

Making College Work: Pathways to Success for Disadvantaged Students

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Overview

- What are the primary problems that disadvantaged students face in higher education and the labor market?
- What causes those problems?
- What policy and programmatic changes are most promising to address these problems? Both supports for individual students and institutional reforms are necessary.
- Broad takeaways: Resources, incentives, and realism
- The challenge of improving outcomes while keeping opportunities open

Three main problems

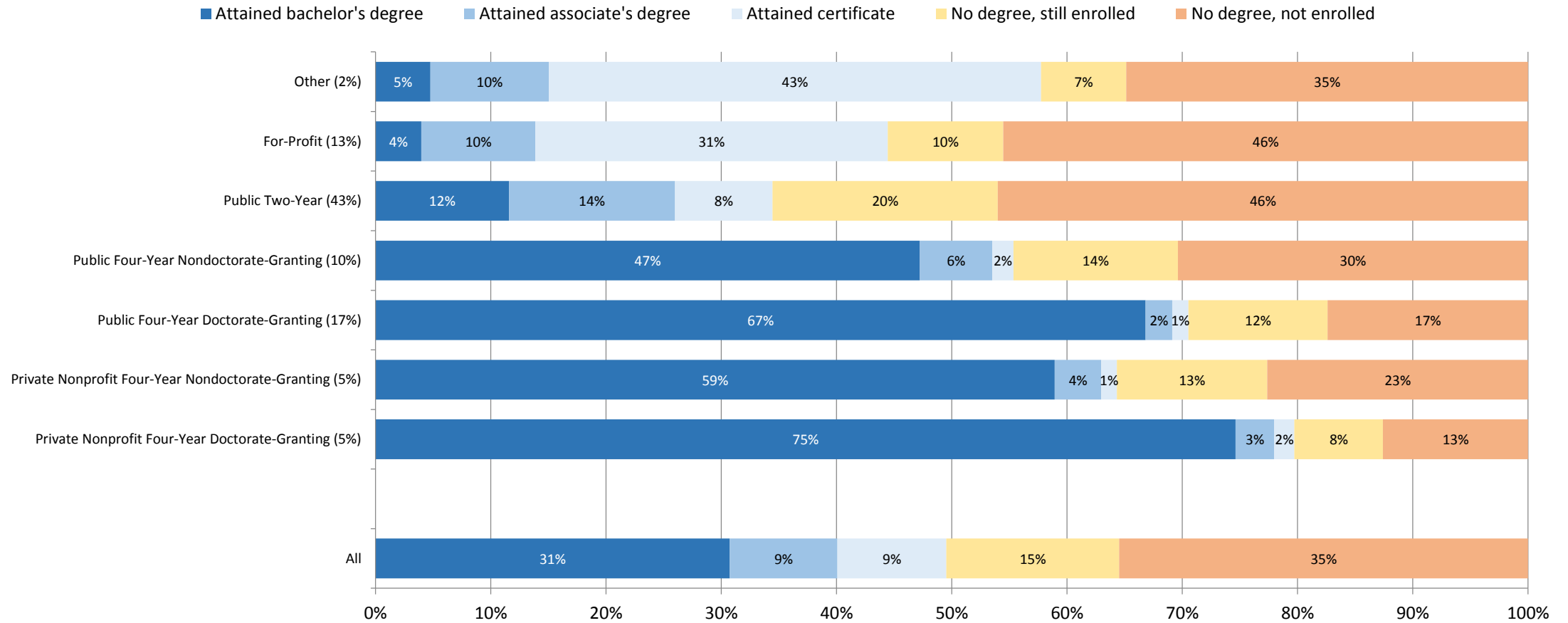
- Enrollment has increased but completion of degrees and credentials lags behind.
- Too many degrees and credentials attained lack labor market value.
- Too many disadvantaged students accumulate heavy debt while not earning credentials with labor market value.

Distribution of students at for-profit & community colleges by dependency status & family income, 2011-12

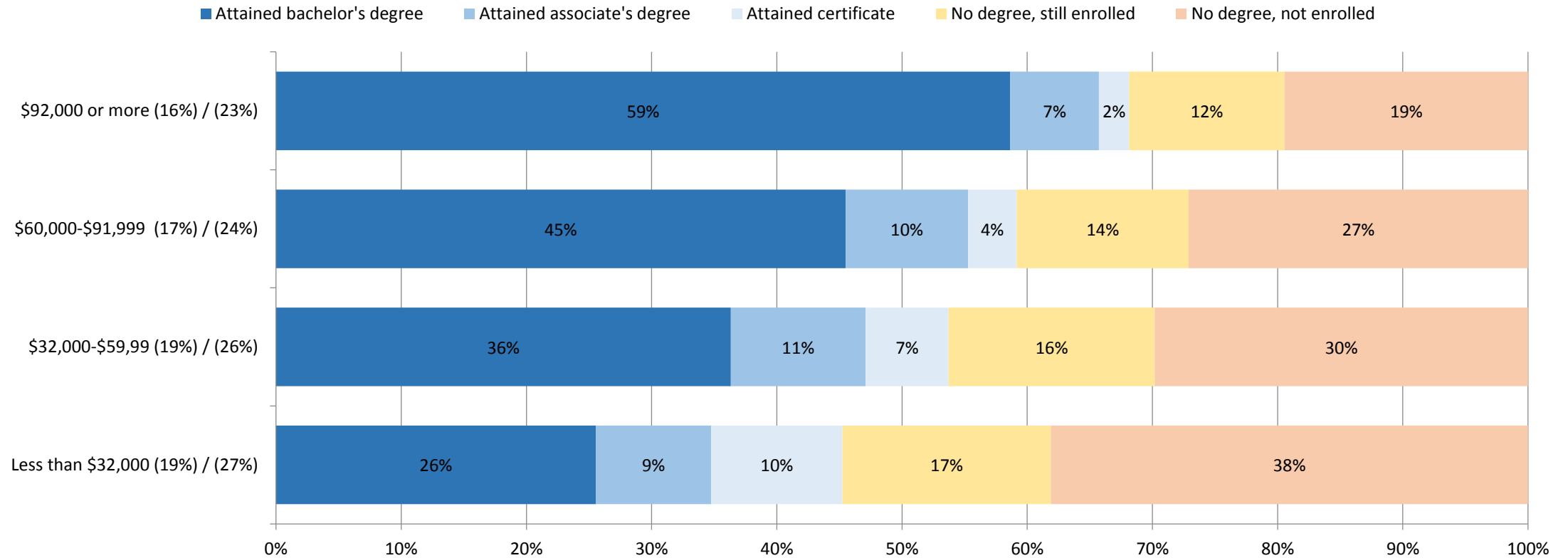
	For-profit	Community College	All Undergraduates	Percentage Enrolled in For-Profit Sector
Independent	80%	60%	51%	20%
Dependent	20%	40%	49%	5%
Family Income among Dependents:				
Lowest Quartile	46%	31%	25%	10%
Second Quartile	26%	28%	24%	6%
Third Quartile	17%	25%	25%	4%
Highest Quartile	11%	17%	25%	2%

Note: The percentages of dependent and independent students within each institutional category add up to 100%, as do the family income percentages within each among the dependents.

Who completes? By sector

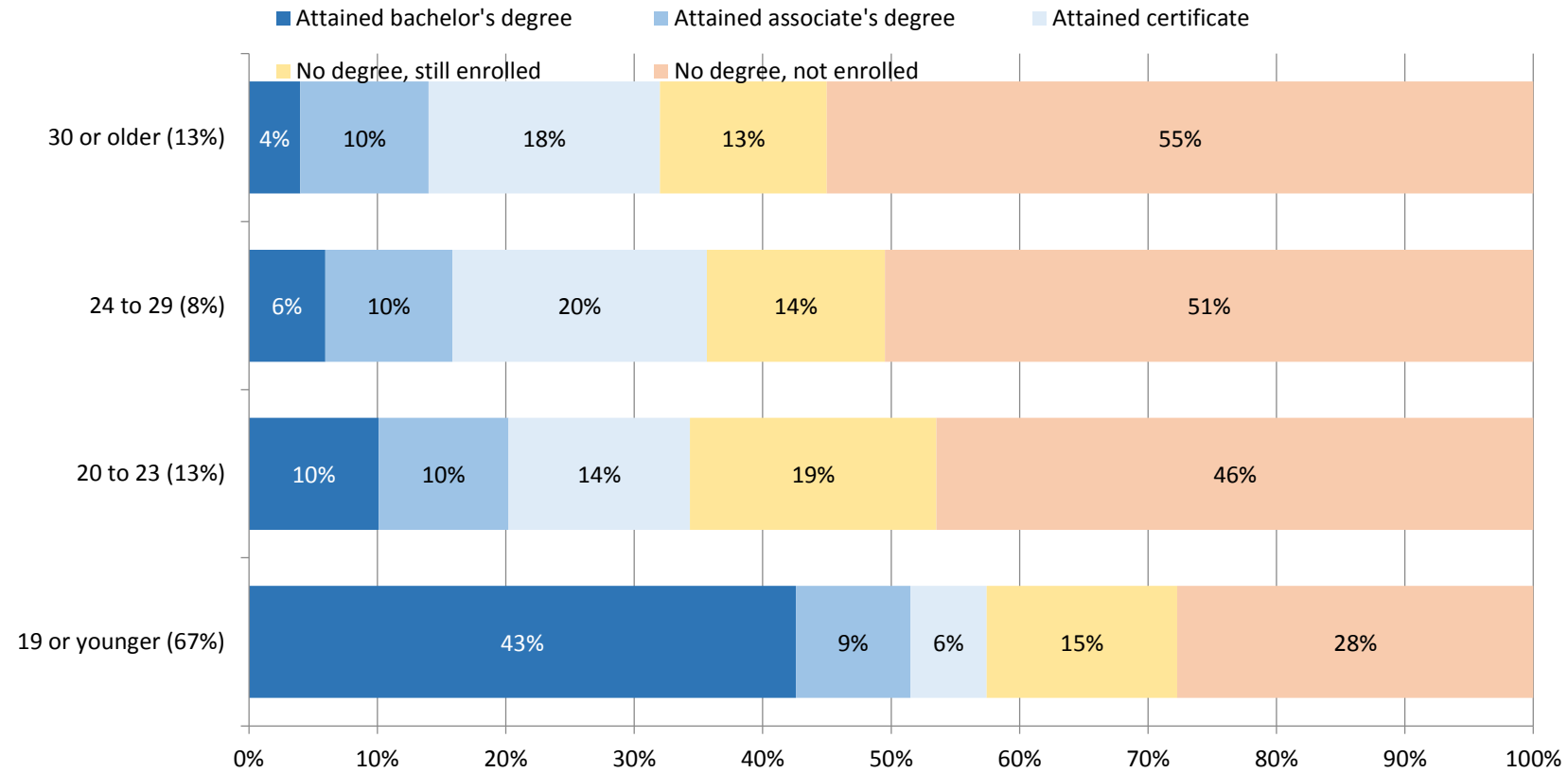


Who completes? By family income

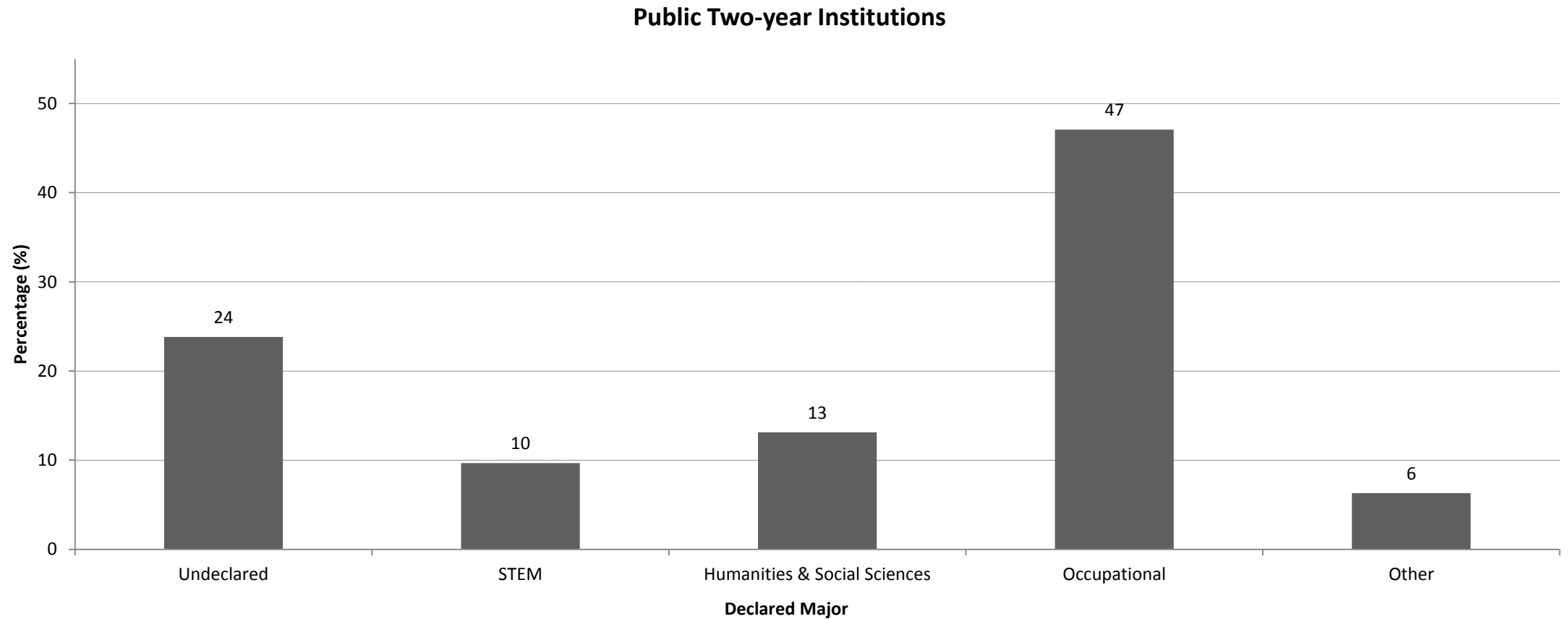


Note: First percentage is percentage of all undergraduate students. Second percentage is percentage of dependent students.

Who completes? By age at enrollment

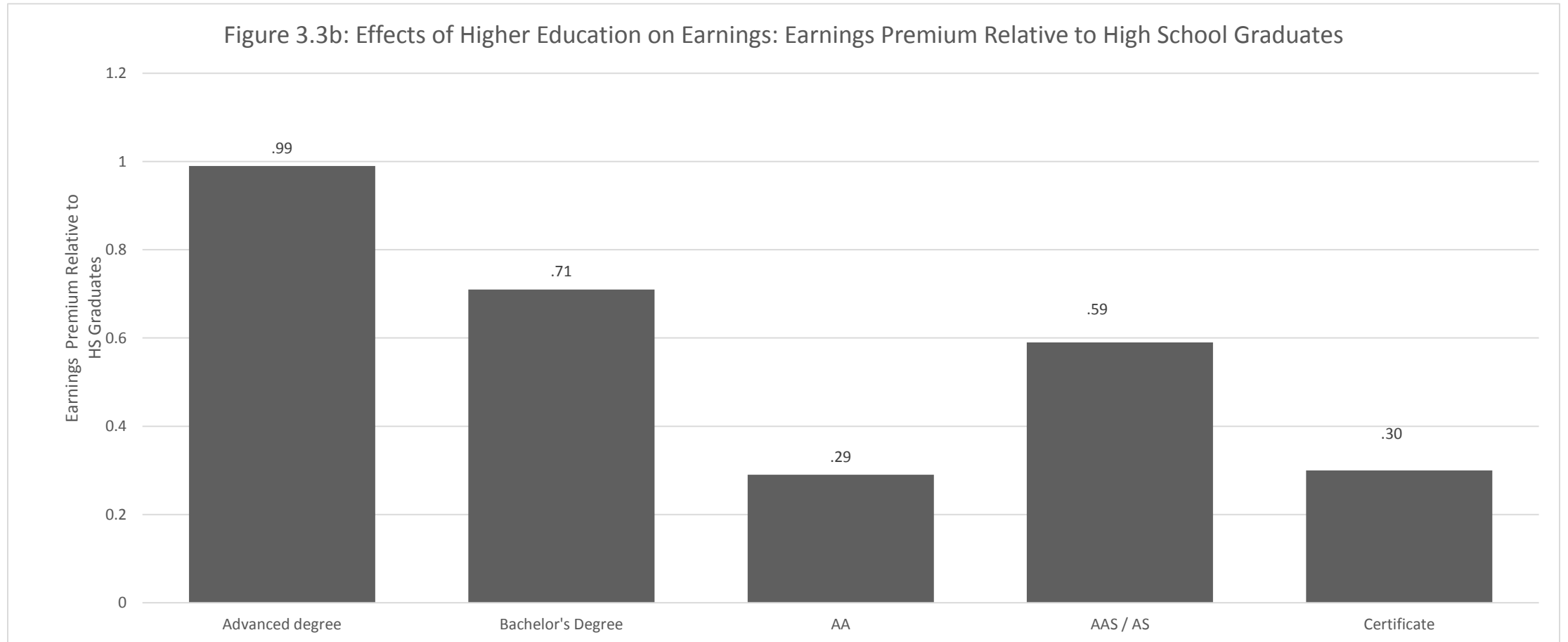


What do students study?



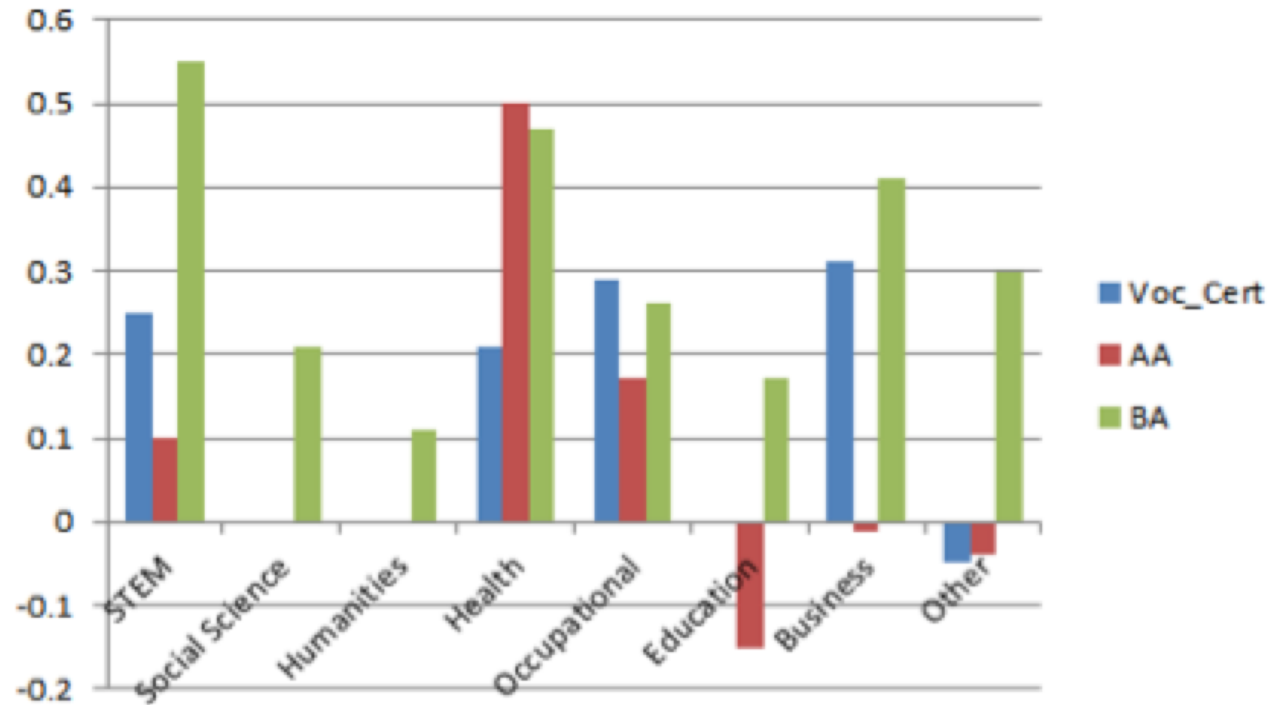
Note: Based on last declared major.

How do degrees pay off?



How do degrees pay off?

Figure 3.5
Earnings by Field of Study



Note: All effects on earnings are measured relative to having an AA in humanities.

Financing college

- Tuition: community colleges vs. for-profits
- Student aid: access and complexity
- Opportunity costs
- Time to completion

Debt levels of associate degree recipients

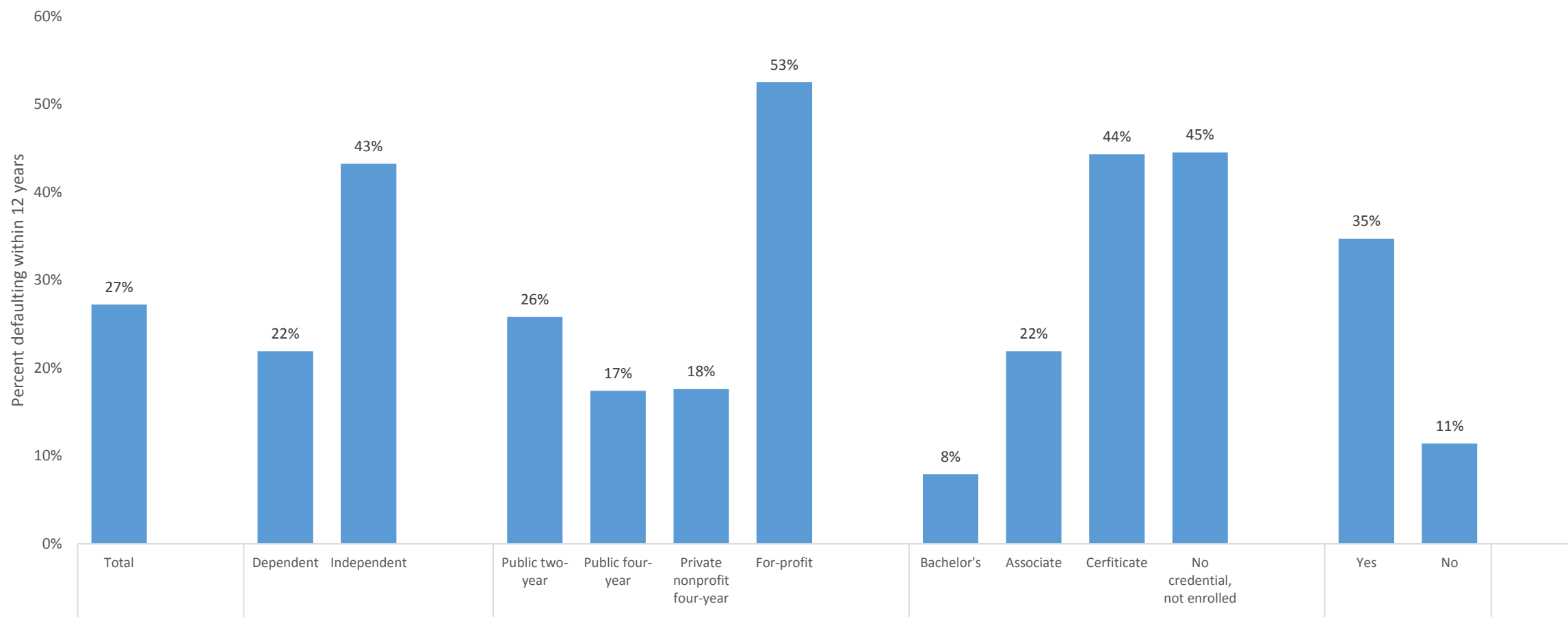
	No Debt	Less than \$10,000	\$10,000 to \$19,999	\$20,000 to \$29,999	\$30,000 or More
For-Profit					
2003-04 (7%)	10%	33%	49%	8%	1%
2007-08 (14%)	7%	23%	37%	21%	13%
2011-12 (14%)	12%	13%	20%	27%	28%
Public Two-Year					
2003-04 (79%)	70%	24%	4%	2%	1%
2007-08 (70%)	62%	25%	9%	3%	1%
2011-12 (67%)	59%	20%	12%	5%	4%
Total					
2003-04	63%	26%	9%	2%	1%
2007-08	52%	25%	14%	6%	3%
2011-12	50%	19%	14%	9%	8%

Debt levels of certificate recipients

	No Debt	Less than \$10,000	\$10,000 to \$19,999	\$20,000 to \$29,999	\$30,000 or More
For-Profit					
2003-04 (48%)	15%	75%	9%	1%	0%
2007-08 (53%)	12%	51%	29%	6%	2%
2011-12 (55%)	14%	36%	37%	9%	4%
Public Two-Year					
2003-04 (32%)	82%	15%	3%	0%	0%
2007-08 (31%)	69%	22%	6%	1%	1%
2011-12 (28%)	65%	22%	7%	3%	3%
Total					
2003-04	46%	47%	6%	1%	0%
2007-08	37%	37%	19%	4%	2%
2011-12	34%	30%	25%	6%	4%

NOTE: Percentages in parenthesis report the percentage of associate degrees or certificates awarded by the sector in the specified year.

12-year default rates: New data from NCEs



Source: NCEs (2017), *Repayment of Student Loans as of 2015 Among 1995–96 and 2003–04 First-Time Beginning Students*

What causes these problems?

Student characteristics and circumstances

- Low high school achievement and academic preparation
- Financial barriers
- Little information and “social capital”: Before and after enrolling
- Full-time work to support families

Results:

Enrollment in general programs at weak institutions

Developmental classes

Financial challenges

The transfer issue

- Ease of transfer vs. labor market value
- Gap between high Expectations and low Success (80 v. 14 percent)
- Balancing short-term and longer-term opportunities

What causes these problems?

Institutional characteristics

- Inadequate resources
- Weak incentives to respond to labor market
- High costs of instruction and equipment in high-demand fields
- Too little structure and guidance for student choices
- For-Profit issues

Institutional revenues: public 2-year and 4-year institutions

(per full-time equivalent student in 2013 dollars)

	Net Tuition Revenue	State and Local Appropriations	Federal Appropriations and Federal, State, and Local Grants and Contracts	Total Revenue per FTE Student	Percentage of Revenues from State and Local Appropriations
Public Four-Year					
2003-04	\$6,640	\$9,010	\$7,190	\$22,840	39%
2008-09	\$7,710	\$8,380	\$7,110	\$23,200	36%
2013-14	\$9,740	\$7,110	\$6,910	\$23,760	30%
Public Two-Year					
2003-04	\$2,690	\$5,780	\$1,640	\$10,110	57%
2008-09	\$2,840	\$5,550	\$1,490	\$9,880	56%
2013-14	\$3,530	\$5,210	\$1,390	\$10,130	51%

Policy solutions: Better supports for students

- Students need much more than money.
- Guiding choices of programs and institutions
- Reforms in developmental programs and financial aid
- Other supports – including academic and career counseling
- Evidence from ASAP...But expensive and not well-designed for part-time students

Policy solutions: Institutional reforms

- Guided pathways and sector-based training
(Need more evidence of success and scaling of successful models)
- Need for more resources and better incentives
(External accountability and internal funding)
- For-profit regulation

Better pathways starting in secondary school

- CTE and more high-quality pathways to college or career
- Work-based learning
- Meeting people where they are

Broad takeaways

- No single bullet
- Broad range of supports and reforms targeting both students and institutions
- Institutions need both better resources and stronger incentives
- Realism: Help students make better choices
- Tough tradeoffs...