



Graduates plan ahead in Grand Island

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By Dick Clark

As summer approaches, more than 20,000 Nebraska high school seniors are receiving their diplomas.[\[1\]](#) For these young people and their parents, that comes with all the worries of making good decisions—financial and otherwise—as they prepare to strike out on their own. Nationwide, about two-thirds of high school graduates will be attending a four-year college this fall.[\[2\]](#)

Despite 2009 federal legislation designed to scale back the marketing of credit cards to students, the university concourse credit card hawker is still a familiar figure on college campuses.[\[3\]](#) It used to be that credit card defaults were the fastest way to bad credit for college students, but today's college-bound high school graduates are actually more likely to default on their student loans than on consumer credit.[\[4\]](#) Student loans now have a higher delinquency rate than credit cards, mortgages, and car loans, with 11.5% of student loan debt more than 90 days past due. In fact, the student loan delinquency rate is the only one on an upward trend since 2010.[\[5\]](#) The figure is even more appalling when one considers that only a little more than half of outstanding student loans are currently in repayment.[\[6\]](#)

There is a good reason why so many young people go to college: college graduates typically earn more than those with only a high school diploma, and they are more likely to be employed to begin with.[\[7\]](#) It turns out that what is dangerous is going to college and not finishing. It appears that most of the students defaulting on their student loans are students who are borrowing for college but then leaving before completing their degree work.[\[8\]](#) Almost 60 percent of full-time, first-time college students at four-year schools will complete a degree within six years.[\[9\]](#) The rest will enter the job market without college credentials but with a monthly student debt obligation.

For many of these students, a better path might have been to pursue a technical certificate or other training that would qualify them for specific skilled work. Such certificates represented about a fifth of college credentials awarded in 2010, and certificate-holders earned an average of 20 percent more than workers with only a high school diploma. They also earned more than nearly a quarter of workers with bachelor's degrees.[\[10\]](#)

Some Nebraska high school graduates are already on this career track, and they have just received their diplomas. In Grand Island, students are getting a unique opportunity to prepare for a variety of skilled jobs through participation in the Career Pathways Institute (CPI) which opened in 2013. Students begin to explore career options before they are teenagers, and when they enter high school they take two years of introductory classes for their chosen career pathways. During their final two years of high school, participating students spend half their day at their high school and the other half participating in pathway programming. Students can also earn college credit through Central Community College for the career training that they complete.[\[11\]](#)

This career-oriented training means students will have higher-paying employment options right after high school. Unlike what students would experience in traditional classes, the CPI programs incorporate extensive work experience that gives students a hands-on understanding of what is required in their chosen field, including a traditional workplace environment and use of state-of-the-art equipment that is often identical to that used by prospective employers. CPI offers tracks in finance, hospitality, manufacturing, automotive work, welding, construction, drafting and design, and information technology fields, among others.[\[12\]](#)

Workers who are prepared to enter these industries and who are proficient in the technologies that they utilize will earn higher wages than others joining the workforce without this training. Though some will not return to school after starting work, many students will go on to pursue bachelor's degrees later. When they do, their qualification for higher-paying work will mean that they will have the opportunity to earn more of the cost of attendance as they go and rely less on borrowing. This higher pay will not be due to a government-mandated wage hike but rather the fact that the skilled work being done is simply more valuable to employers.

These programs do not benefit only the individual trainees. They will supply industry with the qualified workforce necessary to grow the state's economy. As detailed in a March 2013 Platte Institute policy study,[\[13\]](#) this is especially important in counties that are losing population, where economic development is essential to reversing the current out-migration trend. Educational attainment in Nebraska is already relatively strong compared to other states and nations around the world. However, Nebraska's aging population and relatively slow growth mean that a greater proportion of the working age population needs to be credentialed in order to meet industry needs.[\[14\]](#) A more skilled workforce will foster the development and diversification of Nebraska industry and ultimately boost per capita income across the state.[\[15\]](#)

The CPI programs in Grand Island are an example of public and private partners innovating in education and enabling parents and students to make choices that better fit their needs and the demand that exists on the labor market. Tailored educational experiences like these with clear real-world applications for the subject matter promote student engagement and parental involvement in learning, which in turn lead to better student achievement. Along the way, students come to understand what employers expect of their employees in the workplace, and that they can live up to that standard, contribute to the economy, and earn a good living. That is a lesson worth learning.

[1] “2014 Nebraska Higher Education Progress Report.” Nebraska’s Coordinating Commission for Postsecondary Education. March 13, 2014. [URL: http://www.ccpe.state.ne.us/PublicDoc/CCPE/reports/progressReport/14_PR-Full_Report.pdf]

[2] “College Enrollment and Work Activity of 2013 High School Graduates.” Bureau of Labor Statistics. April 22, 2014. [URL: <http://www.bls.gov/news.release/hsgcec.nr0.htm>]

[3] “Credit card companies still heavily targeting college students despite strict regulations.” University of Houston Law Center. April 24, 2012. [URL: <http://www.law.uh.edu/news/spring2012/0424Hawkins.asp>]

[4] Touryalai, Halah. “\$1 Trillion Student Loan Problem Keeps Getting Worse.” *Forbes*. February 21, 2014. [URL: <http://www.forbes.com/sites/halahtouryalai/2014/02/21/1-trillion-student-loan-problem-keeps-getting-worse/>]

[5] *Ibid.*

[6] Norris, Floyd. “The Hefty Yoke of Student Loan Debt.” *New York Times*. February 20, 2014. [URL: <http://www.nytimes.com/2014/02/20/business/economy/the-hefty-yoke-of-student-loan-debt.html>]

[7] Strauss, Valerie. “Is the \$1 trillion student loan debt really a crisis?” *Washington Post*. May 1, 2014. [URL: <http://www.washingtonpost.com/blogs/answer-sheet/wp/2014/05/01/is-the-1-trillion-student-loan-debt-really-a-crisis>]

[8] Norris.

[9] “Graduation rates.” National Center for Education Statistics. United States Department of Education. [URL: <http://nces.ed.gov/fastfacts/display.asp?id=40>]

[10] Marklein, Mary Beth. “Study examines vocational certificates’ big rewards.” *USA Today*. June 6, 2012. [URL: <http://usatoday30.usatoday.com/news/education/story/2012-06-06/vocational-education-degrees-pay/55410846/1>]

[11] “Mission/Approach.” Career Pathways Institute. [URL: <http://www.careerpathwaysinstitute.org/about/mission.html>]

[12] “Program Spotlight: Grand Island Center Pathways Institute.” Nebraska Manufacturing Advisory Council. February 2014. [URL: <http://www.nebraskamanufacturing.com/2014/02/program-spotlight-grand-island-career-pathways-institute/>]

[13] “Getting it Right: Public Policy and Nebraska Higher Education.” Platte Institute for Economic Research. March 2013. [URL: https://www.platteinstitute.org/Library/docLib/20130312_Higher_Education_Report-sm.pdf]

[14] *Ibid.*, p. 4.

[15] *Ibid.*, p. 6.