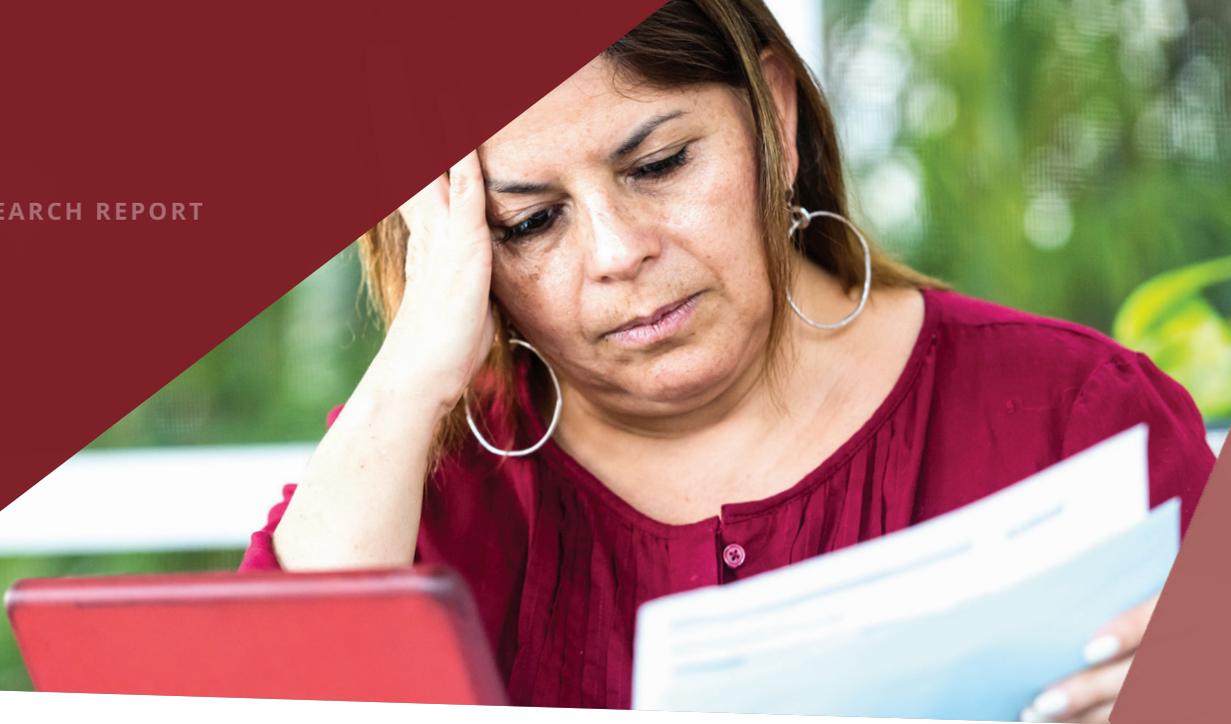


A CAEL RESEARCH REPORT  
JULY 2023



LANA MUNIP AND REBECCA KLEIN-COLLINS

# How They Pay

The Voices of Adult Learners on College Affordability,  
and How Institutions Are Responding

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EXECUTIVE SUMMARY

# Executive Summary

As postsecondary institutions work to attract and retain adult learners, it is important to understand the roles that financing and affordability play in adult learners' educational experiences and their ability to persist and succeed. This study is based on data from a national survey of 996 adult learners, in-depth interviews with 47 adults from 14 institutions, and interviews with financial aid personnel from six of these institutions. This study seeks to answer the following central questions:

1. How do adult learners pay for their postsecondary educational pursuits? Are there differences in equity considerations regarding affordability and types of financial resources used?
2. What role does money (and/or the type of funding used) play in decisions to enroll, "stop out," or complete their programs? What role does money play in enrollment intensity?
3. What kind of financing guidance do adult learners receive before they enroll, and is it accurate and sufficient?
4. How do adult learners feel about their ability to pay for college?
5. Besides tuition discounts and externally funded programs, what are postsecondary institutions doing to help make college more affordable for adult learners?

Overall, our conversations with adult learners revealed that their approaches to financing their education are shaped by their previous experiences in financing postsecondary education. Many adult learners fall into the "some college, no degree" category — they may have a long educational history but no credential. They may have tapped into Pell Grants over the years and have limited remaining access to federal aid. They may also be weighed down by the burden of student loan debt that has been accumulating since they left high school.

For these reasons, adult learners can be hesitant to approach the financial aid office or skeptical about the information they receive. As a result, they might miss out on valuable cost-saving strategies or funding opportunities that could help make college more affordable.

## Key Findings: How Adult Learners Finance Their Education

- **Adult learners use multiple funding sources to pay for postsecondary education.** The most common sources that adult learners use to pay for college (Figure A) are their personal funds or savings (42%), loans (40%), and federal or state grants (including the Pell Grant, a federal grant that supports postsecondary expenses for lower-income students; 36%).
- **Many are concerned about loans.** Almost half of the adult learner survey respondents (49%) indicated that at some point in their educational journey, they had applied for student loans but did not ultimately accept those loans because of concerns about interest rates, new debt, or existing student loan debt. Those with student loan debt had an average balance of \$20,576 (Figure B). *Pell Grant recipients and first-generation, Black, and Hispanic adult learners all had loan balances higher than the average individual in our sample.*
- **Employer tuition reimbursement is an important and valuable way to pay for college, if it is an option.** Not everyone has access to this benefit; in our sample, only 24% of adult learners said they used employer education benefits. *Pell Grant and first-generation adult learners were less likely to have used this benefit.*

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“Previous student loan balances hold us back in life a lot.”

Molly, 46

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- **Veterans benefits are also important for those who are eligible.** Eleven percent of survey respondents stated that they received veteran education benefits, and of this group, more than half (58%) said that the benefits covered between 50% and 100% of their expenses.

FIGURE A

Different funding sources adult learners used for college tuition, fees, and related expenses (multiple responses possible, n=980)

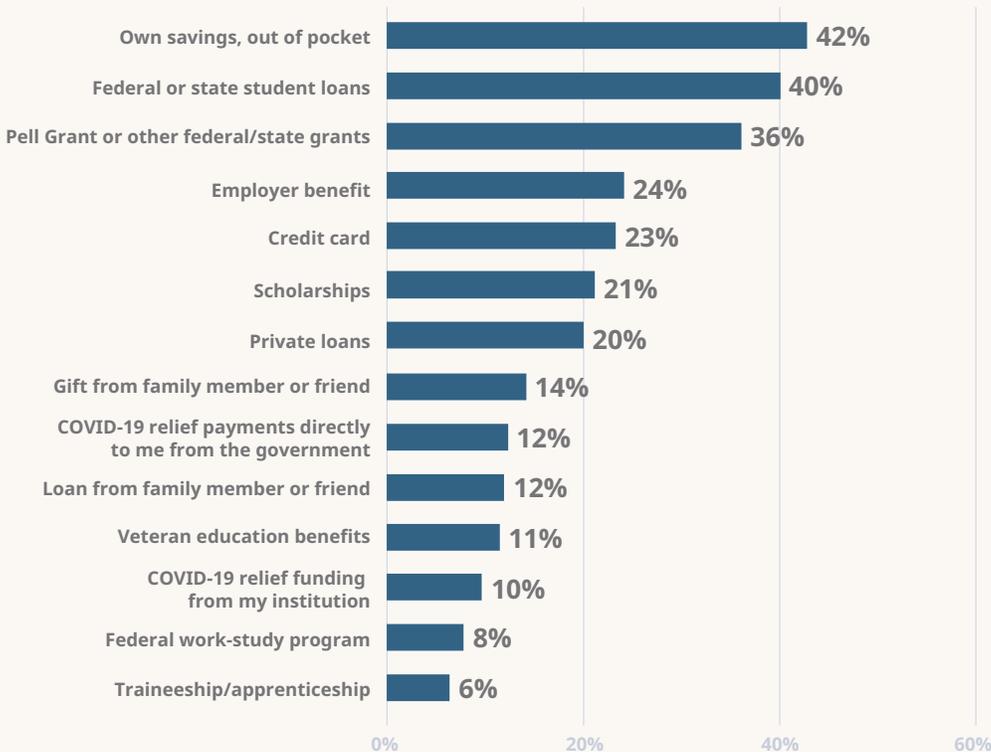
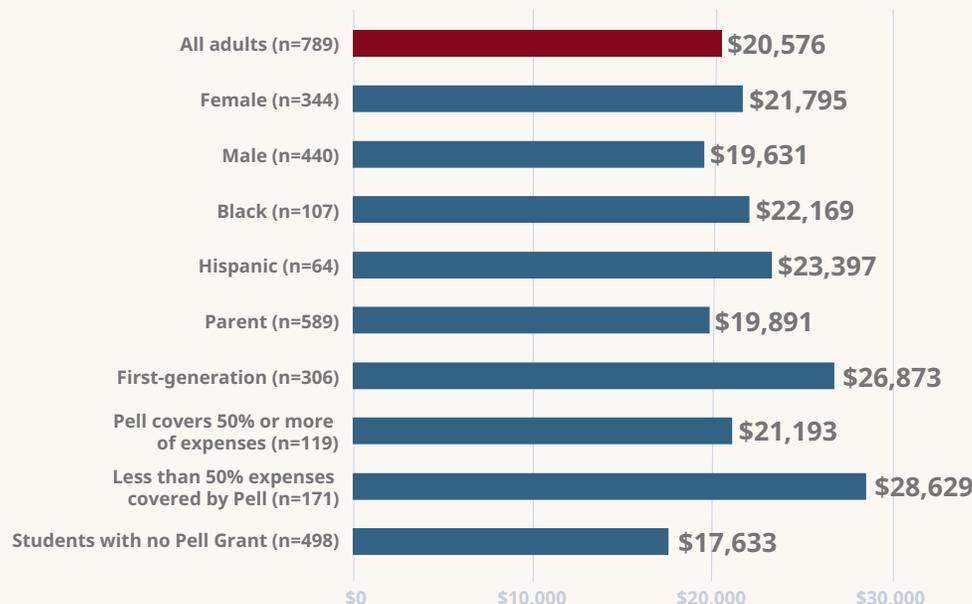


FIGURE B

Average loan balances for adult learners and by selected adult learner subpopulations



“Part of it was just because I didn’t understand how to study, and I didn’t do well. So I wasted a lot of money on classes. [My student debt is now] about \$17,000, which doesn’t sound like a lot, but for a two-year degree 20 years ago, it’s annoying.”

Jody, 51

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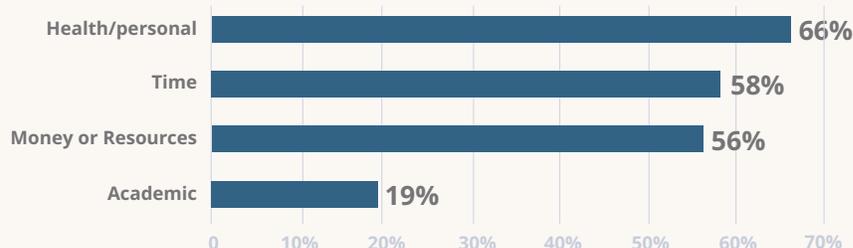
## The Role of Money in Enrollment Decisions, From Number of Courses to Taking a Break

The phenomenon of adult learners stopping out of learning for a period of time is well known and problematic, given that it may be hard to return after enrollment disruptions.

- **Stopping out, or taking a break, is common among adult learners.** About half of those surveyed said that they had taken a break in their studies at some point in the past. Parents were more likely to have stopped out for any length of time than those with no children.
- **The main issues are not academic.** Adult learner respondents said that stopping out can be attributed to three overarching, and often interrelated, factors (Figure C): issues related to health or personal matters (66% of adult learners who had previously stopped out), time constraints (58%), and money and resources (56%). *Noteworthy is that academic issues are the least mentioned reasons for adult learners to stop out (19%).*
- **Money also affects course load.** Interviewed adult learners said availability of funding can affect decisions about enrollment intensity and, by extension, time to degree.

FIGURE C

Reasons adult learners stopped out, by category (n=493)



“It just feels like I have all of these hiccups every time that I want to complete this and take the initiative to finish school. It’s always the financial aspects kind of put my plans at a halt.”

Yvonne, 33

## Getting Navigational Help or Going It Alone

The high cost of tuition today creates one type of frustration for adult learners, and the complicated range of potential financial resources creates another.

- **Adult learners often seek guidance on financing their education from multiple sources.** An institution’s financial aid office is the place where nearly two-thirds (65%) of adult learners seek guidance on how to pay for tuition, fees, and related expenses. Over half receive guidance from other advisors at their college (54%), 41% receive guidance from family or friends, and 19% said that they do their own research. *Pell Grant recipients and Black adult learners in our sample were most likely to have consulted their college’s financial aid office.*

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- **Institutions may offer expert guidance, but it is not a required step for students.** The interviews with the adult learners suggest that some financial aid offices operate in a passive or “opt in” mode. They are there to provide help for students who seek them out and explicitly ask for help, but it is incumbent on the student to make the first move.
- **Many who “go it alone” discover later that they missed valuable information or support.** Adult learners who do their own research are often unaware of all the various grants and scholarships that might be open to them, or they do not fully understand repayment obligations, the effects of compound interest over time, or how to maximize their benefits over time. Of those adult learners who responded to a survey question about completing the FAFSA (the application for federal financial aid), 43% did not fill out the FAFSA for their most recent college program. When asked why not, 34% of that group thought they would not be eligible, 18% did not have enough information about how to apply, and 17% said they did not know about the FAFSA.

### Adult Learner Perspectives on Ability To Pay and College Value

Given the challenges of securing funding, learning about financing options, and understanding the process involved in becoming a student, all while working a day job and possibly caring for family members, adult learners may feel ambivalent when it comes to the experience of financing education. We asked adult learners about their comfort level with financing their education and their thoughts on whether college is worth the cost.

- **Most are confident in their ability to pay for college.** A majority (62%) said that they felt confident in their ability to pay for their education (somewhat agree/strongly agree).
- **A rise in tuition would be hard for many adult learners to handle.** A hypothetical tuition hike of \$1,000 could trigger many students to drop out. Just over half of survey respondents said that they would be able to stay in school after such a tuition increase.
- **Funding sources and personal background affect adult learners’ confidence in their ability to pay.** Pell Grant recipients and first-generation college students were less likely to be confident in their ability to pay or say that they could handle a tuition increase, while those using employer or veterans benefits were more confident in their ability to pay and more likely to say that they could handle a tuition increase.
- **The level of financial guidance received also affects adult learners’ confidence in their ability to pay.** Those whose financial aid advisors discussed a wider range of financing options were more confident about paying for college than those who said they had received less comprehensive financial aid guidance.
- **Students value their education and mostly say it is worth it.** Most survey respondents (79%) agreed or strongly agreed that college was worth the cost, and this was true across many demographic groups. This also mostly held true across different types of funding sources, with those who received employer tuition reimbursement being most likely to agree or strongly agree that college was worth the cost. Adult learners nevertheless raised questions about the high cost of education and recognized that pay increases following graduation may not be commensurate with the time and money spent on a degree.

“There are so many scholarships that people don’t accept, don’t even take them because they don’t know they’re there. No one applies for them.”

Gary, 50

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## Financial Aid Advisors' Approaches to Serving Adult Learners

In the interviews with the financial aid advisors and other representatives of the participating colleges, we asked how their approach to working with adult learners differed from working with “traditional” students (defined as first-time, full-time, and coming to college directly from high school). Many shared with us that the financial aid sessions are similar in many respects. Financial aid advisors go through the adult learners’ program costs and other financial needs; get them to fill out the FAFSA; explain what they are eligible for; talk about different loan options; share the institution’s various payment plans; point them to special grants, scholarships, or resources through the institutions (where applicable); point them to external scholarship resources; and so forth. The conversations revealed several ways financial aid guidance for adult learners goes beyond being a resource on Title IV eligibility rules and limitations. For them, financial aid guidance for adult learners can mean:

- Being proactive in terms of outreach so that they can make informed decisions.
- Going deep on educational history and personal circumstances to catch issues related to federal financial aid lifetime limits.
- Exploring the potential to earn credit for prior learning (CPL), which can save both time and money.
- Helping them think through the pros and cons of full-time versus part-time attendance, in terms of both financial costs and personal costs.
- Helping them identify, use, and maximize the value of employer tuition benefits, including arranging for deferred billing so that adult learners do not need to pay out of pocket up front.

## Institutional Support Strategies for Addressing Affordability

Institutions can also address the overall cost of attendance for the student in other ways, such as covering costs outside of tuition and fees or helping the student save time — time, after all, is money. If institutions shorten the time that the student is enrolled, there are then fewer terms during which they have to pay for extra child care or commuting, fewer terms during which they have to pay flat fees, and fewer terms during which they might have to cut back on work or give up overtime opportunities. Time savings can also mean more time for them to take care of personal business or enjoy other parts of their lives. All of that can have real value to the learner and make their educational pursuits more affordable.

The vast majority (84%) of the survey respondents said that their institution offered ways to save time or money outside of tuition coverage, with the most common options being free instructional materials (49%), CPL (49%), and competency-based/self-paced programs (43%).

“If it weren’t for my mentor encouraging me to do CPL, I might have been dragging out this education a lot longer.”

Tammy, 45

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The interviewed students shared additional details on a range of different cost- and time-savings strategies or supports, with the most common being:

- Reduced costs of course materials: textbooks, supplies, and software.
- Cost and time savings through CPL.
- Institutional grants and scholarships, though typically there are not many options for which working adults who enroll part time qualify.
- Assistance with living and other expenses (such as gas cards, help with electric bills, food banks, mental health counseling, and child care).
- Online or accelerated course modalities.

### Recommendations for Institutional Practice

The above findings, as well as findings from other studies, suggest several strategies that postsecondary institutions should consider to promote greater affordability for adult learners:

#### REVISIT CURRENT INSTITUTIONAL POLICIES AND PRACTICES

- **Reduce or eliminate excess student fees**, such as reenrollment fees, for students coming back after taking a break or fees for activities adult learners do not use.
- **Remove transcript holds** for former students based on small amounts owed so that the institution is not a barrier to their fresh start at learning.
- **Make sure financial aid award letters and other financial aid materials are clear** and free of jargon. Make terms understandable for first-generation college students.
- **Offer adult-learner-focused scholarships.**
- **Provide flexible payment plans** for learners whose funding or income is not aligned with the academic calendar.
- **Provide deferred billing for students using employer tuition assistance programs.**
- **Revisit the institution's Satisfactory Academic Progress (SAP) rules** so that they do not unnecessarily penalize returning adults.
- **Develop early warning systems** to counsel students about the financial implications of dropping classes.

#### EXPAND OPPORTUNITIES TO LOWER COSTS OR REDUCE TIME TO DEGREE

- **Provide other ways to improve affordability through flexible or innovative program design.** Consider lower-cost course models, flexible learning options, short-term credentials of value, and learn-and-earn models in which students access well-paying jobs more quickly as they continue to progress toward valued credentials.
- **Find ways to lower or remove fees related to CPL.**
- **Broaden availability of free textbooks and/or open educational resources.**

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## STRENGTHEN ADVISING PRACTICES IN CORE AREAS

- **Meet adult learners' financial aid advising needs.** Make sure offices are sufficiently staffed, and provide options for online, after-hours, and weekend appointments. Create self-guiding tools that help familiarize adult learners with important financial aid issues like SAP and lifetime caps.
- **Train financial aid advisors and provide job aids to guide conversations with adult learners.**

## BOOST OUTREACH ACTIVITIES AND COMMUNICATIONS

- **Proactively reach out to adult learners to meet with financial aid advisors.** Conduct targeted outreach to new adult learners. Encourage them to meet with financial aid advisors during the inquiry stage, at enrollment, leading up to withdrawal dates, and yearly check-ins.
- **Provide more information on your website on the opportunities for tuition discounts, grants, and scholarships.** Offer better information for prospective adult learners on non-loan ways that tuition and fees might be covered.

## FIND WAYS TO HELP WITH OTHER LIVING EXPENSES

- **Provide emergency aid and other support for non-instructional expenses.**
- **Explore later hours for campus food banks and related services as a way to better accommodate working adults' needs.**

## Needed Policy Changes To Support Postsecondary Affordability for Adult Learners

Institutional efforts are a good start, but real impact can be achieved through changes in public policies, both at the federal and state levels.

## PELL GRANT IMPROVEMENTS FOR ADULT LEARNER AFFORDABILITY

The Pell Grant is such an important funding source for lower-income students of all ages because it does not need to be paid back. However, the value of the Pell Grant has not kept up with the tuition increases of the last several decades, and it does not account for the lives and circumstances of working adults wanting to acquire new skills and credentials. Among many changes that have been proposed, the following are key:

- **Increase the value of the Pell Grant** so that it covers the full cost of tuition and fees at community colleges.
- **Provide a second chance for adult learners in regulations for SAP.**
- **Extend Pell Grants to cover short-term training programs with evidence of strong employment outcomes.**

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- **Establish additional ways for adult learners to appeal SAP-related loss of awards** to account for when “life gets in the way.”
- **Provide a second-chance reset of lifetime limits for select adult learners**, for example, for those completing credentials in high-demand occupations.

#### OTHER PUBLIC POLICIES — EITHER STATE OR FEDERAL — THAT CAN SUPPORT GREATER ADULT LEARNER AFFORDABILITY

- **Expand eligible expenses under current grant and loan regulations for CPL and competency-based education.**
- **Provide student loan forgiveness for special adult learner populations**, such as those completing credentials in high-demand occupations (a similar concept to the current Public Service Loan Forgiveness program).
- **Provide additional financial incentives for adults to engage with postsecondary learning.**
- **Provide more options for the concept of “free college”**; federal incentive funds could be used to jump-start these models in additional states.
- **Support increased utilization of Ability to Benefit.** Ability to Benefit is a national program overseen by the U.S. Department of Education that helps adult students without a high school diploma or equivalent access federal financial aid after they’ve demonstrated their ability to succeed in postsecondary education.
- **Provide additional incentives for employers to offer tuition assistance and loan repayment benefits.** Increase the value of tax-free educational assistance to cover a larger share of educational expenses (for example, from \$5,250 to \$12,000 annually), and permanently extend this benefit so that it can be used to pay off an employee’s student loans.

#### POLICIES THAT ADDRESS NEEDS BEYOND TUITION AND FEES

- **Increase support for learn-and-earn options like apprenticeships**, which pay participants a living wage while they learn new skills at a worksite.
- **Support a system of navigators to help adults understand learning and financing options.**
- **Provide additional wraparound supports for adult learners.** Policy leaders should provide resources that help students address emergency financial issues and support ongoing child care and transportation needs.

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## Conclusion

Most adult learners are piecing together funding from a lot of different sources while navigating complicated rules and often taking on considerable personal debt. Past experiences may shape the way they perceive financial aid advice, and may cause them to be hesitant to seek out financial aid advisors. As a result, they may not learn about cost-saving strategies or funding that may be available to them. Previous research has shown that affordability issues are top of mind for adult learners, and this report found that stress related to personal finances can be disruptive to learning. Money is one of the main drivers of adult learners opting to take a break at some point during their studies.

Institutions can take a more proactive role in helping adult learners navigate the treacherous financial aid waters and promoting affordability strategies, but they cannot solve many of the bigger systemic issues. Policy leaders need to take on the affordability challenge by addressing the regulatory barriers and decades-long disinvestment that have placed such an outsized financial burden on adult learners, including (or especially) working adults, part-time learners, and learners with low incomes.

### ACKNOWLEDGMENTS

CAEL gratefully acknowledges the support received from Strada Education Foundation and the Truist Foundation in funding this research study and from the following reviewers of this report: Matt Bergman, associate professor, organizational leadership and learning, University of Louisville; Barry Darnell, CAEL senior director of higher education initiatives; Charles Framularo, Strada Education Foundation vice president, research; Sara Leiste, director, student-directed learning, Metropolitan State University; Jeannie McCarron, CAEL vice president, member engagement; and Gloria Mwase, CAEL senior vice president, research, impact, innovation, and learning. Additionally, we thank Strada's Charles Framularo for early support with the survey and Hanover Research for administering the survey and providing the initial high-level analysis of key findings.

We also extend our thanks to representatives from the following institutions who assisted in student recruitment: Benedict College, Metropolitan State University, National Louis University, Northeast Wisconsin Technical College, Southwestern Indian Polytechnic Institute, SUNY Empire State, Tennessee State University, and the University of Wisconsin-Parkside. Thank you to representatives from the following institutions who assisted with both student recruitment and personnel interviews: Atlanta Metropolitan College, Florida International University, the University of Louisville, the University of Memphis, the Pennsylvania State University, and Shasta College.

Finally, we gratefully acknowledge the 996 adult learner respondents who participated in the survey and the 47 adult learners who participated in our interviews. We wish them every success in their future academic and professional endeavors.



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