



How Can Higher Education Researchers Help Provide Community Colleges the Resources They Need?

APRIL 24, 2019 – THE CENTURY FOUNDATION WORKING GROUP ON COMMUNITY COLLEGE FINANCIAL RESOURCES

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1. Community Colleges Are Underfunded and Underperforming

In the United States, where social mobility has been considered a birthright, community colleges are essential to that promise. Two-year colleges are meant to be America's quintessential institutions for the aspiring middle class. But America's 1,000 community colleges, which educate 9 million students and are routinely underresourced, often fall short of their promise. Only 38 percent of students entering community college complete a degree or certificate within six years.

Much of the problem is that community colleges are given the fewest resources to educate those students who tend to have the greatest needs.

- *Greater needs.* While just one in five students at most and highly competitive four-year colleges came from the bottom half of the socioeconomic distribution in 2013, the majority of community college students did.
- *Fewer resources.* In fiscal year 2013, private four-year research institutions spent five times as much per student annually (\$72,000) as did community colleges

(\$14,000). Some of that difference is explained by the differing research functions of institutions, but when one excludes research expenses and focuses on education and related expenses, private research universities still spend three times as much as community colleges, and public research universities spend 60 percent more. (See Figure 1.)

2. Adequate Funding for Community Colleges Improves Wages of Graduates

Inadequate funding of community colleges is deeply troubling, given that careful research has found “significant causal impacts” of spending on degree completion. Scholars looking at spending at community colleges between 1990 and 2013 found that a 10 percent increase in public funding boosted awards and certificates by 15 percent. Furthermore, they found that when students complete an associate's degree, they see their lifetime earnings increase on average by more than \$300,000. (See Figure 2.)

This report can be found online at: <https://tcf.org/content/facts/can-higher-education-researchers-help-provide-community-colleges-resources-need/>

3. What Can Higher Education Researchers Do?

Support a new body of research that will establish, for the first time, what it costs to provide a strong community college education.

There is shockingly little research on a basic question: What level of funding could produce adequate community college education outcomes, increasing the likelihood of students beginning and completing two-year programs and going on to earn a middle class wage?

Such funding studies are commonplace at the K–12 level, where for forty years, researchers have sought to establish what level of funding is required to achieve adequate outcomes and how much additional funding should be targeted to achieve good results for disadvantaged students in particular. These studies also typically seek to provide guidance on where money should be invested to achieve the greatest bang for the buck.

Part of the reason researchers have not conducted comparable studies at the community college level is that there are special challenges to doing so not found at the K–12 level. For example, the first step in estimating costs is to identify with some precision the desired outcome. In K–12 schooling, researchers often calculate the cost of achieving a certain level of proficiency on standardized tests. But in higher education, such tests of learning outcomes based on a standard body of knowledge are not easily applicable, as the ultimate goal students more usually have is to acquire specialized skills to earn a decent living in a broad variety of careers. Furthermore, determining costs is more difficult because the large range of programs community colleges offer—from accounting to nursing to welding—vary more widely in cost than does providing a traditional high school education.

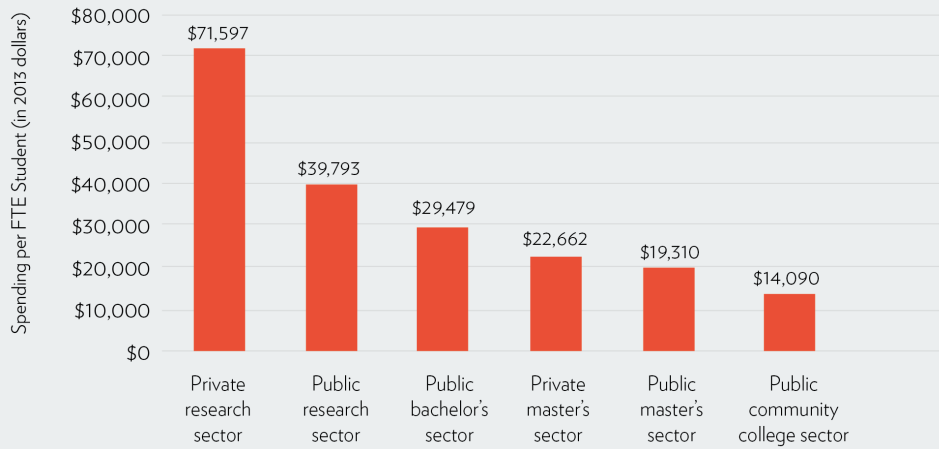
Nevertheless, these challenges are surmountable. Researchers engaging in this work should be guided by the following eight principles:

1. Any evaluation to determine the costs of providing an adequate system of community colleges must include—as one of many outcome measures—indicators of the population served, and ideally should capture the breadth and equity of access.
2. In determining outcomes to be costed out, proximal measures such as successful completion of a program should serve as the primary goal. However, these measures should include a validation check that demonstrates they translate into positive labor market outcomes for students leaving the particular programs and institutions.
3. Researchers should not cost out a single success rate, but rather focus on a range of possible levels of success, guided by research on community needs and public engagement of stakeholders.
4. Because costs vary dramatically by program, but students take some of their classes in different programs, researchers should use student course transcripts to identify typical pathways and associated costs.
5. Researchers should draw upon the best elements of the “output-oriented” and “input-oriented” approaches used in costing out studies.
6. In order to isolate which student need factors correlate with a need for greater funding, researchers should conduct a statistical analysis to determine those factors that most heavily predict reduced outcomes.
7. Researchers should separate out the costs associated with direct educational services from equally important costs associated with students’ basic needs.
8. Any cost analysis of community colleges must give thorough consideration to geographic and structural cost factors as well as student need factors (outlined above) that affect the costs of achieving desired outcome goals.

This factsheet was written by The Century Foundation Working Group on Community College Financial Resources.

FIGURE 1

PER-PUPIL TOTAL OPERATING EXPENDITURES, FISCAL YEAR 2013



Source: Donna M. Desrochers and Steven Hurlburt, "Trends in College Spending 2003 to 2013," Delta Cost Project and the American Institutes of Research, January 2016, 24–27.

FIGURE 2

AVERAGE LIFETIME EARNINGS FOR A HIGH SCHOOL GRADUATE VERSUS AN ASSOCIATE DEGREE HOLDER



Source: Henry M. Loxton and Emma Garcia, "Accelerating Community College Graduation Rates: A Sensitivity Analysis," *Journal of Higher Education* 91, no. 1 (2010): 1.