WISCONSIN HOPE LAB

DATA BRIEF 16-06

What We're Learning: Work-Study Program
A Data Update from the Wisconsin HOPE Lab

October 19, 2016

For over fifty years the Federal Work-Study Program has funded part-time employment to help college students finance their education.[1] The program is intended to assist low-income students in particular. However, recent evidence indicates that only a fraction—less than 20 percent—of the lowest-income students obtain Federal Work-Study funded employment.[2] As a result, advocates and policymakers are questioning whether the program is fulfilling its mission to serve low-income college students. Another of the program goals is that Work-Study employment would serve the public interest and be relevant to the student's academic goals.[3] Student advocates also question whether these other are being met.[4]

This data brief describes empirical evidence on college students who are employed in Federal Work-Study jobs, using survey data from an ongoing study of financial aid recipients in Wisconsin.[5] Rather than focusing on how much Federal Work-Study employment is tied to actual financial need—a topic better addressed using national data —we use student survey responses to characterize Federal Work-Study employment more fully than is currently possible with

[1] Campus Compact. (2015). "A Brief History of the Federal Work-Study Program." Available at http://compact.org.
[2] O'Sullivan, R. & Setzer, R. (2014). "A Federal Work-Study Reform Agenda to Better Serve Low-Income Students." *Young Invincibles.*
[3] Federal Studen Aid website: https://studentaid.ed.gov/sa/types/work-study
[4] O'Sullivan, R. & Setzer, R. (2014). "A Federal Work-Study Reform Agenda to Better Serve Low-Income Students." *Young Invincibles.*
[5] More information on the study can be found at the end of this brief, and on our website at http://www.wihopelab.com/projects/Impact-STEM-success.html

measures from national surveys. We also compare Federal Work-Study jobs to other types of employment held by students in our sample in terms of schedules, earnings, and job relevance to academic and career goals.

The Federal Work-Study Program

The Federal Work-Study (Work-Study) program began in 1964 as part of the Economic Opportunity Act. The goal was to help alleviate the burden of college costs for low-income students by providing subsidized part-time work. Jobs funded by Work-Study are meant to be as closely related to the students' educational goals as possible, and can be located either on-campus or off-campus with a non-profit agency, government agency, or for-profit organization. Work-Study is a campus-based financial aid program, meaning that financial aid offices are given broad discretion to make funding allocation decisions. Typically, offices offer Work-Study funds on a first-come, first-served basis to help cover unmet need left in students' financial aid packages after grants and scholarships. Students are then required to find a job with a participating employer where they earn wages subsidized by their Work-Study award.

For the 2011-2012 school year approximately 6% of students were awarded Federal Work-Study, with average Work-Study funding per student of $2,300 annually.[6] In our study, the rate of Work-Study employment was somewhat higher, but holding a Work-Study position was still uncommon. Just 11% of sample students reported working at a Work-Study job during their second year in college, while nearly six times that number (60%) reported working at a job unaffiliated with the program. Among students eligible to receive a Federal Pell Grant, 12% held a Work-Study job, compared to 8% of non-Pell-eligible students.

What is a Typical Weekly Schedule at a Federal Work-Study Job?

On average, students in our study employed in Work-Study jobs alone worked 11 hours per week. By comparison, those at working only at non-Work-Study jobs reported working double that number at 22 hours per week (Figure 1). Work-Study awards are typically modest and students are usually not allowed to earn in excess of the amount of Work-Study awarded.[7] Thus the large gap in hours worked between Work-Study and non-Work-Study jobs. This limitation on Work-Study hours may also help to explain why 22% of students with Work-Study jobs in our sample also worked a second job. This group of students who combined Work-Study and

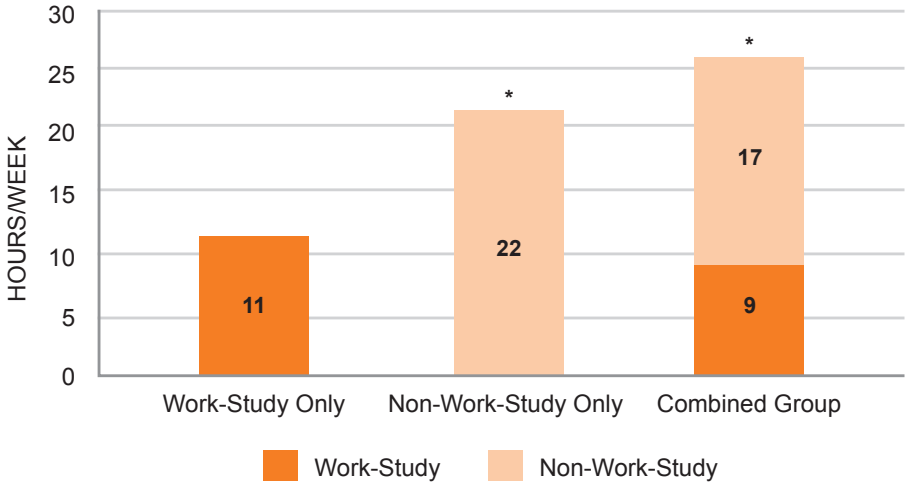
[6] National Center for Education Statistics. (2013). "2011-12 National Postsecondary Student Aid Study." Table 2. Available at http://nces.ed.gov/pubs2013/2013165.pdf.

[7] At the average Work Study award amount of $2,300 per year, and assuming a 75% to 25% cost share with the employer, a student earning $8.00 per hour would be limited to working around 12-13 hours per week during the academic year (based on two 15-week semesters). Based on data from "National Center for Education Statistics. (2013)." 2011-12 National Postsecondary Student Aid Study." Table 2. Available at http://nces.ed.gov/pubs2013/2013165.pdf

non-Work-Study employment worked a total of 26 hours per week on average—9 hours a week at Work-Study jobs and 17 hours a week at non-Work-Study jobs. Total work hours for this Combined group were nearly two and a half times more than for those with Work-Study jobs only and 4 hours more than students who held only a non-Work-Study job. Such long working hours are cause for concern, because research shows that working more than 20 hours per week is associated with poor academic outcomes.[8]

We report on three groups of students: 1) Students who worked at Work-Study jobs only (n=68); 2) Students who worked at non-Work-Study jobs only (n=471); and 3) A Combined group of students that worked both Federal Work-Study and non-Federal Work-Study jobs (n=26).

Figure 1: Hours worked per week by employment type



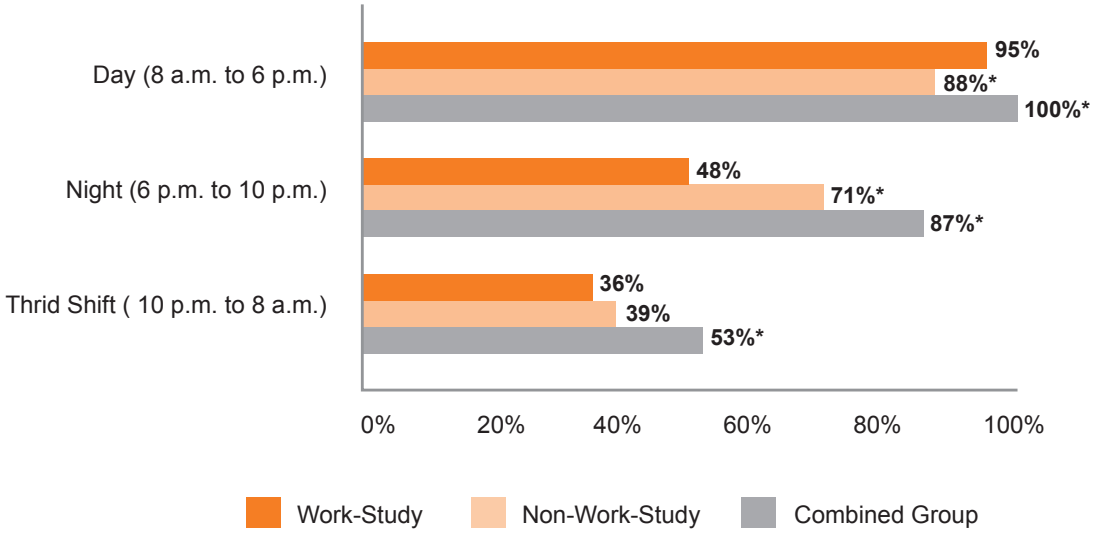
* Significantly different from Work-Study Only group at 0.05 level

A potential advantage of Work-Study jobs is the ability to work a schedule more conducive to course attendance and studying. Looking at the times of day students worked, students working only Work-Study jobs were seven percentage points more likely than those with non-Work-Study jobs only to work daytime hours between 8 a.m. and 6 p.m. (Figure 2). Daytime schedules are advantageous in that they free up evenings for study and rest. They could, however, interfere with course schedules. Students working only at Work-Study jobs were less likely to work evenings (6 p.m. to 10 p.m.) compared to those with non-Work-Study positions only. However,

[8] Bozick, R. (2007). Making it through the first year of college: The role of students' economic resources, employment, and living arrangements. *Sociology of Education, 80*(3), 261–285.

more than one-third (36%) of the Work-Study Only group reported working the third shift (10 p.m. to 8 a.m.), as did 39% of the non-Work-Study Only group. Working into the wee hours of the morning likely cut into students' sleep schedules, making it difficult for them to engage fully in their classes. All students in the Combined group worked between 8 a.m. and 6 p.m. (Figure 2). And they were more likely than students in the other groups to work evenings (87%) or during the third shift (53%). These students worked the most hours per week on average and it appears that to balance work and school they worked later into the night.

Figure 2: Time of day worked by employment type



Note: * Significantly different from Work-Study Only at the 0.05 level.

Beyond the time of day worked, students reported that Work-Study jobs were more compatible with college life in terms of schedule predictability, compatibility of work and course schedules, and the ability to study on the job.[9]

Although the vast majority of students reported working daytime jobs, this does not appear to have interfered with their course schedules. Eighty-nine percent of Work-Study Only students reported that work rarely interfered with their course schedule (Figure 3). This rate was somewhat lower for the Non-Work-Study Only group, 77% of whom reported lack of conflict

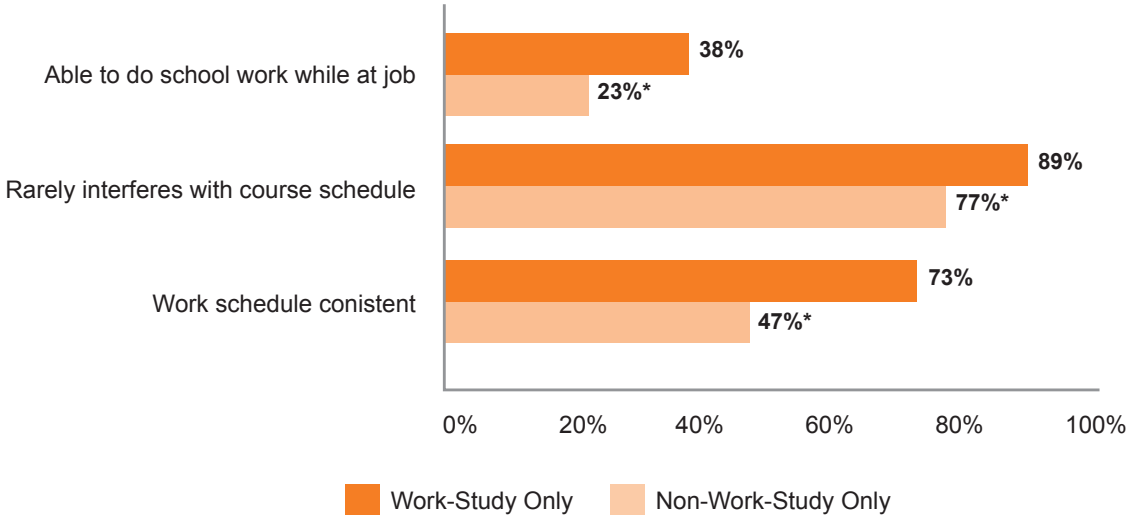
[9] Original survey question asked students to separately rate their FWS and/or non-FWS job in terms of how much benefit they derived from the job in each area (e.g. "How much are you able to do school work while at this job?"). Original answers were on a five-point scale where: 1=Not at all; 2=A little; 3=Somewhat; 4=Quite a bit; and 5=A great deal. We report percentages of students whose response was either of the top two scale categories ("Quite a bit" or "A great deal").

between work and course schedules. The Combined group reported high rates of schedule compatibility between work and class for both types of employment (Table 1).

Students reported more consistent work hours for their Work-Study jobs. Students in the Work-Study Only group were 26 percentage points more likely to report having a consistent work schedule from week to week compared to their peers with non-Work-Study positions (Figure 3). And students in the Combined group were much more likely to report consistent work schedules for their Work-Study jobs compared to their non-Work-Study jobs (Table 1). Such schedule predictability may allow students to more easily plan courses and study times around their work. In contrast, work schedules that change from week to week may limit students' ability to plan ahead, thus inhibiting their ability to perform academically.

Another schedule-related benefit of Work-Study positions was the ability to study while on the job. Thirty-eight percent of students in the Work-Study Only group reported being able to do school work on the job compared to just 23% who said the same from the Non-Work- Study Only group (Figure 3). Thirty-eight percent of the Combined group reported being able to study at their Work-Study job, but only 9% of this group reported being able to do the same at their non-Work-Study job (Table 1).

Figure 3: Work schedule compatibility with academics



Note: * Significantly different from Work-Study Only at the 0.05 level.

Table 1. Work schedule compatibility with academics:
Students working both Work-Study and non-Work-Study jobs

	Work-Study Job	Non-Work-Study Job	Both Jobs	Total
Able to do school work while at job	35%	6%	3%	44%
Rarely interferes with course schedule	11%	13%	66%	90%
Work schedule consistent	43%	3%	27%	73%

How much do students earn at their Federal Work-Study job?

On average, students in the Work-Study Only group earned $8.47 per hour (Figure 3). This was about two dollars less than the average wage for the Non-Work-Study Only group ($10.56 per hour). Considering that students with only an Work-Study job worked an average of 11 hours a week while students with a non-Work-Study job worked an average of 22 hours per week; and in light of the wage difference between these two groups; students working Work-Study jobs earned approximately $4,175 less than those working non-Work-Study jobs over the course of the school year.[10] Given this difference, it would be unsurprising if students offered Work-Study funds in their aid package decided to forgo a Work-Study position in order to find a job with higher pay and longer hours elsewhere.

Students in the Combined group earned lower pay at both jobs compared to students working either type of job alone. They earned an average of $7.91 at their Work-Study jobs and $8.82 at their non-Work-Study jobs. These lower pay rates may help explain why students in the Combined group sought additional work. Combined group students earned roughly $2,100 at their Work-Study positions and boosted their earnings by approximately $4,500 for the school year by also working non-Work-Study jobs.

Figure 3: Hourly wage by employment type

Note: * Significant different from Work-Study Only at the 0.05 level

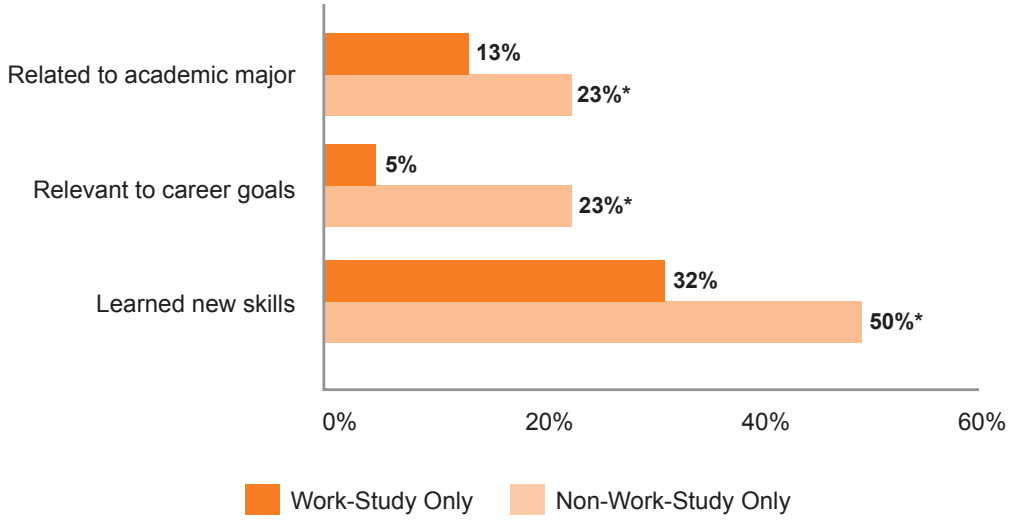
Are Work-Study jobs academically or career relevant?

Finally, we wanted to know if Work-Study was delivering on the promise of work that was academically relevant. Our analyses indicate that Work-Study jobs offered no benefits or even negative benefits compared to non-Work-Study positions along this dimension. Students employed in Work-Study jobs only were 10 percentage points less likely to report that their job was related to their academic major than those with non-Work-Study jobs only.[11] Only 5% of the Work-Study Only group reported career relevant employment, compared to 23% of those in the Non-Work-Study Only group. Finally, only about one-third of students working only Work-Study jobs reported that they learned new skills on the job, compared to half of students in the Non-Work-Study Only group.

[10] Calculation based on 30-week academic year.

[11] Original survey question asked students to separately rate their FWS and/or non-FWS job in terms of how much benefit they derived from the job in each area (e.g. "How much does your job relate to the work you would like to do for a career?"). Original answers were on a five-point scale where: 1=Not at all; 2=A little; 3=Somewhat; 4=Quite a bit; and 5=A great deal. We report percentages of students whose response was either of the top two scale categories ("Quite a bit" or "A great deal").

Figure 4: Academic and career relevance by employment type



Note: * Significant from Work-Study Only at the 0.05 level

Students in the Combined group reported more even rates of academic and career relevance across job types (Figure 5). The Combined group more often reported learning new skills at their Work-Study jobs than at their non-Work-Study jobs; a trend opposite that observed above for the groups working only one job type. These results provide additional clues as to why students in the Combined group chose to keep their Work-Study job and take on a second job. They appear to have gotten good experience from their Work-Study jobs, but likely took another job to bolster their income.

Table 2. Academic and career relevance by employment type: Students working both FWS and non-FWS jobs

	Work-Study Job	Non-Work-Study Job	Both Jobs	Total
Relevant to academic goals	14%	12%	5%	32%
Relevant to career goals	14%	12%	5%	32%
Learned new skills	24%	17%	28%	68%

Conclusion

The data presented in this brief suggest that the Federal Work-Study Program provided students in our sample with employment that better accommodated their college course schedules and provided predictable work schedules. Work-Study jobs also afforded the opportunity to do school work on the job. This finding is broadly consistent with recent research indicating that Work-Study jobs are advantageous to some students by providing benefits such as flexible schedules and short work commutes, which can promote academic success by freeing up time for studying and course attendance.[12]

However, we also found that students in Work-Study jobs were likely to earn lower wages relative to working outside the program—about 20% less on average. This is perhaps why around one in five students in our study who had a Work-Study job also took on additional employment. Further, students who took Work-Study jobs were no more likely than those in non-Work-Study positions to feel that they were gaining new work skills or experience relevant to their academic and career goals. In fact, Work-Study-employed students were generally less likely to report these types of benefits from their job. If nothing else, such evidence should give pause to the notion that the Federal Work-Study Program adds value over non-program employment by focusing on the career readiness of program participants. Reforms to the program should focus on these issues, while also addressing issues of overall funding and targeting recommended by others.

[12] Scott-Clayton, J. & Minaya, V. (2016). Should student employment be subsidized? Conditional counterfactuals and the outcomes of work-study participation. *Economics of Education Review, 52,* 1-18.

Data discussed in this brief were collected as part of a larger research project investigating the impact of financial aid on persistence in science, technology, engineering, and math (STEM) majors. Students were recruited in the fall of 2014 at seven campuses of the University of Wisconsin system, two public technical colleges, and one private non-profit technical college. Participants were mostly first-time entering students, and in order to be eligible they had to be Wisconsin residents, be enrolled in at least one credit, have an EFC of $10,314 or less (200% of the Pell cut-off for the 2014-15 academic year), have at least $1000 of unmet need, have demonstrated a modest interest in STEM fields, and have test scores indicating they would not require remediation in math.

Analyses in this report are based on questions from a comprehensive survey sent to all study eligible students in the fall of 2015 when most were entering their second year of college. The analysis sample consists of 842 students with an average age of 19 at the time of college entry. Fifty percent are female and 21% are racial or ethnic minorities. About two-thirds (63%) of the sample was Pell-eligible at the time of the survey, and 23% had an expected family contribution of zero indicating a high level of economic disadvantage.