

Exploring Geographic Variation in Equitable Postsecondary Value Among U.S. Community Colleges

Executive Summary

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Introduction

Community colleges serve many critical purposes for residents within their local service areas by providing relatively low-cost (Ma & Pender, 2023), open-access postsecondary education and workforce-focused training (Jacobs & Worth, 2019). A recent national survey of previously enrolled community college students finds that “gaining skills to be successful in work” was the most frequently cited (74%) motivation for enrollment, yet only about half of career-motivated students reported meeting their work-related goals (e.g., financially support self and family, earn more money) after leaving their community college (Strada Education Foundation, 2023). In response to the public’s questioning of the value of higher education, the Postsecondary Value Commission (2021) and its resulting Postsecondary Value Framework (PVF) have encouraged higher education researchers and data practitioners to quantify the value postsecondary institutions provide to students more explicitly. For example, the Institute for Higher Education Policy (IHEP) has used publicly available data to measure students’ earnings against the PVF, using the resulting data to construct the Equitable Value Explorer (EVE), an interactive data tool.¹ Given the hyperlocal enrollment of community college students and their primarily economic reasons for choosing to enroll in college, place-based measures of economic value are increasingly important to understand.

Research Questions

This study addresses the following research questions:

1. How do measures of postsecondary economic value (dependent variable), determined by core-based statistical area (CBSA)-referenced earnings thresholds, vary among U.S. community colleges?
2. What are the institutional characteristics and CBSA characteristics of community colleges associated with economic value?

Methods

AIR used publicly available federal data sources, including the Integrated Postsecondary Education Data System (IPEDS) and the American Community Survey (ACS), along with data

¹ See: <https://equity.postsecondaryvalue.org/>

from IHEP's EVE data tool to create a novel analytic data set that included institution-level and CBSA-level variables. Following the methodology advanced by the Postsecondary Value Commission, we calculated measures of economic value (dependent variable) for each community college in our analytic sample based on two value thresholds: the minimum economic return threshold, or T0, and the earnings premium threshold, or T1. We examined economic value using descriptive statistics (e.g., percent distribution) and through correlation and regression analyses.

Key Findings

- **Students who invest in education and training after high school by attending a community college stand to gain economic value.** Most community colleges (n = 646, 75%) in our analytic sample demonstrated positive economic value for a cohort of entering community college students when assessed against T0 (minimum economic return), with a median economic value of approximately \$2,800 in annual earnings, a 7% increase over workers with high school educational attainment in the same CBSA.
- **Pathways towards bachelor's degrees can unlock even greater economic value.** Community colleges that offer a baccalaureate program are significantly more likely to demonstrate greater economic value than those that do not offer a program at this level. In addition, having more 4-year institutions within a 25-mile radius of the community college is positively associated with economic value.
- **Community colleges' enrollment demographics are predictive of economic value.** Community colleges that serve larger shares of women, Pell Grant recipients, students from historically underrepresented racial/ethnic groups, and adult learners demonstrate lower levels of economic value. These institutions play an outsized role in serving diverse and historically marginalized student populations that likely experience earnings penalties in the labor market.
- **Community context matters.** CBSA-level bachelor's degree or higher attainment rates are positively associated with community colleges' economic value, suggesting a positive "spillover" effect. In addition, greater shares of employment within the healthcare and manufacturing industries are associated with increased economic value.

Recommendations

- **Create clear pathways for students to attain a bachelor's degree and improve their earnings.** Community colleges may consider the adoption of in-demand bachelor's degree programs and/or enhance partnerships with nearby 4-year institutions to improve the ease with which students can transfer and attain higher levels of postsecondary education.
- **Understand differences in earnings outcomes for disaggregated student populations when developing and administering academic and career services.** Institutions should be aware of the potential for inequitable postsecondary and workforce outcomes for diverse student groups. In response, community colleges should create equitable pathways into the institution's financially lucrative academic programs (e.g., nursing, engineering technologies) and provide culturally responsive career advising to help students be more resilient and self-advocating in job search and hiring processes.
- **Consider local labor market conditions when developing programs and advising students on programs of study.** Community colleges could consider offering sub-baccalaureate credentials in industries such as healthcare and advanced manufacturing that may provide their students with in-demand jobs that pay a family-sustaining wage.
- **Better data and more research can advance equitable value for college students.** This study leveraged publicly available data at the institution level to understand aggregate outcomes for community college students. Additional research on economic value using student-level administrative postsecondary and workforce data can better speak to individual experiences and highlight between-group differences by race/ethnicity and other measures of social disadvantage (e.g., first generation, English learner) and more thoroughly interrogate equity concerns in postsecondary and workforce outcomes.

References

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