

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

Center for Analysis of Postsecondary Education and
Employment

Washington, D.C.

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America's primary response to affordability issue?

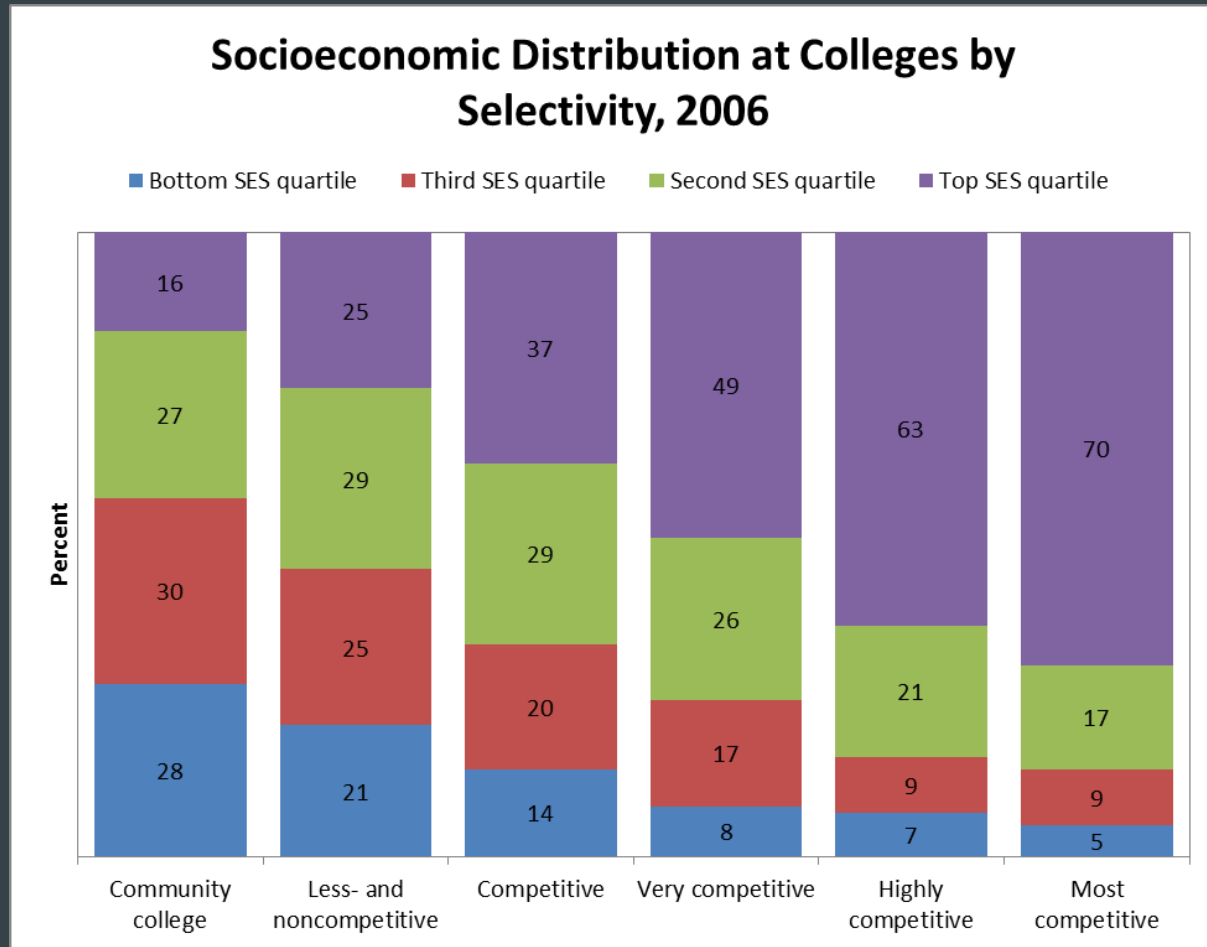
- ◆ If you cannot afford a four-year college, you can attend a two-year institution:
 - ◆ Tuition much lower
 - ◆ Geographically dispersed making it easy for younger students to live with their parents.
 - ◆ Students of all ages can work full time while they go to college.
 - ◆ Predictable result: Economic 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.

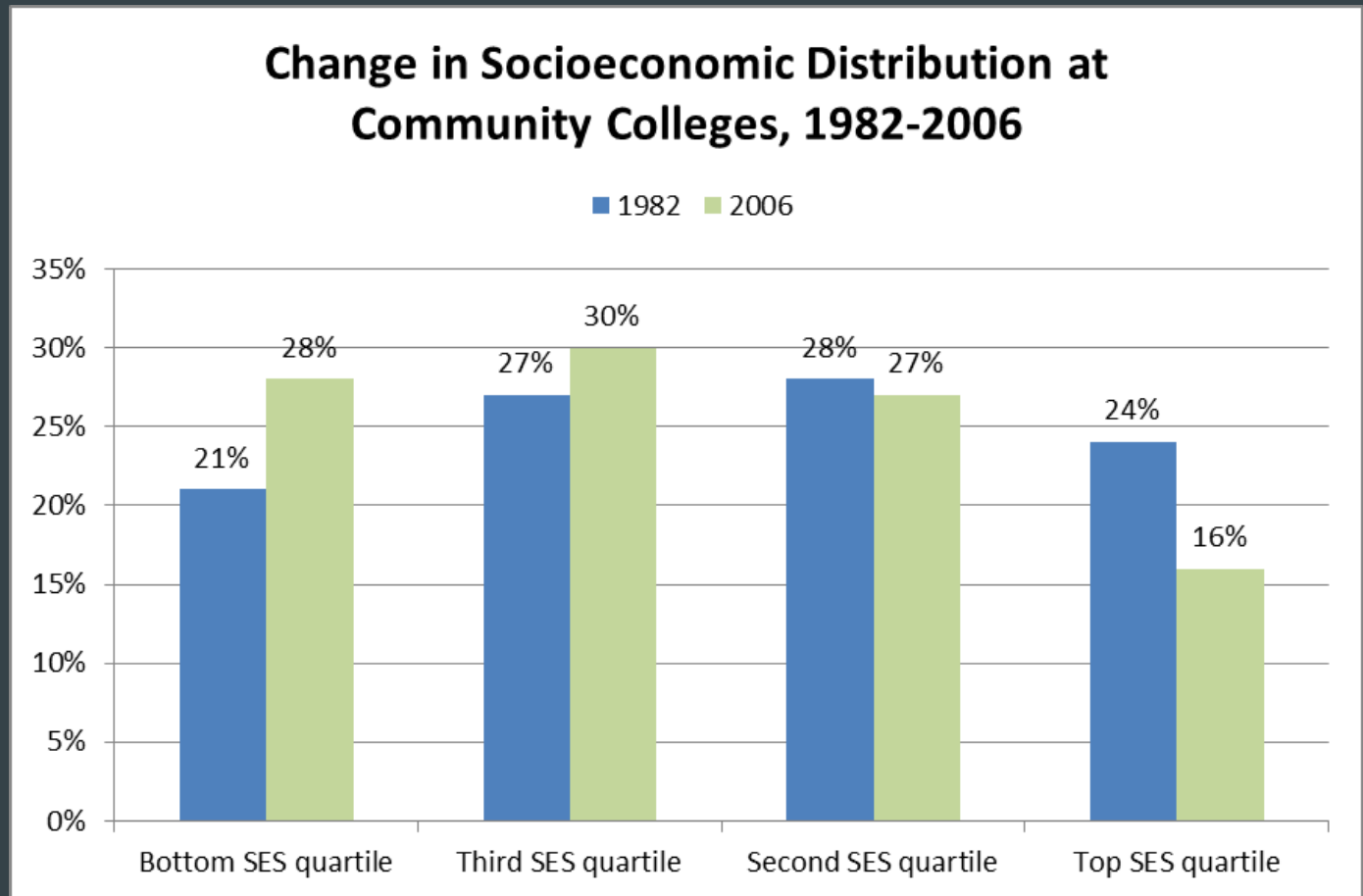
Economic Stratification in Higher Education



Note: Some columns do not total 100 due to rounding.

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.

Growing Stratification Over Time



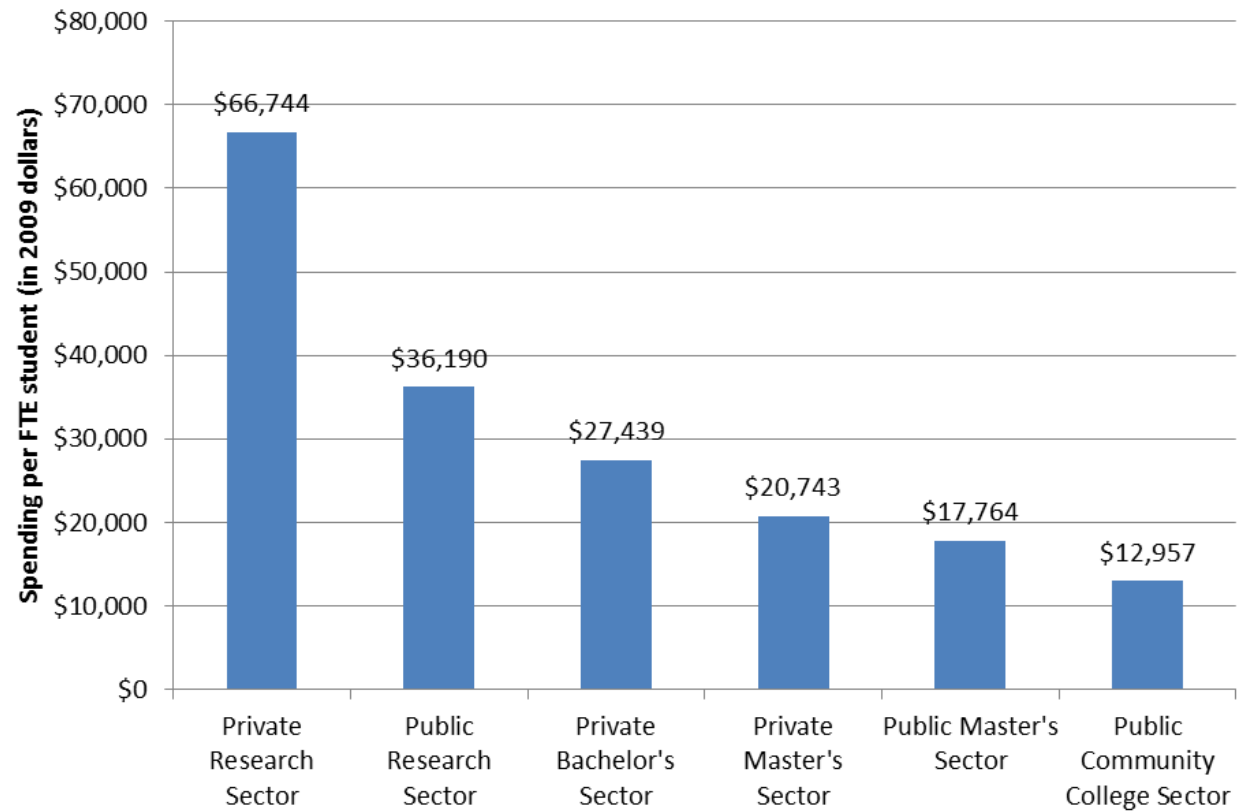
Source: Anthony P. Carnevale and Jeff Strohl, "How Increasing College Access Is Increasing Inequality, and What to Do about It," in *Rewarding Strivers: Helping Low-Income Students Succeed in College*, ed. Richard D. Kahlenberg (New York: Century Foundation Press, 2010), 136–37, Figures 3.6 and 3.7.

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

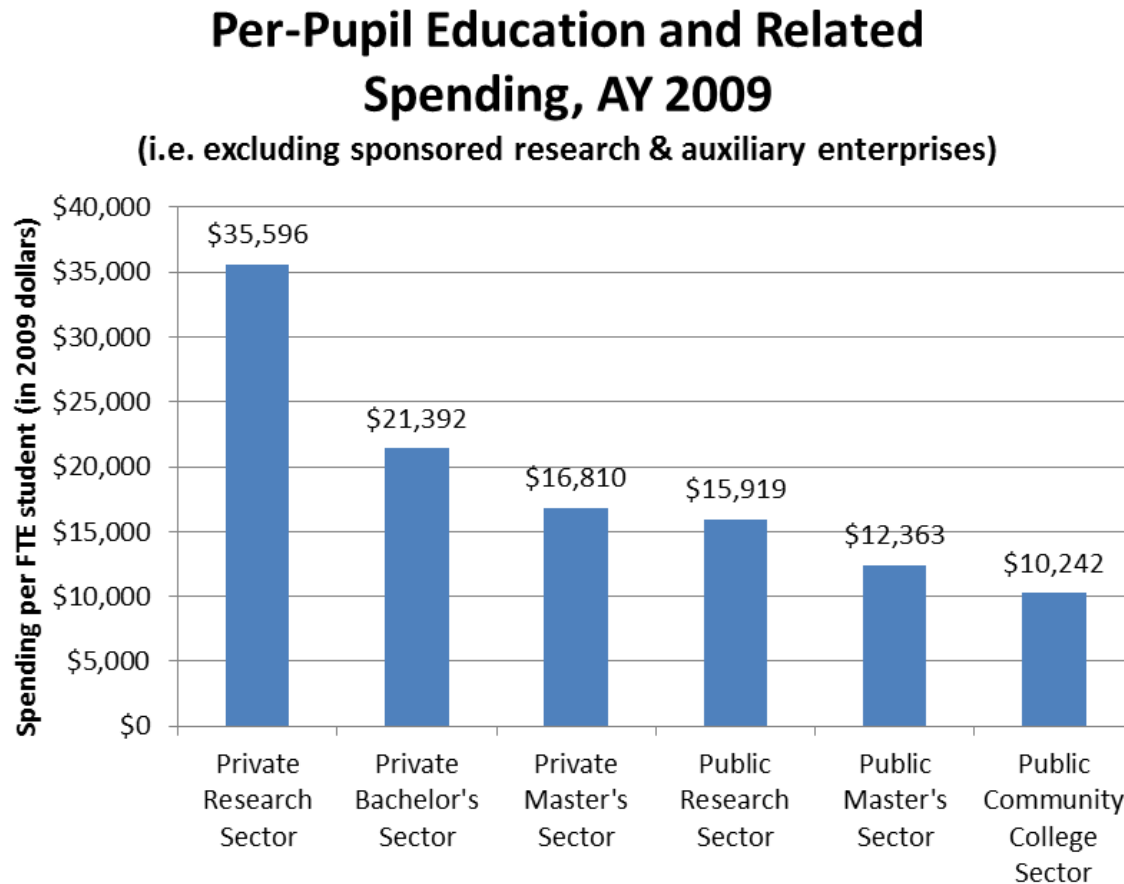
Inequality in Higher Education Spending

Per-Pupil Total Operating Expenditures, AY 2009



Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999–2009* (Washington, D.C.: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), figure A2, 52–57, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

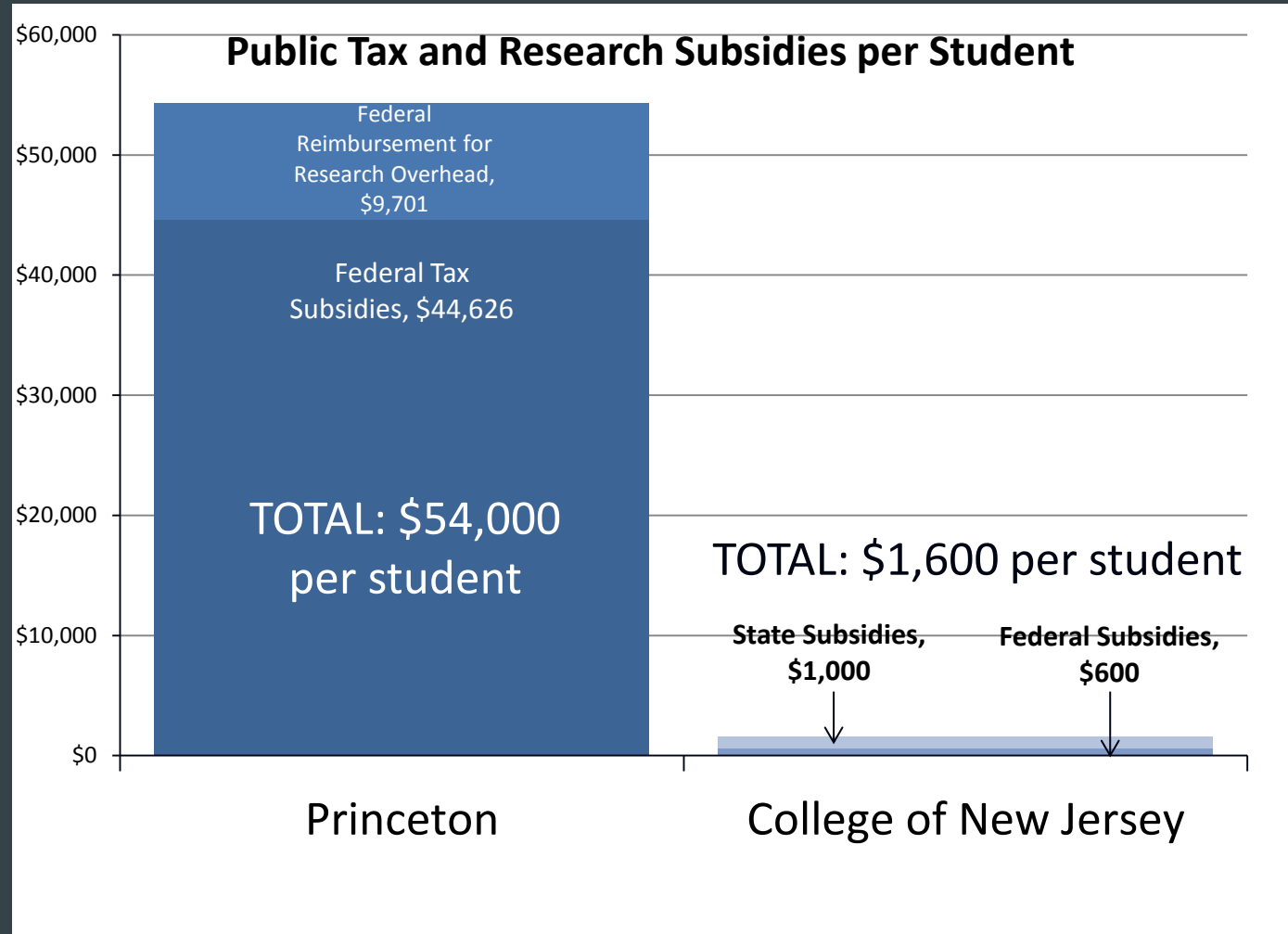
Education and Related Spending (Excluding Research)



Note: Education and related expenses (E&R) is a measure of institutional spending that excludes spending on auxiliary enterprises (such as hospitals) and sponsored research.

Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999–2009* (Washington, D.C.: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), figure A2, 52–57, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

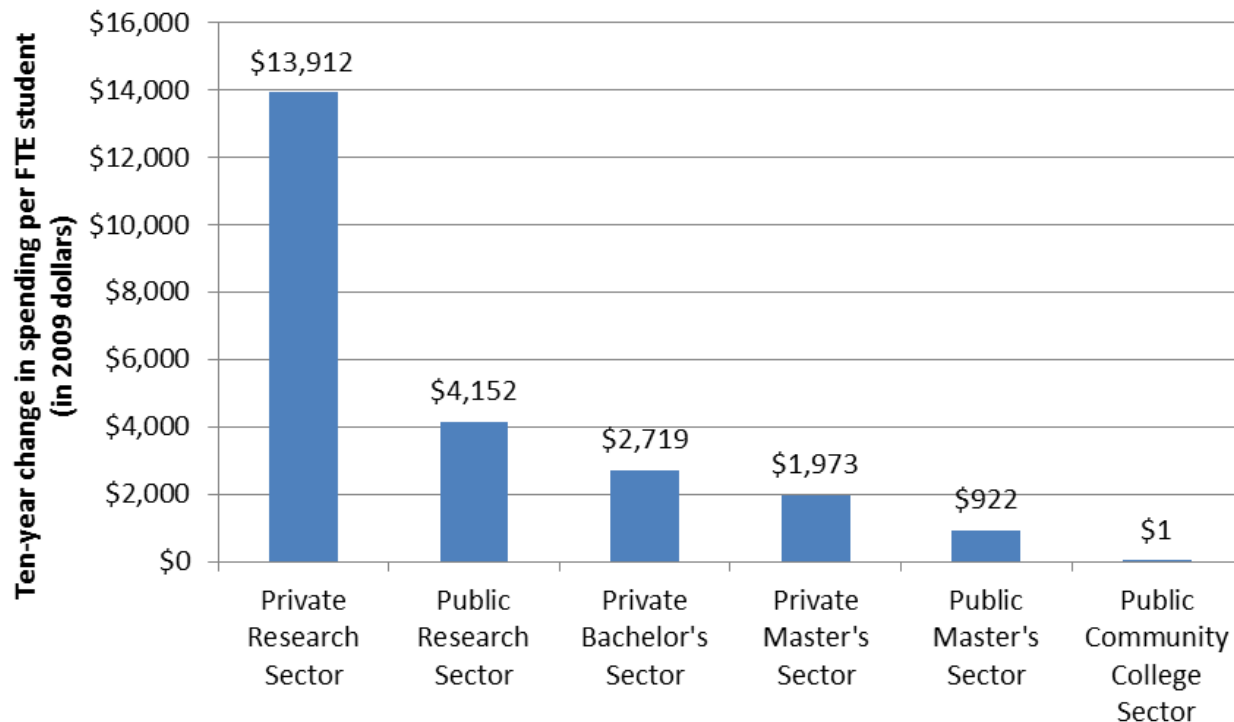
Large Subsidies for Private Four-Year Colleges



Source: Richard Vedder, "Princeton Reaps Tax Breaks as State Colleges Beg," Bloomberg News, March 18, 2012.

Increases in Spending Over Time

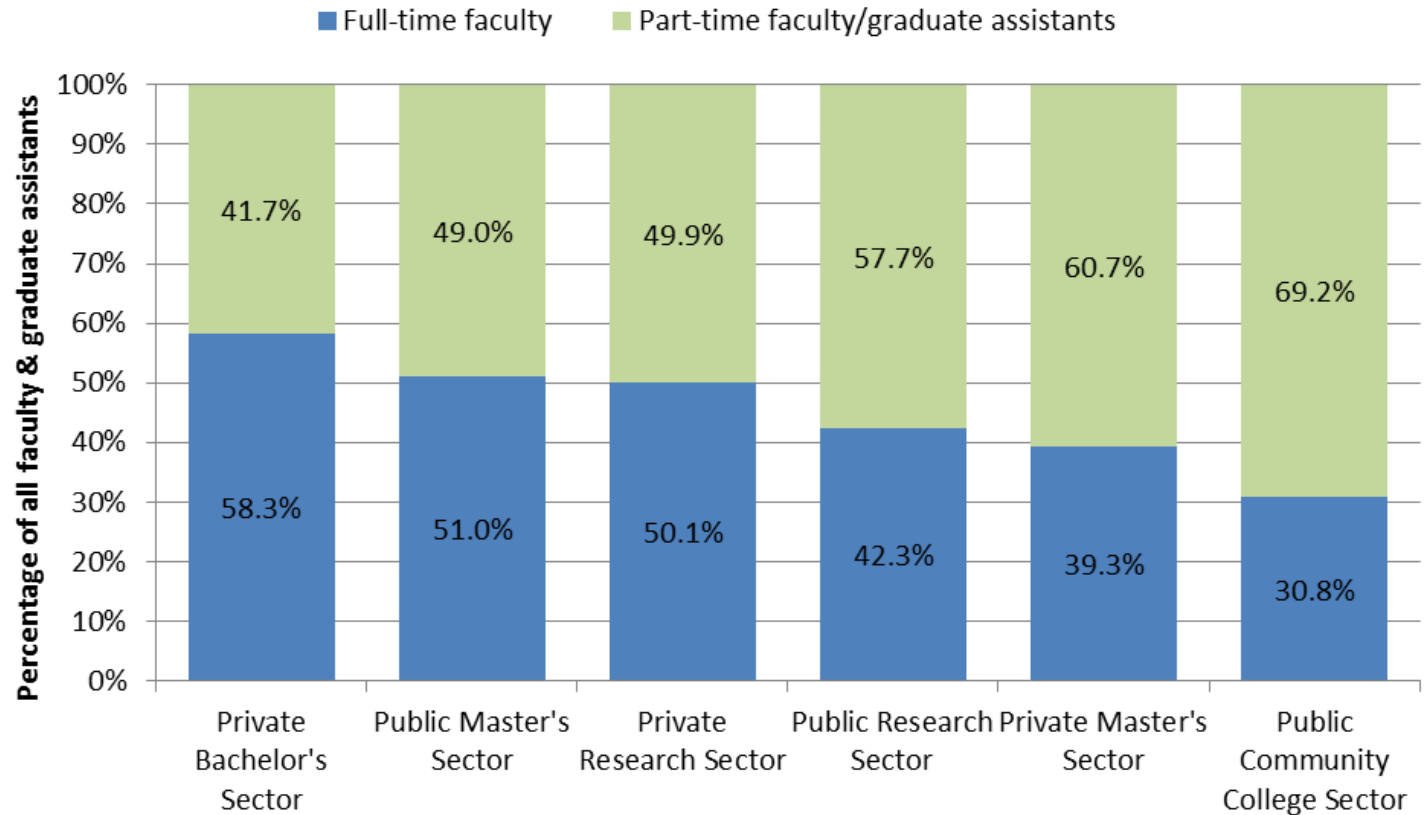
Change in Per-Pupil Total Operating Expenditures, AY 1999-2009



Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999–2009* (Washington, D.C.: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), figure A2, 52–57, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

Inequality in Faculty

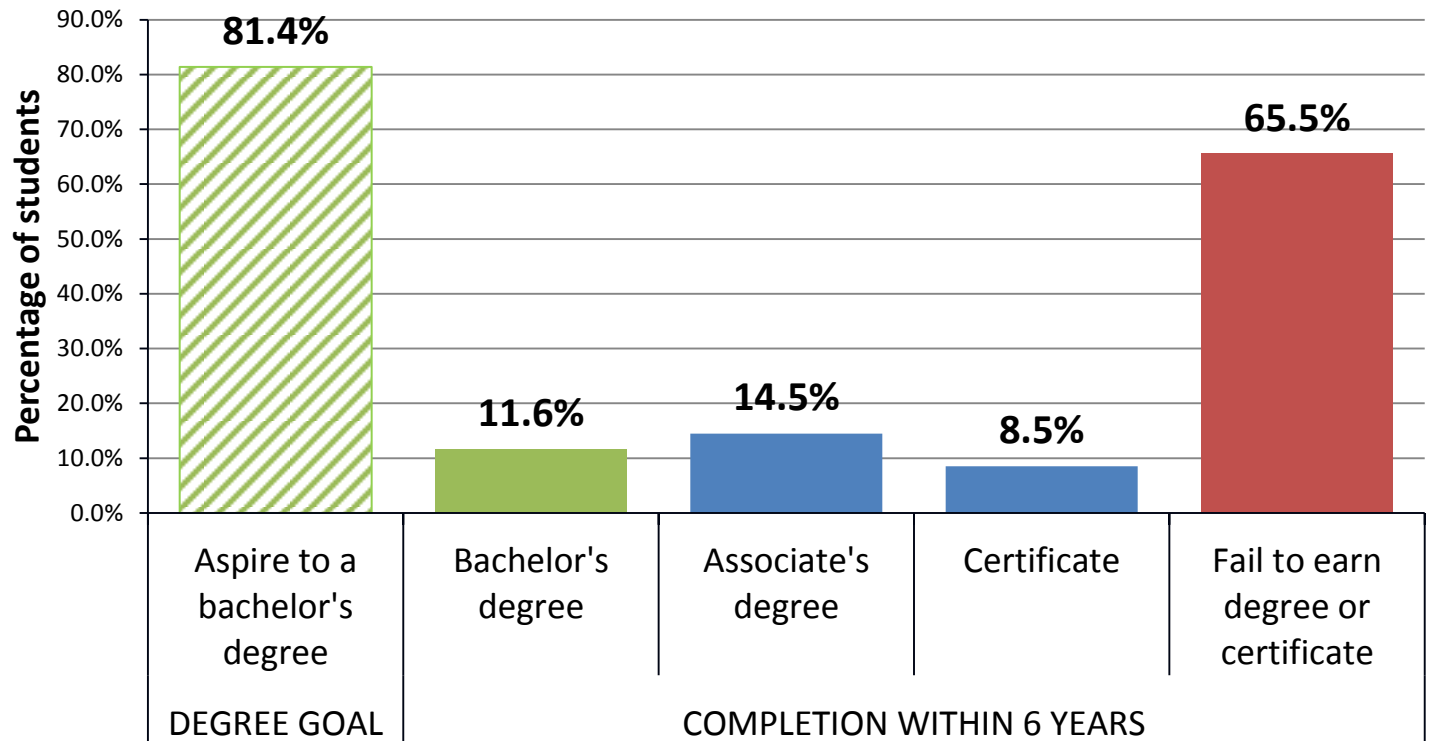
Full-time vs. Part-time Faculty, AY 2008



Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999–2009* (Washington, D.C.: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), 30, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

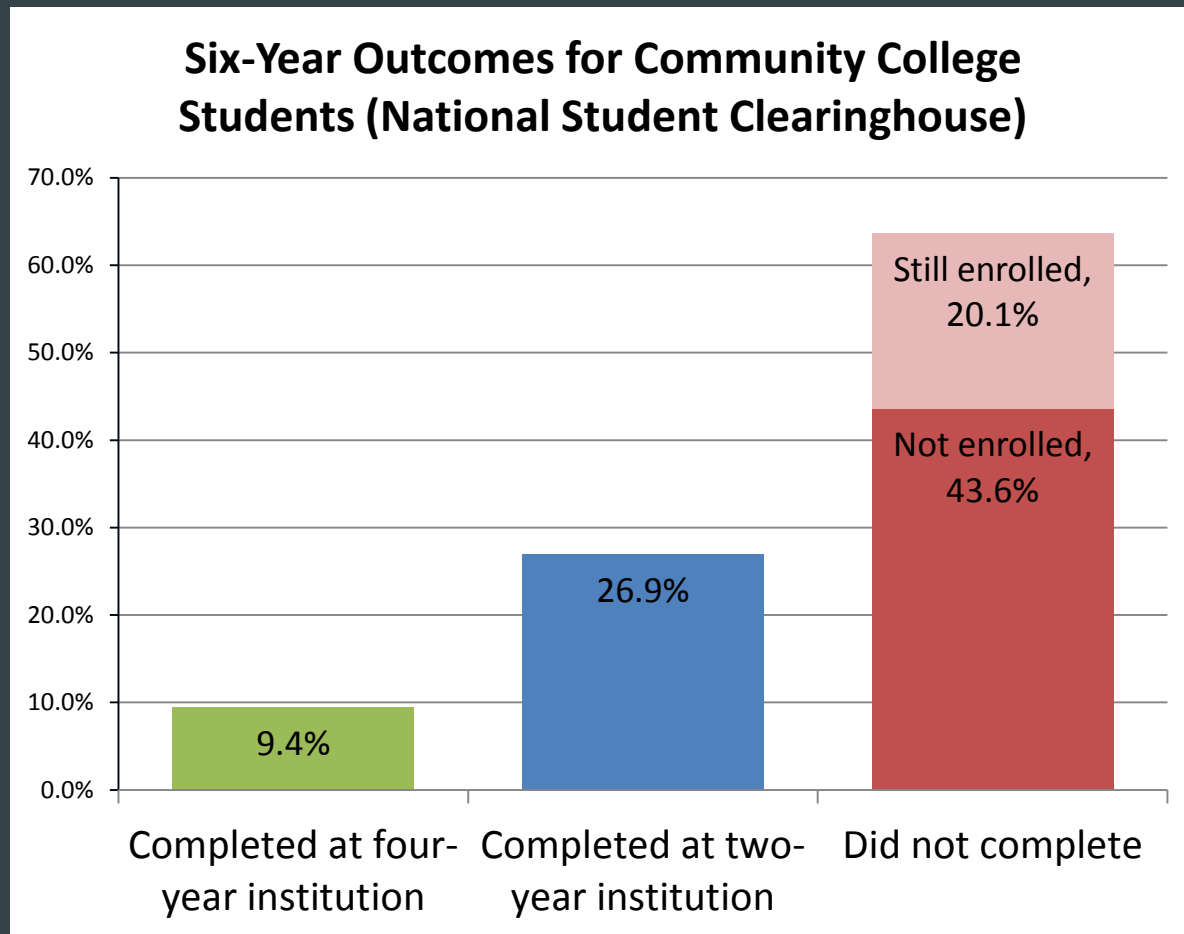
Degree Goals vs. Completion

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



Source: Laura Horn and Paul Skomsvold, *Community College Student Outcomes: 1994–2009* (Washington, D.C.: U.S. Department of Education, Institute of Education Sciences, and National Center for Education Statistics, November 2011), Tables 1-A, and 5-A, <http://nces.ed.gov/pubs2012/2012253.pdf>.

National Student Clearinghouse



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

Diminished Outcomes

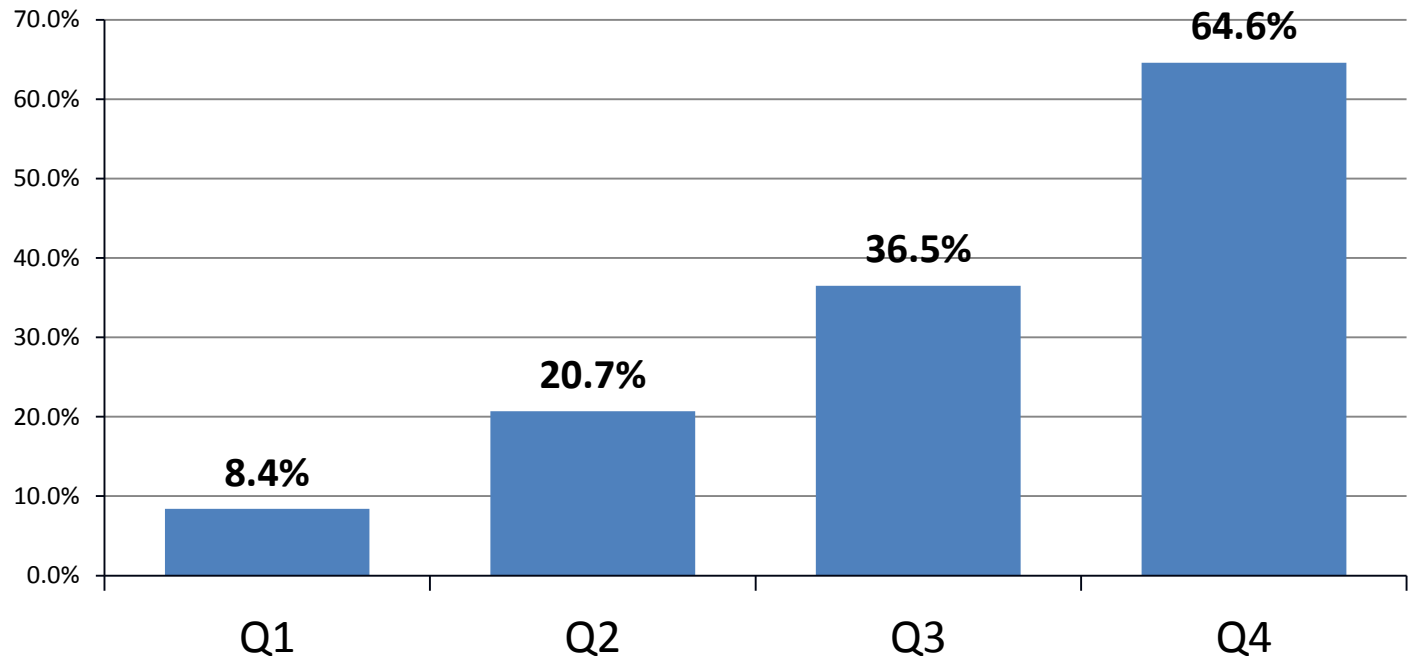
Estimated Effects on Bachelor's Degree Attainment of Attending a Two-year College Instead of a Four-year College



Source: C. Lockwood Reynolds, "Where to Attend? Estimates of the Effects of Beginning College at a Two-Year Institution," *Economics of Education Review* 31, no. 4 (2012): 345-362, Table 4; and Bridget Terry Long and Michal Kurlaender, "Do Community Colleges Provide a Viable Pathway to a Baccalaureate Degree?" NBER Working Paper 14367, September 2008, 26.

Racial Stratification within Community College Sector

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



Source: Sara Goldrick-Rab and Peter Kinsley, “School Integration and the Open Door Philosophy: Rethinking the Economic and Racial Composition of Community Colleges,” in *Bridging the Higher Education Divide: Strengthening Community Colleges and Restoring the American Dream*, The Report of The Century Foundation Task Force on Preventing Community Colleges from Becoming Separate and Unequal (New York, NY: The Century Foundation Press, 2013), 120, Table 2.

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%



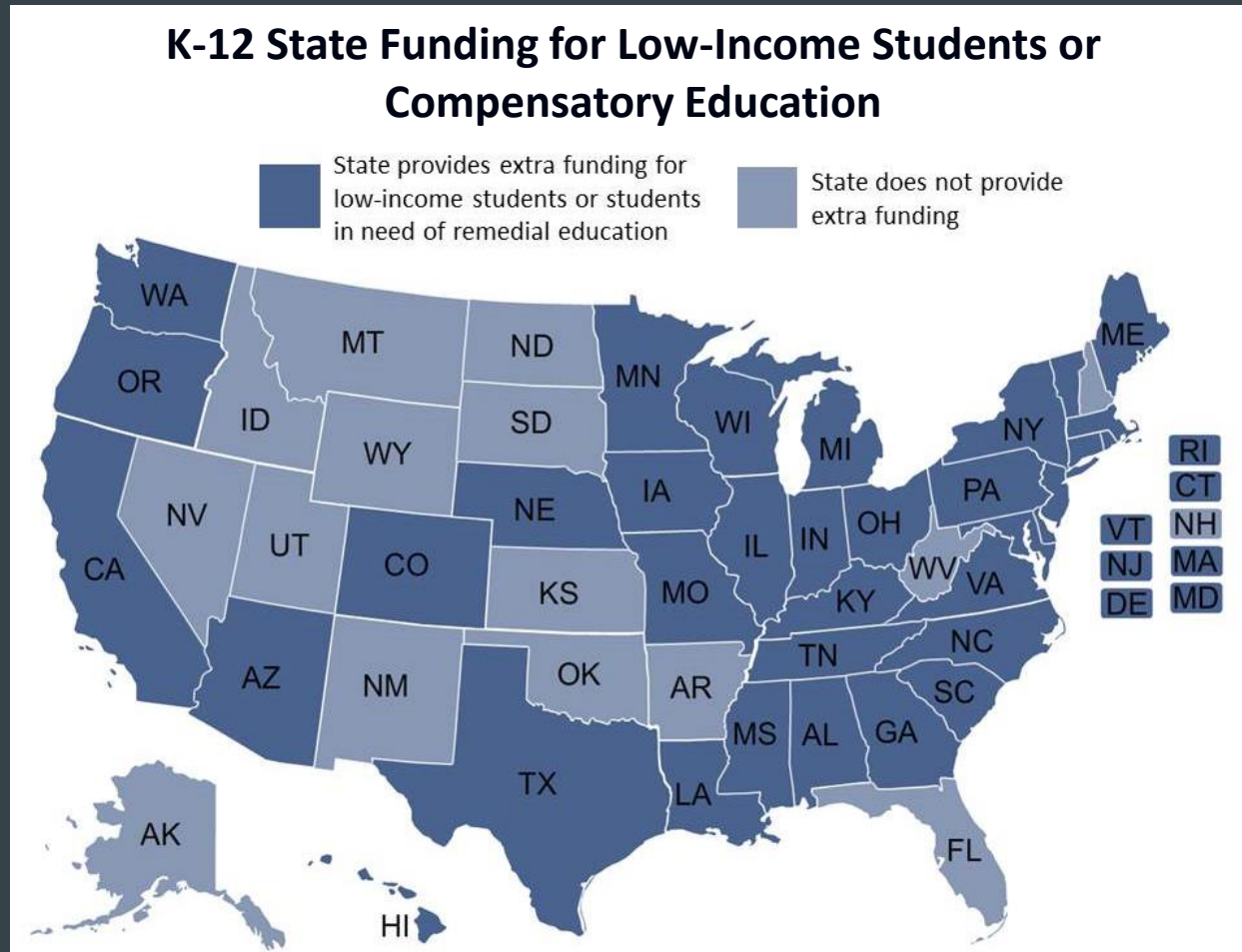
*Source: Tatiana Melguizo and Holly Kosiewicz, "The Role of the Race, Income, and Funding on Student Success: An Institutional Level Analysis of California Community Colleges," in *Bridging the Higher Education Divide: Strengthening Community Colleges and Restoring the American Dream*, The Report of The Century Foundation Task Force on Preventing Community Colleges from Becoming Separate and Unequal (New York, NY: The Century Foundation Press, 2013), 151, Table 4.*



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



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.

Source: Deborah A. Verstegen and Teresa S. Jordan, "A Fifty-State Survey of School Finance Policies and Programs: An Overview," *Journal of Education Finance* 34, no. 3 (Winter 2009): 228, Appendix C.

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

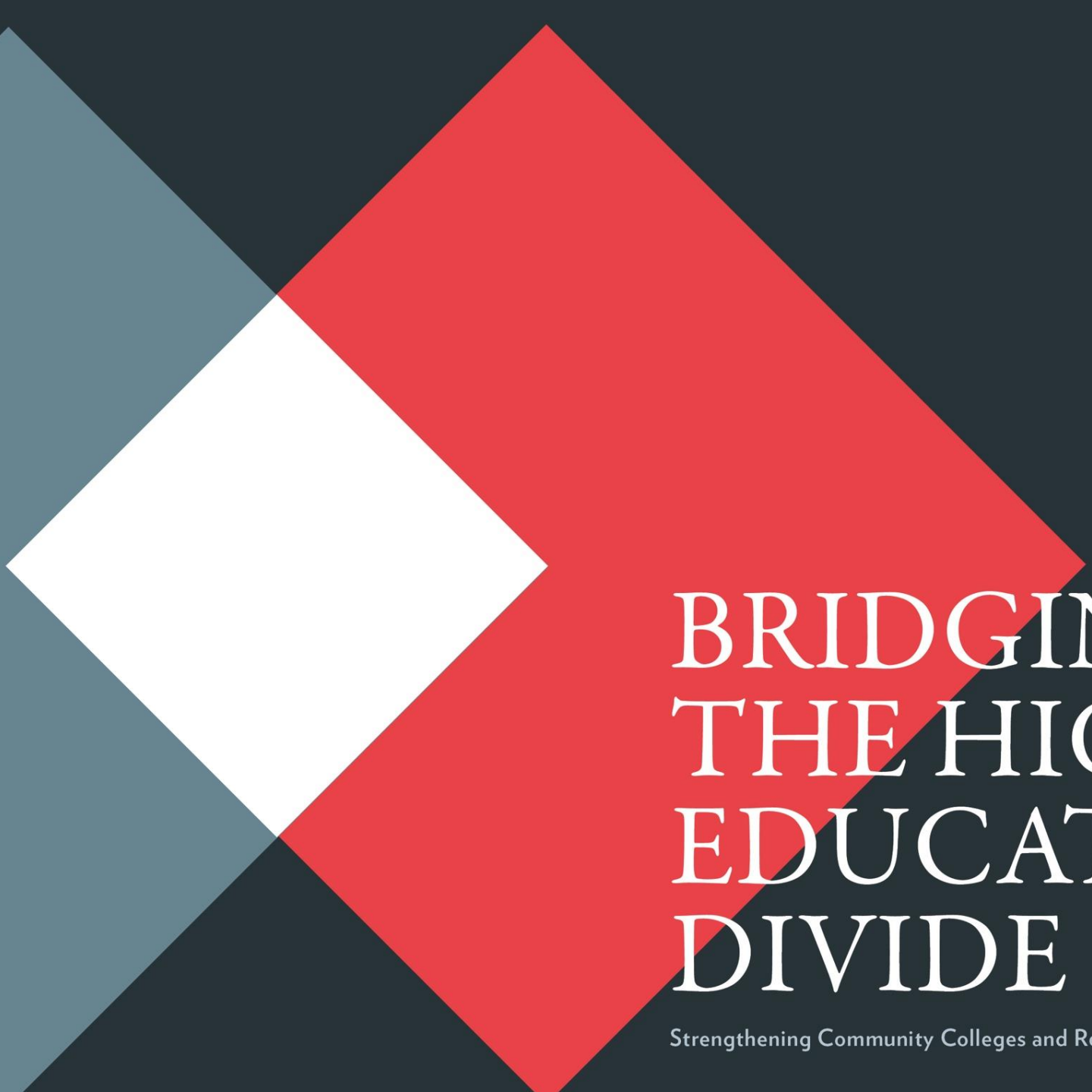
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Bridging the Higher Education Divide:

<http://tcf.org/assets/downloads/20130523->

[Bridging_the_Higher_Education_Divide-REPORT-ONLY.pdf](#)

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BRIDGING THE HIGHER EDUCATION DIVIDE

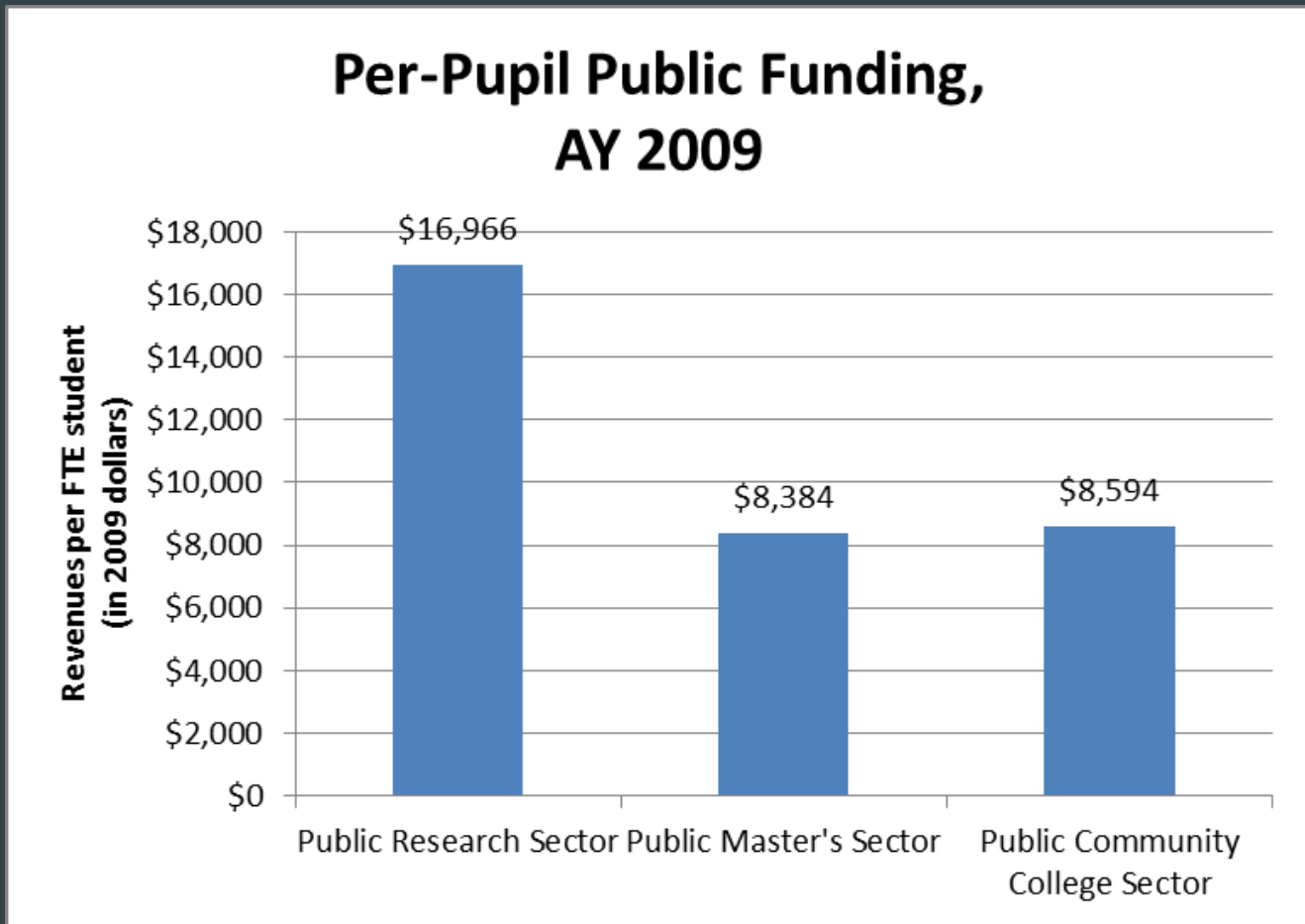
Strengthening Community Colleges and Restoring the American Dream



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

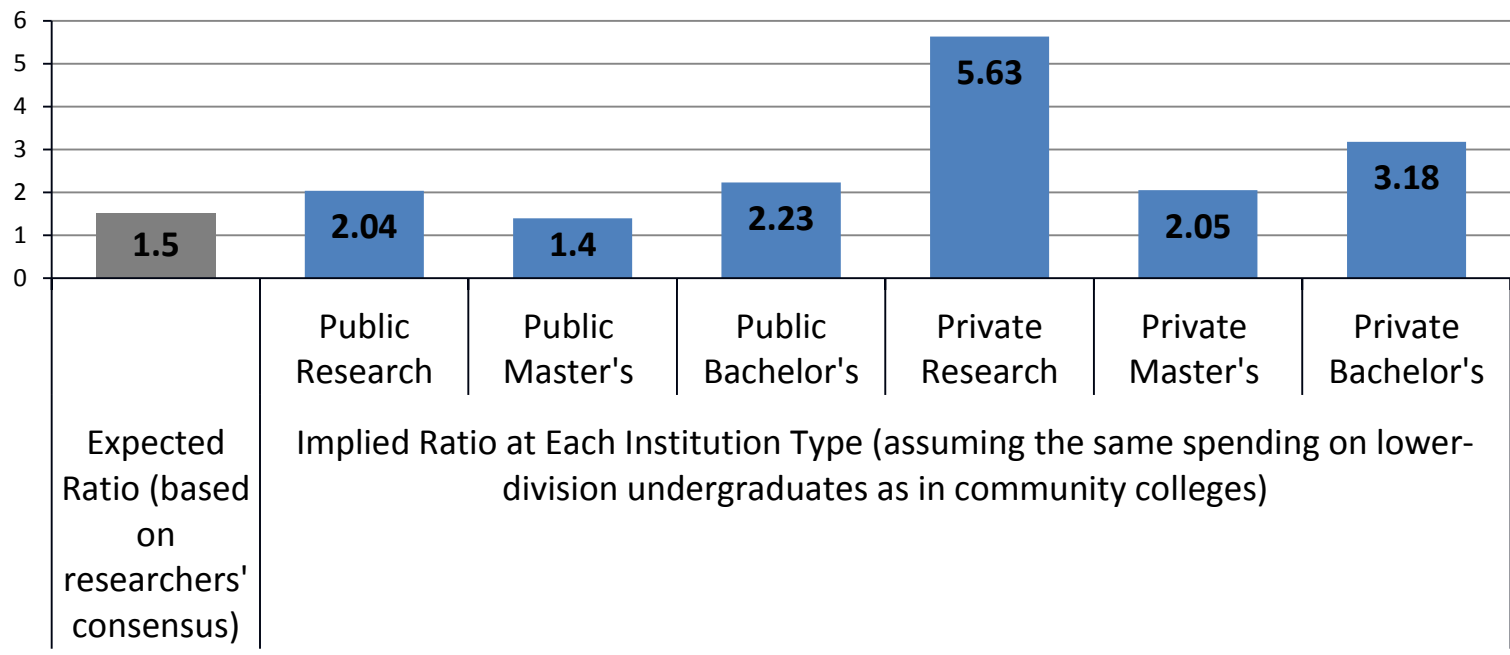


Note: Public funding includes state and local appropriations; federal appropriations; and federal, state, and local grants and contracts.

Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending 1999–2009* (Washington, D.C.: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), figure A1, 48–51, http://www.deltacostproject.org/resources/pdf/Trends2011_Final_090711.pdf.

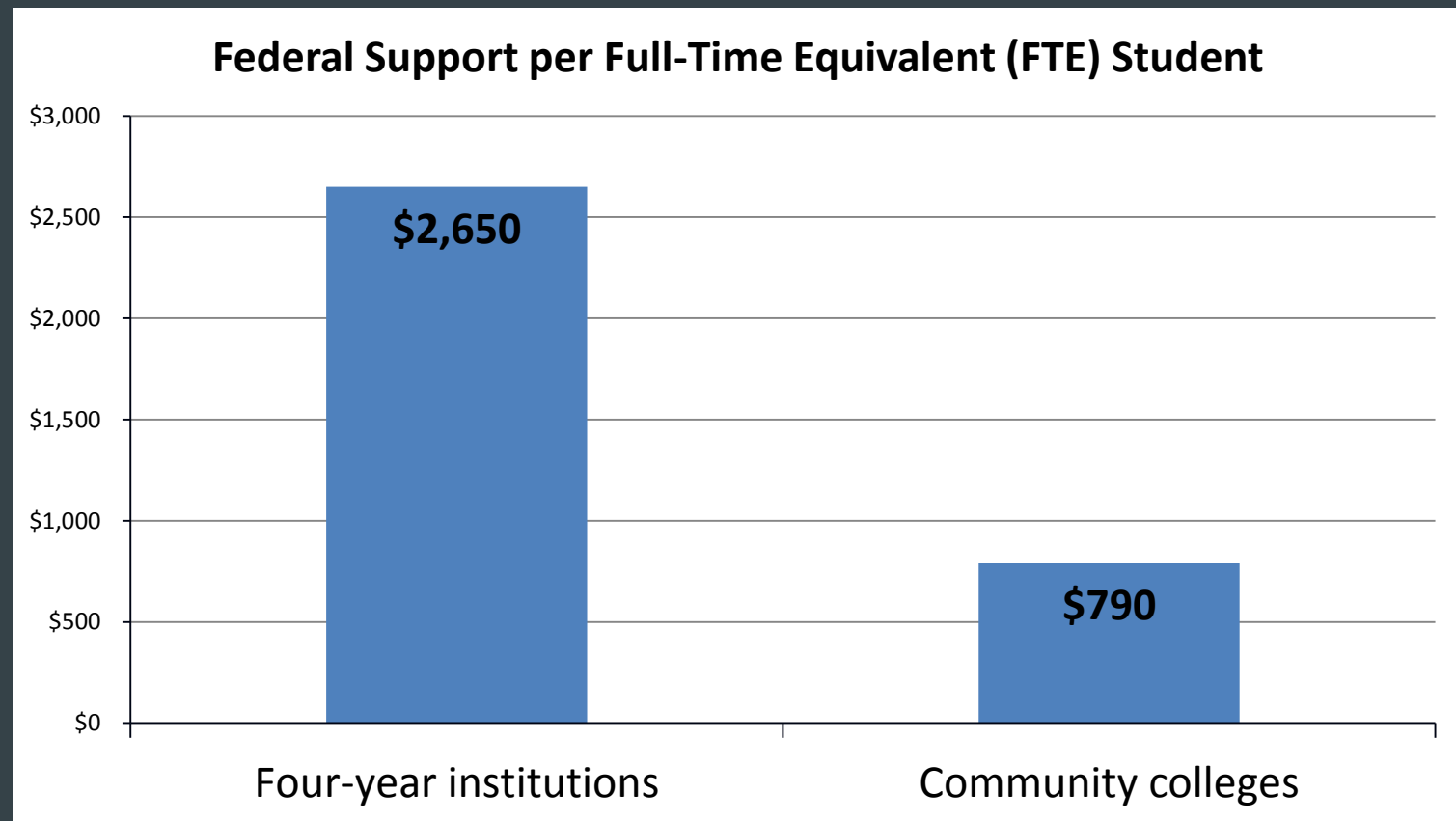
Lower Division Rationale

Ratio of Advanced Student to Lower Division Undergraduate Spending



Source: Sandy Baum and Charles Kurose, “Exploring Financing of Two- and Four-Year Institutions,” in *Bridging the Higher Education Divide: Strengthening Community Colleges and Restoring the American Dream*, The Report of The Century Foundation Task Force on Preventing Community Colleges from Becoming Separate and Unequal (New York: The Century Foundation Press, 2013), p. 82 and Table 8, p. 97. Data are from the Delta Cost Project, American Institutes for Research; U.S. Department of Education, Institute of Education Sciences, National Center for Education Statistics, 2007–08 National Postsecondary Student Aid Study (NPSAS:08); calculations by the authors.

Brookings Report: Direct Federal Subsidies



Source: Sara Goldrick-Rab, Douglas N. Harris, Christopher Mazzeo, and Gregory Kienzl, “Transforming America’s Community Colleges: A Federal Policy Proposal to Expand Opportunity and Promote Economic Prosperity,” Brookings Policy Brief, May 2009, 3.