CHAPTER 21

Funding Worker Education through Tuition Refund Plans

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Adults—including many women over 35—are returning to school in unprecedented numbers. At the same time, rising tuition costs and the growing need among students for financial assistance has prompted such governmental policies as the tuition tax credit, proposed in 1979.

However, for many adult workers, job-related educational benefits already exist to help defray the costs of returning to school. Tuition refund, which reimburses all or part of tuition and related costs for college and university courses pursued after work hours, is one such program. The plans vary in the amount refunded, the type of courses covered, and the conditions of plan use. Initially provided only for management employees, tuition refund plans today are available to millions of rank-and-file workers as company-sponsored or union-negotiated benefits. Of 610 companies it polled in 1974–75, the Conference Board, a prominent business research organization, found that 89 percent offered tuition refunds.

But few workers use these programs. Only 50 percent of the 3.6 million who were eligible in 1970 participated in the 155 plans surveyed by the Conference Board. This underutilization demands explanation, especially for women, who most need help to finance the education that could move them out of their predominantly low-paid, low-status jobs.

During 1976–77, the Institute for Education and Research on Women and Work, of Cornell University’s School of Industrial and Labor Relations, conducted a study, funded by the Rockefeller Family Fund, to learn what

keeps workers, especially women, from fuller participation in tuition refund plans, and to draft recommendations for increasing worker use of this fringe benefit.³

Rank-and-file members of three unions⁴ employed at three different companies⁵ participated in the study. Questionnaires completed by nearly 1,000 union members,⁶ and interviews with union and company officials, provided information about (1) tuition refund plan utilization rates, (2) characteristics of plan users and non-users, (3) reasons for plan use, and (4) barriers to utilization.

The study's findings and programmatic recommendations are summarized below. The study also highlights the dilemmas that labor, management, and educational institutions face and must resolve if more workers are to take advantage of tuition refund programs. Intended for labor educators interested in promoting these programs, it is hoped this chapter will lead to further discussion of the problem and indicate areas for future research.

Deterrents to the Use of Tuition Refund Plans

Deterrents to the use of tuition refund plans fall into three major categories: (1) socioeconomic deterrents, (2) worker-reported barriers, and (3) unmet expectations.

This discussion must be understood in the context of overall low utilization. Only a minority of the eligible workers surveyed in this study participated in the tuition refund plan available to them. Overall, workers who never used the program (69 percent) outnumbered those who at one time


⁴. International Union of Electrical, Radio and Machine Workers, AFL-CIO (Locals 470, 450, 445); Communications Workers of America, AFL-CIO (Local 1153); Telephone, Traffic Union, TIU (Bronx-Westchester Local).


⁶. Because the study included only three companies and produced a response rate of 27.3 percent, generalizations must be made cautiously. However, the large number of respondents permits confidence in the study findings.
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or another did use it (31 percent) by more than two to one. This pattern of low utilization prevails at each of the three companies involved in the study, even though more than 80 percent of non-users expressed interest in the program.

Socioeconomic Deterrents

While program use among all workers is low, certain groups participate less than others. Low-paid, low-skilled, and less educated workers predominate among non-users. These tend to be over age 45, non-white, and female. That is, workers at the bottom of the work place hierarchy fill the ranks of non-users, suggesting that socioeconomic factors deter use of tuition refund plans.

While disadvantaged male and female workers use tuition refunds less than the advantaged, regardless of age, race, education, skill level, and income level, fewer women than men use the program. As a group, women (16 percent) use tuition refund less than men (40 percent). The consistently lower use by women results, in part, from their heavy concentration at the bottom of the occupational hierarchy. Considerably more women than men in the companies studied are black, have fewer years of education, and work in low-skilled, low-paid jobs. While men fill most of the skilled technical positions, most women are clerks, secretaries, and telephone operators.

But women's unfavorable work place status is not the whole story. Family roles and responsibilities also influence their use of tuition refund programs. Among men, those with greater family responsibilities (married, larger families, younger children) use tuition refunds more than those with fewer family responsibilities. In contrast, differences in marital status, family size, and children's ages have little effect on women's uniformly low use of tuition aid.

Socioeconomic factors are a barrier to the use of tuition refunds because they not only describe workers, but also affect their relationship to the

7. These utilization rates reflect both past and present use of tuition aid and therefore are higher than they would be if only current use was discussed.
8. Some of the differences are especially dramatic. Over 60 percent of the women, but only 28 percent of the men, have a high school diploma or less. Twice as many men (55 percent) as women (23 percent) have had some college. Only 7 percent of the women, compared to 59 percent of the men, are in highly skilled jobs; only 16 percent of the women, but more than 60 percent of the men, earn over $260 a week.
work place and the family. For example, employers often use differences in age, race, sex, and education to make job entry and promotion decisions, rather than match individual skills and abilities with specific job requirements. As a result, company recruitment, training, and advancement practices restrict the access of many—especially women, minorities, and youth—from job categories with greater promotion possibilities. Instead, they tend to obtain positions with short job progressions that offer few training opportunities. Furthermore, the work place hierarchy—a pyramid with few good jobs at the top and many poor jobs at the bottom—permits only a minority of those who pursue additional education to move up. Low-level workers, facing blocked opportunities for job advancement, are less likely to be rewarded for more education. It is not surprising, then, that they use tuition aid less than workers more likely to benefit from the program. This hypothesis is confirmed by the data on unmet expectations, discussed below.

The sex-role division of labor within the family influences use of tuition aid. Family obligations do not prevent—and, indeed, seem to stimulate—the use of tuition refunds by married men with families seeking to improve their job and income status. For women, full-time work plus household and childrearing responsibilities leave little time and energy to pursue education. Doubly deterred by low work place status and traditional sex-role responsibilities, women's conventionally defined economic and social roles appear to restrict their ability to use tuition refunds to return to school.

Worker-Reported Barriers

Barriers to plan use cited by workers include personal attitudes, aspects of work and family life, provisions of tuition refund plans, and policies of educational institutions. Those mentioned most frequently by all non-users include (in rank order):
1. Inability to afford school.
2. Preference for other activities.
3. Fear of returning to school.
4. The restriction of tuition refunds to job-related courses.
5. Uncertain educational interests.
6. No benefit from more education.
7. The requirement that workers pay tuition costs in advance of reimbursement.
8. Fatigue.
9. Work schedules (for example, overtime, a non-day or rotating shift, or a second job).
10. The belief that education is no help on the job.
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11. Other tuition aid program factors (red tape, course prerequisites not covered, and so forth).

Contrary to expectations, six of these eleven major barriers (numbers 1, 2, 7, 9, 10, 11) are reported by similar proportions of women and men. Among these, cost is especially significant, preventing approximately one-third of both women and men from returning to school despite the presence of a tuition refund plan. Most plans pay only a part of tuition expenses and do not cover such items as student fees, books, meals, child care, and transportation. The reimbursement payment method, which requires tuition aid applicants to lay out the full cost of tuition in advance of repayment, also is a financial barrier.

While women and men share many barriers, others are more important for each sex. Those affecting more women than men include (in rank order):
1. Fear of returning to school after being out too long.
2. Fatigue.
3. Uncertain education goals.
4. Transportation problems (no transportation, unsafe to travel alone at night).
5. Lack of self-confidence.

Barriers reported by more men than women are (in rank order):
1. The requirement that covered course be job related.
2. No benefit from returning to school.
3. Don’t know who or where to ask about the program.
4. Unfair to use family income for own education.
5. Didn’t know the program existed.

Finally, although lack of information about the tuition refund program is not frequently mentioned, low-skilled, low-paid workers experience this problem more than others.

Female socialization appears to explain many of the barriers reported by women. Fear of returning to school, lack of self-confidence, and uncertain educational interests correspond to traditional attitudes women develop about themselves while growing up. Traditional female role expectations encourage women to prepare for marriage and motherhood, not long-term employment, and to believe that occupational success conflicts with femininity. Adherence to these ideas can lower women’s career and education aspirations, as well as their self-confidence, independence, and self-esteem. The sex-role division of labor in the family helps explain why more women than men who work full time report child care and fatigue as barriers. Barriers reported by more men than women suggest that men’s
use of tuition aid is limited when the program does not meet occupational needs and because they lack information about the program.

Unmet Expectations

Lack of payoff is the third major deterrent to the use of tuition refund. Seventy percent of the workers surveyed believe that "education is a way to move up on the job." Yet many are non-users, because the tuition refund program results in few specific job-related gains. And it is job gains that workers want most.

Expectations. Tuition aid users, regardless of sex, return to school primarily to improve their job status. Fifty-five percent of both women and men who have used a program seek to be upgraded or promoted. Approximately 40 percent of men and women want to improve their skills or raise their educational level. While more women than men return to school for personal reasons, and more men than women do so to earn a higher income, the overriding concern of both groups is job gains.

The subjects that workers select underscore their strong interest in job improvements. Most women and men choose courses in areas where new job openings appear to exist. Computer programming, the area of greatest job expansion at each of the companies studied, is ranked first by both women and men. High proportions of both sexes express interest in management training. Courses permitting advancement in a worker's current job are also popular, but reflect the impact of the sex-segregated occupational structure on such decisions. More men want to learn craft skills (welding, machine repair, electronics); more women choose clerical skills (typing, bookkeeping, accounting).

Contrary to popular belief and some research, women seem as concerned as men with practical job-related benefits. This suggests an increased recognition and acceptance of their permanence in the labor force and a desire to escape from the low-status jobs to which they have been relegated.

Outcomes. While 55 percent of both sexes, those who have ever used tuition assistance programs, hope that additional education will result in an upgrading or promotion, only 30 percent of the men and 14 percent of

the women report this as an outcome of program use. Workers seeking to improve their skills are also disappointed; 59 percent of the men and 47 percent of the women use tuition refunds for this purpose, but only 27 percent of the men and 18 percent of the women report it as an outcome.

This lack of payoff is an important deterrent, given the costs in time, money, and psychic energy involved in returning to school. Inevitably, disappointment in the program is communicated at the work place and contributes to overall low utilization. Lack of payoff reflects a built-in tension between the job improvements that workers want and the company's reluctance to promote tuition refund programs for this purpose, in part due to the lack of promotion opportunities for lower-level workers.

**Dilemmas**

Reducing the barriers to the use of tuition refund programs depends in part on achieving other social changes and will not be simple. Nonetheless, some of the deterrents can be addressed if companies, labor unions, and educational institutions consider resolving the following dilemmas.

**Companies.** Increasing use of tuition refunds requires modification of existing hiring, promotion, and training practices. The study found that companies prefer:

To promote workers on the basis of job performance and seniority rather than educational attainment.

To provide on-the-job and in-house training over outside college education to meet their specialized training needs to update their labor force's skills.

Not to raise the job mobility aspirations of workers, given the shortage of higher level job openings and, therefore, not to publicize actively their tuition refund plans.

Nonetheless, use of tuition aid to help workers get a college education can satisfy management needs for a skilled and productive work force, for a readily available pool of qualified and promotable workers, and for a promotable supply of women from within the ranks to meet affirmative action goals.

**Unions.** Increasing use of tuition refunds requires overcoming current disincentives to union support for these programs. The study found that:

While unions support the need for more education for their members, they find that few job-related opportunities accrue to workers directly from use of tuition refunds.
Promotion based on education challenges the union's stake in the seniority system and threatens the strength of the bargaining unit, because more educated workers may be promoted out of the unit.

While members credit their unions with winning seniority protection, they often forget labor's role in securing the tuition aid program, because the plans usually are company financed and administered.

Because only a minority of members use tuition refunds, bargaining for these benefits is de-emphasized in favor of demands that win wider rank-and-file support and are used by a greater proportion of members.

Nonetheless, education remains a key union concern. The influx of young workers into the ranks and the opportunity to use tuition refunds for labor studies programs provides an incentive to bargain for stronger tuition aid provisions. The study's finding that more tuition refund users than non-users participate in union activities provides another plus for organizations highly dependent on volunteer leaders.

**Educational Institutions.** Increasing use of tuition refunds requires that educational institutions orient themselves to the needs of working adults. The study found that:

The traditional policies of educational institutions that address the needs of younger and full-time students are less responsive to the older working student.

With some exceptions, institutions of higher education are isolated from both labor and industry, limiting their access to and understanding of the training needs of both labor and management.

Nonetheless, declining enrollments and strong competition among educational institutions for adult students are moving colleges and universities to introduce innovative programs. Weekend colleges, credit for life experience, and the location of courses on company sites and in union halls make it easier for adult students to enroll.

Here labor education specialists can play a significant role. Their knowledge of the educational needs of workers and their longstanding ties to both educational institutions and labor organizations make them uniquely qualified to facilitate cooperation among representatives of each sector in efforts to improve tuition refund programs designed to encourage greater use by workers. In recent years the awarding of college credit to labor studies programs has qualified more of them under tuition refund plans.

Labor educators also are encouraging unions to press for liberalized refund plans, so that courses relevant to workers as trade unionists as well as job-related courses can be covered by tuition refund plans.
Program Recommendations

If unions, universities, and companies can agree to cooperate in adopting certain policies, many specific barriers to the use of tuition refund programs can be addressed programmatically.

Socioeconomic Obstacles

Blocked opportunities for job advancement deter low-level workers from using tuition refunds. Expanding job opportunities, probably the most difficult barrier to overcome, involves fundamental changes in the work place. It requires: extending job ladders; linking job mobility to additional education; eliminating race, sex, and age discrimination in hiring, promotion, and upgrading decisions, and implementing affirmative action goals; publicizing intended areas of job expansion to allow workers to plan their educational choices accordingly; and eliminating sex-segregated occupational categories and employing more women in non-traditional jobs.

Worker-Reported Barriers

Restrictive program provision, scheduling and transportation problems, and worker fears and uncertainties are significant worker-reported barriers. Remedies include relaxing restrictive plan provisions, more flexible scheduling, and providing supportive services.

Relaxation of Restrictive Plan Provisions. The partial reimbursement of tuition costs, the exclusion of other education-related expenses, financially burdensome reimbursement methods, and the restriction of tuition refunds to job-related courses keep many workers from using the program. These barriers can be reduced by company and union support for: full coverage of tuition costs and inclusion of such related expenses as fees, books, meals, child care, and transportation; direct prepayment of course charges to workers or educational institutions (to avoid the advance payment burden), with repayment by workers who do not successfully complete course work; provision of low-interest loans through credit unions or special funds; and coverage of other than job-related courses and/or broader definitions of job-relatedness.

Educational institutions can help reduce cost problems of adult students by: eliminating the discrimination against part-time students that results in higher tuition and ineligibility for financial assistance; expanding credit for life experience; and becoming familiar with tuition refund programs and assisting workers who apply for financial aid to investigate these as a potential resource.

More Flexible Work and Educational Schedules. Working overtime, a non-day or rotating shift, and/or holding a second job prevents many
workers from returning to school, given the class schedules of most educa­tional institutions. Scheduling barriers can be reduced by company and union support for: released time for study; flexible educational leave; shorter work weeks; on-site college credit courses offered after work hours; and granting worker requests for shift changes needed to attend school.

Educational institutions can accommodate the schedules of employed adults by: offering more degree courses, as well as registration, financial aid, and other student services, in the evening; developing or expanding programs that enable workers to use weekends, short educational leaves, and vacations to complete a semester’s work; and enhancing the quality, relevance, and prestige of night classes. Making it easier for workers to attend classes at convenient hours and places might alleviate some transportation problems, as would company and union pressure for improved community transportation services and their help in the organization of employee car pools.

Supportive Services. These can help workers overcome fears and uncertainties about returning to school. Companies and unions could: sponsor short-term counseling services and workshops that would reinforce workers’ skills and confidence and help them to identify their educational and occupational interests; provide updated information about job opportunities within and outside the company as an aid to career planning; and encourage workers who have used tuition refunds to share their experience with others and act as program recruiters. Educational institutions can play an important role in overcoming the fears of adult students by: sponsoring programs geared to the re-entering student, such as special orientation sessions and non-credit refresher courses in basic study skills; developing credit courses especially relevant to the needs and interests of adults and their employers; and sensitizing teachers and administrators to the educational and personal needs of the employed older student.

If implemented, these recommendations would help close the gap between workers’ expectations of education and the often minimal returns received from tuition refund programs. If educational institutions are responsive to the needs of workers and employers, returning to school will be of greater practical value to workers eligible for tuition refunds. It would no doubt stimulate increased use of this attractive educational benefit.

Conclusion

Increasing the use of tuition refund programs involves fundamental changes in some instances and significant costs in others. However, the
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benefits that can result from encouraging greater use of tuition refunds to finance the employed adult’s return to school are important ones.

Non-users of tuition refunds are among those most in need of more education. Once they are motivated, education becomes addictive for at least 25 percent of the workers—that is, a return to school leads to participation in further education. Easier access to education can help women move out of sex-stereotyped jobs and prepare them for community and union leadership.

Both companies and unions benefit from a work force interested in and able to pursue additional education. In the words of one company official, “education is a motivator and motivated employees make better workers.” For companies seeking to advance women and minorities from within their ranks, and for unions wanting to develop more female and minority leadership among their membership, increasing access to tuition refund opportunities is a way to help meet affirmative action goals. Use of tuition refunds appears to stimulate union activity, especially among women: 32 percent of female tuition refund users were active unionists, compared to 14 percent of non-users.

Finally, workers are interested in relevant education. More than 80 percent of the non-users in this study expressed interest in tuition refund programs. More dramatically, existing new programs demonstrate that credit programs financed through tuition refund work. A company-endorsed Career Development Women’s Studies Program for women in white-collar clerical jobs, initiated by the Institute for Education and Research on Women and Work, and a comparable Public Service Women’s Studies Program for female civil servants employed by the State of New York, are oversubscribed, despite no specific promises of job advancement.

For labor educators and those in adult and continuing education, working with companies and unions to develop pilot, experimental programs that expedite use of tuition refunds holds much promise.