, the number of Americans aged 60 and older with student loan debt quadrupled while the average amount they owed nearly doubled. In 2015, 37 percent of federal student loan borrowers aged 65 and older were in default. This can carry severe costs, since the federal government may "offset" these borrowers' tax refunds and benefits such as Social Security to help repay their federal student loans, even if it means pushing them into poverty.

Although students from every type of institution pursuing a broad range of postsecondary credentials take on student loan debt, their experiences with repaying that debt are not the same. Recent data from the National Center for Education Statistics (NCES) on long-term outcomes for student loan borrowers reveal those who have the most difficulty in repaying their loans are students who begin a program but don't complete the credential, and those who attend for-profit institutions.

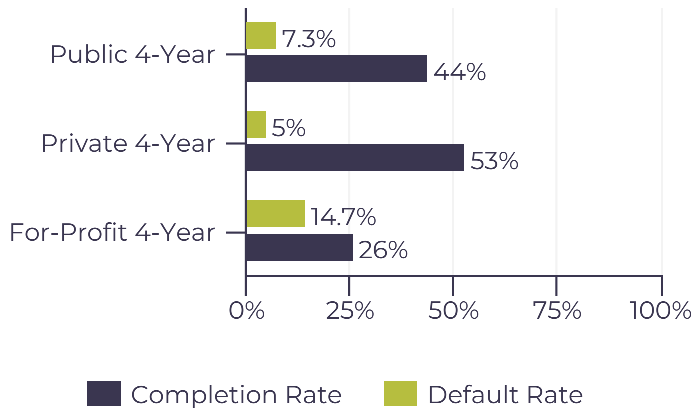
Default Rates Within 12 Years Based on Attainment & Institution Type



*Other includes public less-than-2-year, private non-profit 2-year, and private non-profit less-than-2-year

Source: Repayment of Student Loans as of 2015 among 1995-96 and 2003-04 First-Time Beginning Students, National Center for Education Statistics, U.S. Department of Education, Oct. 2017

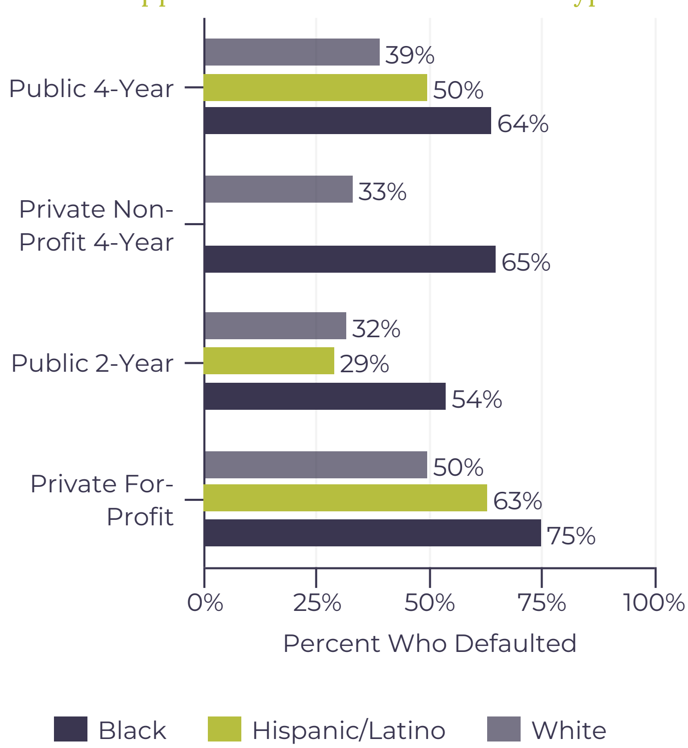
Colorado For-Profit Students Less Likely to Graduate, More Likely to Default On Loans



Source: Center for Responsible Lending, "Colorado's For-Profit College Students Struggle to Graduate, Pay Off Steep Debt Burdens," Jan. 2017

Many students from Colorado's four-year for-profit institutions experience these repayment difficulties. Completion rates for four-year for-profit institutions are much lower than for public or private four-year colleges, and their three-year cohort default rates are double that of four-year public institutions.

Default Rate for Borrowers Who Dropped Out Based on Institution Type



*Standard error is too high to report an estimate for Hispanic/Latino enrolled in private non-profit 4-year institution.

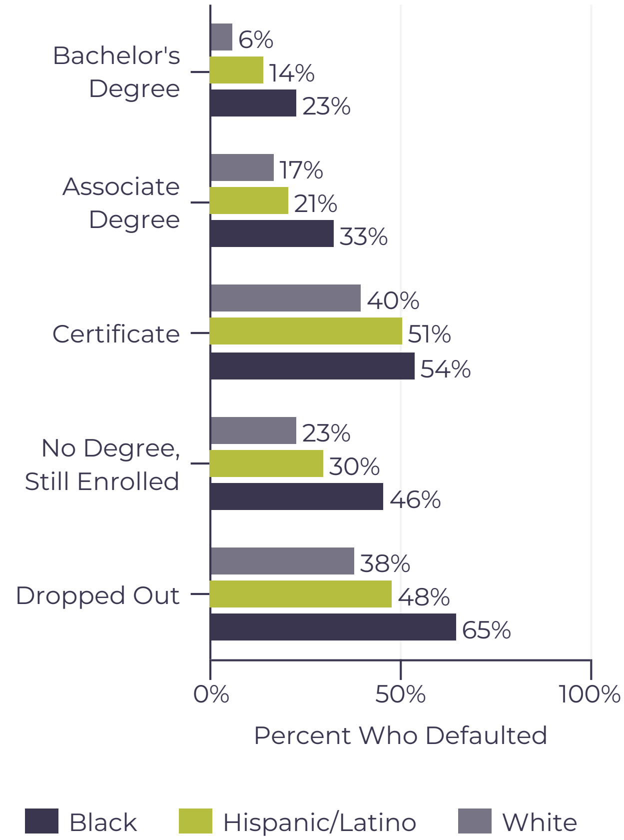
Source: Center for American Progress, "New Federal Data Show a Student Loan Crisis for African American Borrowers," Oct. 2017

Both in Colorado and the nation, student loan debt has different impacts based on race. The new National Center for Education Statistics data show black students are more likely to borrow than white or Hispanic students, and nearly half of black borrowers in the cohort defaulted — including 75 percent of those who dropped out of for-profit colleges. Perhaps most troubling of all: 23 percent of black borrowers who completed a bachelor's degree defaulted on their loans within 12 years, compared with only 9 percent of all borrowers who earned that degree.

For Colorado, the Center for Responsible Lending also warns poor outcomes at for-profit institutions are hitting low-income students and minorities the hardest. It notes black students represent 11 percent of for-profit enrollments in Colorado, compared to 5 percent and 7 percent respectively at public and private institutions. Similarly, 57 percent of for-profit students in Colorado are low-income, compared to 35 percent at public institutions and 43 percent at private institutions.

Additional state funding for postsecondary education and training, along with increased state need-based financial aid grants and decreased costs for books and supplies, could reduce the reliance on student loans, helping many of those with debt avoid taking out loans in the first place or pay them off more quickly.

Black & Hispanic Student Borrowers More Likely to Default On Loans Regardless of Attainment Level



Based on default rates within 12 years of students who enrolled in 2003-2004 and took out federal loans for undergrad education.

Source: Center for American Progress, "New Federal Data Show a Student Loan Crisis for African American Borrowers," Oct. 2017

Recommendations

Make information on postsecondary educational and employment outcomes, and especially student loan debt, more readily available and transparent to students and families so that they can make better, more informed choices among the broad range of public, private, and for-profit program options available to them and reduce their reliance on student debt.

Ensure those who already have educational loan debt are treated fairly and honestly in the repayment and loan servicing process by supporting regulation/oversight of loan servicers, increasing protections for loan consumers, and supporting expansion of federal loan forgiveness programs.

Encourage and support employer-funded programs to help employees pay off their student loan debt. Examples of companies now offering such a benefit include Aetna, ChowNow, Penguin Random House, PricewaterhouseCoopers, and Staples.