

TIME

Can Community Colleges Save the U.S. Economy?

By [Laura Fitzpatrick / Austin](#) Monday, Jul. 20, 2009

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Community colleges are deeply unsexy. This fact tends to make even the biggest advocates of these two-year schools — which educate nearly half of U.S. undergraduates — sound defensive, almost a tad whiny. "We don't have the bands. We don't have the football teams that everybody wants to boost," says Stephen Kinslow, president of Texas' Austin Community College (ACC). "Most people don't understand community colleges very well at all." And by "most people," he means the graduates of fancy four-year schools who get elected and set budget priorities.

Many politicians and their well-heeled constituents may be under the impression that a community college — as described in a promo for NBC's upcoming comedy *Community* — is a "loser college for remedial teens, 20-something dropouts, middle-aged divorcées and old people keeping their minds active as they circle the drain of eternity." But there's at least one Ivy Leaguer who is trying to help Americans get past the stereotypes and start thinking about community college not as a dumping ground but as one of the best tools the U.S. has to dig itself out of the current economic hole. His name: Barack Obama. ([See pictures of Barack Obama's college years.](#))

The President hasn't forgotten about the 30 or so community colleges he visited during the 2008 campaign. These institutions are our nation's trade schools, training 59% of our new nurses as well as cranking out wind-farm technicians and video-game designers — jobs that, despite ballooning unemployment overall, abound for adequately skilled workers. Community-college graduates earn up to 30% more than high school grads, a boon that helps state and local governments reap a 16% return on every dollar they invest in community colleges. But our failure to improve graduation rates at these schools is a big part of the achievement gap between the U.S. and other countries. As unfilled jobs continue to head overseas, Obama points to the "national-security implication" of the widening gap. Closing it, according to an April report from McKinsey & Co., would have added as much as \$2.3 trillion, or 16%, to our 2008 GDP.

Those lost jobs are why Education Secretary Arne Duncan declared in March that two-year schools "will play a big role in getting America back on its feet again." Obama tapped two former community-college officials for top posts in the Education Department and in May announced a p.r. campaign — headed by Jill Biden, the Vice President's wife and a longtime community-college professor — to raise awareness about the power of these schools to train new and laid-off workers. ([See pictures of the college dorm's evolution.](#))

But as record numbers of students clamor to enroll, community colleges are struggling with shrinking resources or, at best, trying to maintain the status quo. Even the school where Biden teaches, Northern Virginia Community College, has lost more than 10% of its funding in the past two years and has let go of dozens of full-time professors as it braces for more possible cutbacks. Elsewhere, state budget cuts have led to enrollment caps at some community colleges. And if there aren't enough seats in classrooms, students can't get certificates or degrees, and skilled jobs remain unfilled. In short, as the Center for American Progress concluded in a February report, "America's future economic success may well depend on how we invest in two-year institutions."

Getting Students Ready to Work

The 1,200 community colleges in the U.S. are especially suited to helping students adapt to a changing labor market. While four-year universities have the financial resources to lure top professors and students, they are by nature slow-moving. Community colleges, on the other hand, are smaller and able to tack quickly in changing winds. They often partner with local businesses and can gin up continuing-education courses midsemester in response to industry needs, getting students in and out and ready to work — fast.

For example, when Austin's semiconductor industry started tanking in 2000, ACC quickly stripped down its chip-development courses and soon repurposed clean rooms for emerging green technologies. These days, it generally takes about six months of weekend classes to get qualified to be a solar installer, a job that can pay up to \$16 an hour. But starting in August, a compressed weekday program — catering to the recently unemployed — will allow students to cram the same courses into just two months. To earn an associate degree focusing on renewable energy — enough prep for a job as a solar-installation-team leader, which can pay up to \$28 an hour — an ACC student has to take a total of 69 credit hours of courses, including solar photovoltaic systems, programming, physics, algebra, English composition and lab work. Average cost per credit hour for most students at ACC: \$54.

Meanwhile, the building that houses ACC's renewable-energy program is chockablock with bulletin boards touting jobs. A city ordinance that kicked in on June 1 requires presale energy audits for many commercial buildings, apartment complexes and single-family homes, creating the need for more trained inspectors. Also, one of the nation's largest solar-power plants is slated to be completed next year a mere 20 miles from Austin's downtown. ([See 10 ways your job will change.](#))

Of course, the future of the labor market is hard to predict. Hence a 2008 Labor Department study that found federal job-training programs may produce "small" benefits at best. But the outlook is promising so far at ACC: members of its Renewable Energy Students Association routinely field calls from prospective employers. "I'm well aware of how much money is going to be available from this education," says Duane Nembhard, 34, who dropped out of college but found his way to ACC last year.

To make that money, however, students like Nembhard need to get their degrees — and the statistics are disheartening. Only 31% of community-college students who set out to get a degree complete it within six years, whereas 58% of students at four-year schools graduate within that time frame. Students from middle-class or wealthy families are nearly five times more likely to earn a college degree as their poorer peers are. In 2007, 66% of white Americans ages 25 to 29 had completed at least some college, compared with 50% of African Americans and 34% of Hispanics.

While the U.S. ranks a respectable second (after Norway) in producing adult workers with bachelor's degrees, it has slipped to ninth in producing working-age "sub-bachelor's" degree holders, which is one reason Obama is working on a plan to help every American get at least one year of college or vocational training. "If you're going to increase the population that has some college, it isn't going to be among upper-middle-class white people," says Thomas Bailey, director of Columbia University's Community College Research Center. "Community colleges will have to play a central role."

That is, if they have enough resources to handle all the students. Chronically cash-starved, two-year schools pull in an average of just 30% of the federal funding per student allocated to state universities — though they educate nearly the same number of undergraduates. (Even after you account for the academic research that goes on at four-year schools, experts say community colleges still get shafted.) Two-year schools have been growing faster than four-year institutions, with the number of students they educate increasing more than sevenfold since 1963, compared with a near tripling at four-year schools. Yet federal funding has held virtually steady over the past 20 years for community colleges, while four-year schools' funding has increased.

Saving Cash, Living at Home

Community colleges are used to doing more with less. But this recession has led to record enrollment surges at many two-year schools, in part because of the influx of laid-off workers but also because more members of the middle class are looking to save money on the first couple of years of their children's higher education. Among them is Bruce Anderson, an Austin attorney who has lost nearly a third of his savings since the recession began and doesn't want to sideline his kid while waiting for the market to come back. His son Tyler will start at ACC this fall and, as long as he lives at home, will save the family about 90% of the annual tab at a four-year residential college. "He can get his basic core courses out of the way at

ACC and then do his focus for his major at a four-year institution," Anderson says. ([See pictures of a college for Native Americans.](#))

But as more students like Tyler enroll, classes are maxing out. Community colleges, which pride themselves on being open to all, rarely cap enrollment outright, as state universities in places like Arizona and California will do this fall. Miami Dade College, the country's largest community college, admitted on May 28 that state budget cuts will force it to forgo adding hundreds of class sections. As many as 5,000 students will be unable to enroll, and 30,000 may be unable to take the classes they need in order to graduate. In California, where Governor Arnold Schwarzenegger remains a champion of community colleges, having studied at one, as many as 200,000 would-be students may get squeezed out of higher education next year.

Taken together, skyrocketing enrollment and shrinking budgets could mean that just as record numbers of students seek out a community college, earning a degree from one may be harder than ever. Says Melissa Roderick, a professor at the University of Chicago who studies school transitions: "This group of kids will pay a high economic price if we don't step up as a nation."

What would stepping up look like? For starters, Congress needs to double the federal funding for these schools, according to a May report from the Brookings Institution. But, the report argues, to truly "transform our community colleges into engines of opportunity and prosperity," funding needs to be tied to performance in areas like degree completion — a model some states, including Indiana and Ohio, are already trying. The City University of New York has rigged up an experimental program that requires its community-college students to take intensive remedial courses if they aren't prepared to do college-level work. Begun in 2007 with the goal of getting at least half of the study's 1,000 participants to graduate from college in three years, it's showing initial signs of success. Other colleges are redoubling their retention efforts. And last fall, the Bill & Melinda Gates Foundation announced up to \$500 million in grants, aiming to double college-completion rates by 2025. As Sara Goldrick-Rab, an assistant professor at the University of Wisconsin at Madison and co-author of the Brookings report, puts it, "Money speaks louder than anything."

Ultimately, community-college administrators hope their schools will emerge stronger from the downturn as it highlights their potential for juicing the economy. "In some ways, the terrible nature of the economic recession will actually help people understand [community college]," says Kinslow. "People are going to be forced into looking at it more carefully."

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