“Affordability: Balancing College, Employment, and Finances – Policy Issues

Center for Analysis of Postsecondary Education and Employment
Washington, D.C.
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Senior Fellow, The Century Foundation
America’s primary response to affordability issue?

- If you cannot afford a four-year college, you can attend a two-year institution:
  - Tuition much lower
  - Geographically dispersed making it easy for younger students to live with their parents.
  - Students of all ages can work full time while they go to college.
  - Predictable result: Economic stratification between two- and four-year institutions.
- Is this situation optimal?
Century Foundation Task Force

- With the support of the Ford Foundation, assembled a 22-member group including representatives from two-year and four-year colleges, scholars of higher education and representatives of the business, philanthropic and civil rights communities.

- Chaired by Eduardo Padrón and Anthony Marx.

- Buttressed by three background papers from distinguished researchers – including one by Sandy Baum.
Economic Stratification in Higher Education

Source: Anthony P. Carnevale and Jeff Strohl, “How Increasing College Access Is Increasing Inequality, and What to Do about It,” in Rewarding Strivers: Helping Low-Income Students Succeed in College, ed. Richard D. Kahlenberg (New York: Century Foundation Press, 2010), 137, Figure 3.7.

Note: Some columns do not total 100 due to rounding.
Growing Stratification Over Time

Change in Socioeconomic Distribution at Community Colleges, 1982-2006

Reaction to Stratification

- Crowning Glory of Community College System.

- Yet Concerns Rooted in *Brown v. Board of Education*.
  - Lack of Political Capital Impedes Funding so that students with the greatest needs receive the fewest resources
  - Relatively Disadvantaged Population Affects Curriculum, Expectations, and School Culture
Inequality in Higher Education Spending

Per-Pupil Total Operating Expenditures, AY 2009

Education and Related Spending (Excluding Research)

Per-Pupil Education and Related Spending, AY 2009
(i.e. excluding sponsored research & auxiliary enterprises)

Large Subsidies for Private Four-Year Colleges

**Federal Tax Subsidies**, $44,626

**Federal Reimbursement for Research Overhead**, $9,701

**Federal Subsidies**, $600

**State Subsidies**, $1,000

**Total**: $54,000 per student

**Total**: $1,600 per student

Increases in Spending Over Time

**Change in Per-Pupil Total Operating Expenditures, AY 1999-2009**

<table>
<thead>
<tr>
<th>Sector</th>
<th>Ten-year change in spending per FTE student (in 2009 dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Research Sector</td>
<td>$13,912</td>
</tr>
<tr>
<td>Public Research Sector</td>
<td>$4,152</td>
</tr>
<tr>
<td>Private Bachelor's Sector</td>
<td>$2,719</td>
</tr>
<tr>
<td>Private Master's Sector</td>
<td>$1,973</td>
</tr>
<tr>
<td>Public Master's Sector</td>
<td>$922</td>
</tr>
<tr>
<td>Public Community College Sector</td>
<td>$1</td>
</tr>
</tbody>
</table>

Inequality in Faculty

Full-time vs. Part-time Faculty, AY 2008

<table>
<thead>
<tr>
<th>Sector</th>
<th>Full-time faculty</th>
<th>Part-time faculty/graduate assistants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private Bachelor's Sector</td>
<td>58.3%</td>
<td>41.7%</td>
</tr>
<tr>
<td>Public Master's Sector</td>
<td>51.0%</td>
<td>49.0%</td>
</tr>
<tr>
<td>Private Research Sector</td>
<td>50.1%</td>
<td>49.9%</td>
</tr>
<tr>
<td>Public Research Sector</td>
<td>42.3%</td>
<td>57.7%</td>
</tr>
<tr>
<td>Private Master's Sector</td>
<td>39.3%</td>
<td>60.7%</td>
</tr>
<tr>
<td>Public Community College Sector</td>
<td>30.8%</td>
<td>69.2%</td>
</tr>
</tbody>
</table>

Degree Goals vs. Completion for First-time Beginning Community College Students, 2004-2009

- **Aspire to a bachelor's degree**: 81.4%
- **Bachelor's degree**: 11.6%
- **Associate's degree**: 14.5%
- **Certificate**: 8.5%
- **Fail to earn degree or certificate**: 65.5%

**Percentage of students**

Six-Year Outcomes for Community College Students (National Student Clearinghouse)

- Completed at four-year institution: 9.4%
- Completed at two-year institution: 26.9%
- Did not complete: 43.6%
- Still enrolled: 20.1%

Source: National Student Clearinghouse Research Center, Signature Report: Completing College: A National View of Student Attainment Rates, November 2012, 27, Figure 6.
Diminished Outcomes

Estimated Effects on Bachelor's Degree Attainment of Attending a Two-year College Instead of a Four-year College

<table>
<thead>
<tr>
<th>Percentage Points</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>-24.5</td>
<td>-14.5</td>
</tr>
</tbody>
</table>

Mean Percentage of Students That Are Black or Hispanic at Community Colleges, by Quartile

- **Q1**: 8.4%
- **Q2**: 20.7%
- **Q3**: 36.5%
- **Q4**: 64.6%

Negative Effects of Segregation on Community College Performance in CA

**RACE**
Decrease in SPAR for colleges where more than 75% of students are underrepresented minorities (compared to colleges in bottom URM quartile)

-9.6%

**SOCIOECONOMIC**
Decrease in SPAR for colleges located in poorest areas (compared to colleges in top SES quartile)

-7.9%

Are There Lessons from K-12 Schooling?

- Federal and state programs to provide greater funding for students with greatest needs.

- Programs to allow low-income students to attend middle-class schools and attract middle-class students to urban magnet schools.
Progressive K-12 State Funding Based on Student Needs

K-12 State Funding for Low-Income Students or Compensatory Education

State provides extra funding for low-income students or students in need of remedial education

State does not provide extra funding

Note: Figure reflects state laws as of 2007, with the exception of Rhode Island, which was not listed in the original source but was added for this chart because the state approved a new funding formula in 2008.
Recommendations

(1) Funding and Accountability:

- Federal study regarding how much more low-income students deserve (common at K-12).
- Greater transparency about public support via tax breaks.
- State and federal “adequacy” funding coupled with performance.
Recommendations (cont.)

(2) Reducing stratification:

- Innovations that Can Strengthen Community Colleges and Attract More Middle-Class Students ("Magnet" features): Greater Baccalaureate authority; inclusive honors programs; hybrid institutions (community colleges become lower division satellites of state universities); guaranteed transfer.

- Encourage Four-Year Institutions to Attract More Low-Income Students (out of high school; and federal incentives for accepting low-income transfer students).
Contact Information

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Bridging the Higher Education Divide:
http://tcf.org/assets/downloads/20130523-Bridging_the_Higher_Education_Divide-REPORT-ONLY.pdf

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BRIDGING THE HIGHER EDUCATION DIVIDE

Strengthening Community Colleges and Restoring the American Dream
Addendum: Justifications for Current Spending Patterns

- Simple Comparisons Across Sectors Miss Importance Nuances:
  - Research Function of Research Universities
  - Higher Tuition Expenses at Four-Year Institutions
  - Relative Expense of Educating Students in the First Two Years vs. Third and Fourth Years of College
Public Subsidies

Note: Public funding includes state and local appropriations; federal appropriations; and federal, state, and local grants and contracts.

Lower Division Rationale

Brookings Report: Direct Federal Subsidies

Federal Support per Full-Time Equivalent (FTE) Student

- Four-year institutions: $2,650
- Community colleges: $790