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New WCCF Issue Brief:
Changing Economy Demands More Financial Aid for Tech College Students

Madison – The Wisconsin Council on Children and Families (WCCF) today released the first in a new series of issue briefs examining opportunities for and barriers to family-supporting work in Wisconsin. The brief, “Aiding Success,” examines recent trends in financial aid and workforce development, and offers alternative funding approaches to financial aid for technical college students, known as WHEG-Tech.

The evolving economy is creating more jobs that require some postsecondary education and a post-high school credential. According to WCCF, this means Wisconsin must expand its commitment to helping the state’s workers—including working parents struggling to support their families—gain the skills they need to land and keep decent paying jobs in our increasingly knowledge-based economy.

WCCF Research Analyst John Keckhaver, author of the report stated, “There is a growing demand for mid-level job skills, and our technical colleges are primed to serve more of our residents, both those right out of high school and experienced workers experiencing lay-offs and underemployment.”

The brief notes that recent investments in WHEG-Tech have not kept up with rising costs and growing demand for financial aid. Ten years ago the average WHEG award for technical college students was \$740. In 2006-07 it was \$697. Meanwhile, tuition has risen steadily over the same period at an average of 5.5% per year.

During the 2006-07 school year, 2,300 technical college students who were eligible for need-based financial aid did not receive it because WHEG-Tech funds ran out. The unmet financial need of technical college students—the gap between expected family contribution plus financial aid received and the actual cost of attending—has risen 76 percent in the last ten years, from \$2,613 to \$4,602.

The report recommends two alternative funding options: (1) funding WHEG-Tech awards on a “sum-sufficient” basis, meaning guaranteeing that all enrolled technical college students who apply and qualify for aid would receive enough to stem the growth of unmet financial need; or (2) funding WHEG-Tech at a level that would meet average cost increases for students and some portion of the expected increase in demand.

“Our economy will continue to change, and working parents and others will need new skills in order to adapt to these changes,” Keckhaver said. “Investing in these students will bring big returns, not just for them, but for the whole state.”

“Aiding Success” is available online at http://www.wccf.org/pdf/aiding_success.pdf