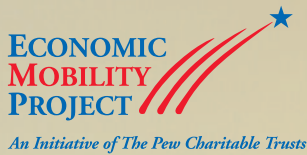


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STRENGTHENING
COMMUNITY COLLEGES'
INFLUENCE ON
ECONOMIC MOBILITY

As the nation enters what appears likely to be a slow and prolonged economic recovery, the central role that postsecondary education plays in contributing to upward mobility is receiving renewed attention. Indeed, since unemployment is closely correlated with level of education, policymakers are right to look to increase college enrollment and graduation rates as a way to improve Americans' economic success.¹

Past research from Pew's Economic Mobility Project (EMP) has shown that a college degree quadruples the chances that an individual born into the bottom income quintile will reach the top quintile in adulthood. For community colleges in particular, the project has shown that getting a community college degree increases earnings by an average of \$7,900 annually—an earnings increase of 29 percent over those with only a high school diploma. Further, per-credit returns to community and four-year colleges are similar: both convey an annual earnings increase of roughly four to six percent for every 30 credits (two semesters) of courses completed.

Despite this compelling evidence, until recently attention to higher education has largely overlooked the powerful role the nation's community colleges—which enroll almost half of America's undergraduates annually—play in boosting economic mobility. Using a database that includes detailed education and employment histories of 84,000 Florida students who reached the twelfth grade in 2000, this paper examines the role community colleges play in enhancing the upward economic mobility of their students. The study looks at the various pathways through which students can increase their earnings, including transferring to a four-year college and completing a terminal associate degree or certificate in a range of high-return fields. It offers the following key findings.

COMMUNITY COLLEGES ARE AN IMPORTANT PATHWAY TO UPWARD ECONOMIC MOBILITY FOR MILLIONS OF AMERICANS, INCLUDING STUDENTS WITH A RANGE OF ACADEMIC BACKGROUNDS AS WELL AS THOSE WHO ARE LOW-INCOME.

- Community colleges in Florida prepare roughly 40 percent of all students who ultimately attain bachelor's and graduate degrees.
- About 68 percent of Florida community college students had high school grade point averages (GPAs) below B, compared to 30 percent of four-year college students.

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- About 26 percent of community college students come from low-income families, compared to 15 percent of four-year college students.

WHILE COMMUNITY COLLEGES CAN BOOST EARNINGS FOR ALL STUDENTS, THE INCREASE CAN BE MUCH HIGHER IN CERTAIN FIELDS OF STUDY.

- Seven years after leaving college, community college students who concentrate in a high-return field, such as computer science or engineering, earn an average of \$12,000 more annually than those who concentrate in a low-return field, such as humanities or fine arts.²
- Those in the very-high-return field of health care earn over \$18,000 more than those in low-return fields each year.

COMMUNITY COLLEGES PROVIDE AN IMPORTANT STEPPING STONE TO TRANSFER TO FOUR-YEAR COLLEGES AND ATTAIN BACHELOR'S DEGREES, ESPECIALLY FOR LOW-INCOME, HIGH-PERFORMING STUDENTS.

- Of the 81 percent of low-income students with A/B+ high school GPAs who attend college, more than half of these enrollees attend community colleges.
- Roughly 52 percent of low-income community college students with A/B+ high school GPAs transfer to four-year colleges, and 75 percent of those who transfer attain bachelor's degrees.

ACADEMIC PERFORMANCE IN HIGH SCHOOL STRONGLY INFLUENCES POSTSECONDARY EDUCATION ATTAINMENT AND SUBSEQUENT EARNINGS, BUT COMMUNITY COLLEGE STUDENTS WITH LOW HIGH SCHOOL GPAs CAN ALSO SIGNIFICANTLY INCREASE THEIR EARNINGS BY PURSUING HIGH-RETURN FIELDS OF STUDY.

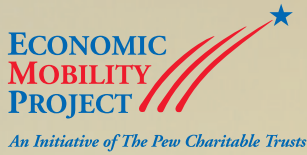
- Among students who begin in community college, those who had A/B+ high school GPAs earn an average of \$9,600 more per year than those with lower high school GPAs.
- However, lower-performing high school students who concentrate in high-return fields in community college earn \$48,000 annually, \$4,000 *more* than A/B+ high school students who concentrate in low-return fields.
- Unfortunately, only 25 percent of C students in the Florida cohort completed concentrations in the high-return category, compared to 40 percent of A/B+ students—a gap of 15 percentage points.

COMMUNITY COLLEGES COULD BE MORE EFFECTIVE IN BOOSTING ECONOMIC MOBILITY BY HELPING STUDENTS COMPLETE HIGH-RETURN COURSES AND TRANSFER TO FOUR-YEAR COLLEGES.

The paper makes the following recommendations.

- 1** Ensure students are academically prepared to complete courses in high-return fields.

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2

Provide career counseling and assessment to ensure students understand the full range of job options open to them.

3

Provide supportive services as students progress through college, including helping with the financial aid process and with juggling school with family and work responsibilities.

4

Make more student financial aid available to students with family responsibilities and to high-performing students to help them transfer to four-year colleges.

5

Increase funding to provide more slots in high-return courses, and remove funding incentives that encourage students to enroll in low-return courses.

6

Adopt accountability systems to help community colleges raise their return on educational investments.