

The Working Student Act

The Working Student Act (S. 2796) is legislation introduced by Senator Tammy Baldwin (D-WI) that allows students who work while in school to complete their degrees more quickly and with less debt.

Hard-Working Students Shouldn't Be Penalized for Trying to Keep Up with the Increasing Cost of Education

- Many college students must work while enrolled in school to make up the difference between financial aid assistance and the cost of college.
- The very income that students need to support themselves often has the effect of decreasing their financial aid eligibility.
- This "work-penalty" causes an endless cycle of needing to work more in order to cover ever decreasing amounts of available financial aid.

By enacting an across-the-board 35% increase to the income protection allowance (IPA) for students, the bill shields an increased portion of a student's income from working against their need for financial aid.

Economic Security of Working Students Would be Strengthened

- A working single parent with two children can earn approximately \$10,000 more without endangering their financial aid.¹
- A dependent student can earn up to \$2191 more before their income impacts their financial aid award.
- Independent students, who are often older or don't have parental financial support, could earn \$3,400 more in the next school year.

Support for the Working Student Act

The Working Student Act is co-sponsored by Senator Tim Kaine (D-VA). Additional support includes: United States Student Association, The Institute of College Access and Success (TICAS), National Education Association, American Federation of Teachers, Center for Law and Social Policy (CLASP), Demos, Wisconsin Technical College System, University of Wisconsin-Madison, One Wisconsin Now, and the Wisconsin Education Association Council.

"Students - sacked with spiraling college costs and crippling student debt - should be able to work their way through college without penalty. But, as it stands now, the small income they earn unjustly decreases access to need-based student aid. Senator Baldwin's bill addresses this absurdity. All working students deserve equitable access to federal aid."

Randi Weingarten - President, American Federation of Teachers

"Working students are doing double duty when they hit the books and punch the clock. The Working Student Act will ensure that hard-working students are not penalized for being diligent in earning the money they need to further their educations and careers. This Act will allow low-income working students to keep more of their wages to support their families and still be eligible for the financial aid they need to meet the growing costs of college."

David J. Socolow - Director of the Center for Postsecondary & Economic Success, CLASP

"Cuts in financial aid and tuition hikes are endangering access to higher education for prospective students and piling debt on those already in school. Senator Baldwin's Working Student Act is a simple reform that will stop punishing hard-working students for being hard-working. It's a welcome bit of good news in the fight to put the brakes on a student loan debt crisis spiraling out of control."

Scot Ross - Executive Director, One Wisconsin Now

"With students all over the nation juggling work and school in order to cover college costs, it's about time that someone took action to ensure that hard work pays off. Senator Baldwin's Working Student Act is aimed at a serious problem that creates disincentives for work while also making college less affordable. Her plan is long overdue, and should be passed quickly to ensure that more students can use their work earnings to finance a college degree."

Sara Goldrick-Rab - Founding Director, Wisconsin Hope Lab - Professor of Educational Policy Studies & Sociology, UW-Madison

"Raising the Income Protection Allowance is a commonsense approach that will greatly assist our hard-working students with the most financial need. It's not uncommon to see students work their way either completely out of Pell Grant eligibility or reduce their eligibility substantially by the time they are seniors. It is a frustrating cycle resulting in a need for more work which then lowers grant eligibility again. This bill ends this cycle and provides the needed assistance to those students who are working to help finance their college education."

Susan Fischer - Director of Financial Aid, UW-Madison

¹The EFC Formula, 2014-2015. The Income Protection Allowance. Department of Education.