

Gambling on education

By Zach Osowski | The Herald Bulletin | Posted: Monday, May 11, 2015 7:00 am

ANDERSON — Education has long been touted in America as the pathway to prosperity. But the rising expense of getting an associate or bachelor's degree, combined with other bills, has sent some Madison County residents down a different path — toward poverty.

Anderson resident April Zimmerman is still paying down loans she took out in 1997 when she got an associate degree from Indiana Business College. Her college debt, in combination with health problems limiting her ability to work, has decimated her finances and left her angry.

To Zimmerman, post-secondary education isn't worth the costs, at least not in Madison County.

"College degrees are almost worth nothing anymore," she said. "And Anderson is almost all service jobs anyway."

The Institute for College Access and Success found the average amount of debt for college graduates in 2013 was more than \$26,000. In fact, seven out of 10 college graduates walked across the stage with an average debt of \$28,400, up 2 percent from the previous year.

Rising costs are often tied to tuition hikes. For Indiana residents, tuition for one semester at Ball State University is \$8,600. Ivy Tech Community College, which offers two-year degrees, is \$1,500 per semester for in-state students for 12 credit hours.

Zimmerman obtained a two-year degree from Indiana Business College in the 1990s and became a secretary. She recounts working constantly throughout her life, sometimes taking on a part-time night job after finishing her full-time job for the day.

But two divorces and the effects of Ehlers-Danlos syndrome, a rare muscle disease that has afflicted her with chronic pain since the age of 15, have forced Zimmerman to cut back on working. She still provides care for a friend's mother, and she collects a disability check.



Cost of education

Anderson resident April Zimmerman is still paying down loans she took out in 1997 when she got an associate's degree from Indiana Business College. Her college debt, in combination with health problems limiting her ability to work, has decimated her finances and left her bitter.

Her income is not enough to afford necessities. But it's too much to qualify her for food stamps or other forms of assistance.

"It's crazy to me," Zimmerman said. "I make too much for help, but it's not enough to survive."

Too much; too little

Zimmerman is part of a large segment, about 28 percent, of the population of Madison County who don't qualify for most welfare but don't earn enough money to pay their bills and handle irregular expenses such as car repairs and health care.

Last year, the Indiana Association of United Ways released a report on this financially insecure group and coined the acronym ALICE -- Asset Limited, Income Constrained, Employed -- to describe them. According to the report, 42 percent of the county's population is below the ALICE threshold and are "struggling to survive financially." About 14 percent of the population are in poverty and would qualify for government assistance. The 28 percent who fall into the ALICE category earn too much for many forms of assistance.

In Madison County, while 28 percent of the population has some college experience or a two-year degree, only 17 percent have a four-year degree or more, according to the 2010 census. The ALICE study points out that, while college degrees are not a panacea for unlimited earning potential, people with degrees do earn, on average, significantly more than those without a college degree and are less likely to be unemployed.

But some, like Zimmerman, have given up on the idea that education can lead to a better-paying job and provide a foothold in the climb to financial security.

Others are still hopeful.

Anderson resident Juan Carlos Hines, 42, lives in a house with two roommates and makes minimum wage, \$7.25 an hour, as a part-time employee at Harvest Market. When he first started at Harvest a few years ago, Hines said, he worked 40 hours a week regularly. But recently his hours have been cut.

Without a consistent pay check, he has difficulty planning for bill payment and saving money.

Hines has bounced around from low-paying job to low-paying job most of his adult life. A few years ago, he began taking classes at ITT Technical Institute in Indianapolis. But the tuition costs and lack of reliable transportation discouraged him, and he dropped out.

Now, without a reliable paycheck, Hines is trying again for an associate degree. He's finishing up his first year at Ivy Tech's Anderson campus, working toward certification as an ultrasound technician.

According to the U.S. Bureau of Labor Statistics, in 2014, the average salary for an ultrasound technician in Indiana was \$62,000 a year. For techs with less than a year of experience, the starting salary is about \$39,300.

Hines dropped out of classes once before. But this time, he said, he'll force himself to finish.

"I've had a lot of problems seeing things through," Hines admitted. "But I got to the point where I knew I had to do this."

Even with the relatively low costs of Ivy Tech, Hines had to secure grants to help him pay for courses.

If Hines earns his degree, he might have to leave Anderson to find a job. As of the end of April, there was one ultrasound position being advertised in Anderson, for the Community Health Network. About 30 positions were advertised for technicians in Indiana.

More jobs; better pay

The ties between education and earning potential are well documented. The U.S. Department of Education estimates college graduates with at least a four-year bachelor's degree earn 66 percent more money over their lifetime than those with just a high school diploma. In addition to earning potential, studies have shown, education also improves life expectancy and health.

For people belonging to the ALICE category, going back to school is often about the extra income to stave off poverty.

The problem is paying for classes and training to earn a two- or four-year degree. On razor-thin budgets, shelling out thousands of dollars at even relatively low-cost schools like Ivy Tech Community College isn't feasible for many.

A low percentage of residents with post-secondary education is a lingering problem in Madison County. According to the United Way's Common Good Forecaster, which looks at the impact of education in every Indiana county, 42 percent of Madison County residents' education experience ends with a high school diploma or GED. That number is significantly higher than the U.S. average of 28 percent and the Indiana average of 35 percent.

United Way President Nancy Vaughan pointed out that having a high school degree was enough to achieve financial independence for Anderson residents when General Motors provided more than 20,000 jobs in the community in the 1950s and 1960s. Today, none of those jobs exist.

"It used to be you could walk into (GM divisions) Guide or Delco Remy with a high school diploma and get hired on the spot," Vaughan recalled.

To address local unemployment and underemployment, the city of Anderson, the local Corporation for Economic Development and other organizations are working to attract new jobs to the community.

Several new companies have been attracted to Anderson recently, including Sirmax, a plastics manufacturing company from Italy. The company, which creates plastic parts for the automotive industry, is scheduled to be open for business with 50 new jobs, at an average salary of \$40,000, by the end of 2015.

Greg Winkler, executive director of the Anderson Economic Development Department, said the city is pursuing new investment that promises more than service industry jobs.

"Not only do we look at number of jobs, but we're also looking at payroll," he said. "We want to make sure these are good-paying jobs."

Who gets hired for these good-paying jobs? With Madison County's low educational attainment averages, many of the jobs that require advanced education might fall to people who live in nearby counties.

According to census data compiled from 2009-13, only 16.7 percent of Madison County's adult population has attained a four-year bachelor's degree or higher. Compare that to neighboring Hamilton County's 55.1 percent.

"That is something you worry about," Winkler acknowledged. "We hope they'll be local people (hired)."

While Juan Carlos Hines isn't pursuing a career in designing and producing plastic products like those to be offered by Sirmax, he recognizes that a college degree is necessary to rise out of the ALICE category and distance himself from poverty.

"I've got to do this for me," Hines said. "I've let life blow me around for long enough."