



Fund the Gaining Independence Act for Families

Investing in Education: Good for the Economy, Good for Working Families, Good for Washington State

Good for the Economy:

- Even in light of the economic downturn, 59% of employers looking for workers had difficulty finding qualified applicants. Many are looking for applicants with a post-secondary education.
- Nearly 50% of the firms reported moving jobs out of the state because of this skills shortage.
- 38% of firms expect the need for workers with a post-secondary education to increase.

Good for Families:

- People who obtain an associates degree earn between 19-23% more than individuals with a high school degree. For each additional year of education, the earnings increase by 6-12%
- Students who complete two years of training earn an average of \$4,440 more each year than they would have without this education.
- In Washington, a Registered Nurse's starting salary is around \$38,000, a job that requires a two-year degree. Currently our state faces a huge demand for nurses.

Good for Washington State:

- The 32,245 students who left community colleges in 1997-98 and went to work will pay an estimated \$415 million more in taxes to the state over their working lives due to their higher incomes.

\$3 Million to Fund the Gaining Independence Act for Families

Many parents in our state struggle in low wage work, unable to afford the education they need to get a living wage job. Simultaneously, businesses need more educated workers to fill skilled positions.

In 2003, the Washington State legislature unanimously passed the Gaining Independence Act, which would create a family supplement for parents who qualify for financial aid to help them pay for the cost of raising their kids while going to school. It is essential that the legislature now dedicate \$3 million to fund this important program.

When funded, the Gaining Independence Act will enhance financial aid grants so parents can get higher education, and provide our state with a trained workforce as well as address a root cause of poverty: lack of access to education.

Working parents who go back to school face multiple hardships. They struggle to make ends meet and can't spend enough time with their kids. By providing financial aid for low-income parents to go to school full time, the Gaining Independence Act gives parents the opportunity to spend time with their families while also working toward self-sufficiency. It also helps provide trained workers prepared to meet employer's grow-

ing need for a skilled workforce.

The current financial aid system essentially discriminates against low income parents because it doesn't account for the extra costs of raising children. Studies show that educational level is the single most powerful factor indicating whether women remain in poverty. In the first year after finishing a two-year education or training program, an individual's income may increase by 23%. According to federal data, those individuals who complete a bachelors degree earn \$16,250 more per year than they would have earned with only a high school diploma.

History shows that government investment in education pays off. In 1944, the U.S. government passed the original "GI Bill" for veterans. This bill provided funding for higher education proportional to the amount of time in service. A 1965 report revealed that "the GI Bill had substantially increased the earning power of those who had availed themselves of the opportunities it provided, and in the process, it generated an estimated \$1 billion in additional income tax revenue."

The 2003 Gaining Independence Act would similarly expand tax revenues, stimulate the lagging economy and make higher education a viable option for parents. It would give parents access to the tools they need to become self-sufficient and leave poverty permanently.

Policy Recommendation: GI Bill for Families

The Gaining Independence (GI) Act for families passed the legislature in 2003. When funded this program will create a state-funded supplement for families, providing parents with additional financial aid and is based on five key principles:

- Eligible students are custodial parents
- Students must be eligible for financial aid
- The Washington State Higher Education Coordinating Board (HECB) shall adopt rules to implement and administer the

Family Supplement (FS) in a manner that does not reduce the amount of current federal and state financial aid available to FS-eligible students

- Qualifying parents can attend school full-time
- Eligible students can use the FS to attend any two-year or four-year college in the State.

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