HB2523 will Serve as a Barrier to Achieve60AZ Goals, Could Harm Arizona’s Workforce and Economy

HB2523, allowing employers to pay full-time students below minimum wage, will serve as a barrier to Arizona reaching its Achieve60AZ goal of 60% of Arizonans holding a postsecondary credential or degree by 2030 which will have long-term negative impacts on Arizona’s workforce and economy. In 2016, Arizona voters overwhelmingly passed a new minimum wage law which prohibits employers from paying their employees less than $11 per hour as of January 1, 2019 and that will rise to $12 per hour as of January 1, 2020.

The Achieve60AZ goal was established by Arizona leaders in business, education, and government as part of the Arizona Education Progress Meter, a series of metrics that measure where our education system currently stands, and how far we need to go to ensure that we are providing every child in the state with an excellent education. Currently, Arizona lags behind other states in the number of adults who have earned credentials or degrees past high school. Research by College Success Arizona indicates that if Arizona met the 60 percent attainment goal, it would pump an additional $3.5 billion in personal income and tax revenue into the state annually. To reach 60 percent postsecondary attainment in Arizona, Achieve60AZ estimates we need 1 million more Arizonans to earn credentials and degrees by 2030.

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HB2523 will serve as a barrier to that goal because it will impose a debilitating pay cut upon thousands of Arizona full-time students who depend on the income from their part-time jobs to pay tuition, housing, and to provide basic needs for them and sometimes other family members.

National data suggests that full-time students work because they have bills to pay and others to support. Nationally, 41 percent of all full-time students between the ages of 16 and 24 are employed. Full-time students are significantly more likely to be employed if they have to pay for housing, have children they are caring for, or are married.
According to data released recently by the Arizona Board of Regents, there were 114,650 full-time undergraduate students attending Arizona’s three public universities in 2018. Of those students, 57,738 demonstrated outstanding financial need to cover the cost of attendance that were not met by financial aid other than student loans, and on average, the financial aid packages they received did not cover 44% of their cost of attendance. Those full-time students will often rely on student loans and part-time employment to make-up the difference. HB2523 would result in those students receiving as much as $400 per month less in part-time employment income.

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Since 2008, student loan debt for Arizona students has increased by 20%. In 2017, the average student loan debt for an Arizona graduate was $23,967.

HB2523 Creates Barriers to Arizona’s Future

- Unfairly punishes students for attending school full-time.
- Encourages students to rely more on student loans and debt.
- Serves as a disincentive to attend school full-time.
- Impacts 1 in 2 full-time students attending school and working.