

## **GRCC Environmental Scanning Report**

**March 2014**

### **By Institutional Research and Planning**

Several recent reports and news articles have focused on the value of higher education. Two reports specifically look at the value of community colleges. One other article looks at the value of the degree beyond the economic considerations.

In addition to looking at the value of higher education this report concludes with an update on Gainful Employment.

Most summaries have a link to the actual report or related article so that you may read them in their entirety. If by chance the link leads to a locked article, the article is available upon request. Each section will contain article summaries as well as Possible Implications based upon the materials scanned.

### **Community Colleges Have High Return On Investment**

**Summary:** In a report released by the American Association of Community Colleges, community college students have a high return on investment and also benefit themselves and society with healthier lifestyles. Society benefits in terms of increased taxes collected and the fact that community college graduates are less likely to need public assistance.

- Community-college graduates receive nearly \$5 in benefits for every dollar they spend on their education, while the return to taxpayers is almost six to one, according to a report scheduled for release on Tuesday that measures not only graduates' higher earning power but also their healthier lifestyles.
- The report, "Where Value Meets Values: The Economic Impact of Community Colleges," seeks to quantify what happens when community colleges provide employers with skilled workers, the economy with consumers, and graduates with jobs along with better health and well-being.
- The 88-page report was prepared by [Economic Modeling Specialists International](#) for the American Association of Community Colleges.
- Associate-degree holders can expect to earn \$41,900 per year by the middle of their careers, about \$10,700 more than someone with just a high-school diploma earns at

that point. Those with bachelor's degrees earn \$26,900 more than holders of high-school degrees.

- Society receives \$1.1-trillion in added income, in present-day dollars, over the course of the students' careers. It saves \$46.4-billion due to lower rates of crime, welfare, and unemployment, as well as a population that's less likely to abuse drugs or alcohol or to be obese.

[“Community Colleges Nourish Both Students and Society, Report Says,”](#) The Chronicle of Higher Education, Katherine Mangan, February 18, 2014.

More information about the report can be found at:

[Report: The Economic Impact of Community Colleges](#), American Association of Community Colleges, 2014.

## Community Colleges: One Big Fact, One Big Myth

**Summary:** The Community College Research Center at Teachers College , Columbia University released a report earlier this year in attempt to bolster one fact and debunk one myth about community colleges. The report researches the recent literature and policymaking related to community colleges and makes the case for their value while arguing that they are efficient and productive institutions. Below is the abstract of the report.

### Community College Economics for Policymakers: The One Big Fact and the One Big Myth

By: [Clive Belfield](#) & [Davis Jenkins](#)

Abstract

In reviewing broad policy trends in postsecondary education, particularly as they apply to community colleges, this paper juxtaposes one big fact and one big myth. **The one big fact is that the economic returns to college are very high. The one big myth is that the college affordability crisis is actually an efficiency crisis caused by wasteful spending by colleges.** Neglect of this fact and acceptance of this myth have impaired policymaking, resulting in reduced state funding and new practices (more adjuncts, larger classes, online courses) that cut spending and lower quality.

The paper argues that the direction of policy should therefore be shifted. Students should be provided with more information about how to maximize their returns to college. Colleges should implement practices that enhance quality. While spending will necessarily increase, making genuine quality enhancements should increase efficiency as well.

The entire report can be found at: [Community College Economics for Policymakers: The One Big Fact and the One Big Myth](#), Belfield and Jenkins, Community College Research Center, January 2014.

A related Blog entry was published by [Inside Higher Ed](#) and can be found at "[One Big Fact, One Big Myth](#)", Matt Reed, January 29, 2014.

## Is Money the Only Way to Assess the Value of Higher Education?

**Summary:** Amidst the debate about the economic value of a college education, some critics assert that the financial benefits narrowly define the "return on investment" of a college degree. A new poll by Gallup seeks to uncover these intangible rewards.

### ... Survey Will Measure the Value of a Degree, Beyond Salary

- As nearly everyone in higher education knows by now, Americans have been paying closer attention to the [return on an investment](#) in a college degree. The problem has been how to measure that return. The most reductive measurements—say, a person's salary or employment status, sometimes only months after graduation—have seemed to some incomplete, inaccurate, or perhaps even vulgar. But to merely argue that college prepares a person for "lifelong learning" or a fulfilling life seems too vague. Most of us also have mortgages, car payments, and student-loan debts to cover.
- So a new initiative from Gallup and Purdue University, being announced on Tuesday, is intriguing in that it strives to go deeper, especially on the [intangibles](#). In fact, in the conversation about the value of college, the results could be revolutionary.
- Beginning this coming spring, and continuing over the next five years, the polling agency, with help from researchers at the Indiana institution and support from the Lumina Foundation, will survey adult college graduates—30,000 at a time, with more than 150,000 respondents at the end of the study—[to find out how the graduates perceive the effect of college on their careers and quality of life](#).
- Notably, Anthony P. Carnevale—who has made a career of [connecting wages to majors](#) as director of the Georgetown University Center for Education and the

Workforce—finds the project compelling. Earnings and employment might be key measures in determining the value of a college degree, he says, but those metrics are merely “a proxy for well-being.” Income determines happiness only up to a point.

- “The noneconomic value of college needs to be funded,” Mr. Carnevale says, “and the dangerous trend—and it is very much the trend, and I am part of it—is that we are trying to increase efficiencies in college access and graduation, and we are driving it by economic outcomes. The standard industrial model of higher education—that is far from the whole story in a culture where individual fulfillment is as important as it is in this one.”

[“A New Gallup Survey Will Measure the Value of a Degree, Beyond Salary,”](#) The Chronicle of Higher Education, Scott Carlson, December 13, 2013.

## A New Tool

### [College Reality Check](#)



[College Reality Check](#) is a new Web site designed to help parents and students easily sort through the many factors they need to consider when choosing a college—graduation rates and net prices, how much it will take each month to pay off student loans, the default rate on student loans, and how much a graduate might earn.

Produced by The Chronicle of Higher Education with support from the Bill & Melinda Gates Foundation, the tool allows users to find out how individual colleges measure up on any of those factors or to compare up to five colleges at the same time. Users can also find background materials on the issues behind the numbers, as well as plenty of links to resources for more information.

The site includes data on nearly 3,600 two- and four-year colleges, including for-profit institutions. Most of the data come from the National Center for Education Statistics' Integrated Postsecondary Education Data System. The tool contains early-career earnings for graduates of about 1,000 institutions collected by PayScale, an independent company that conducts surveys of nonmilitary employees in the United States.

We look forward to hearing your feedback and suggestions at [collegerealitycheck@chronicle.com](mailto:collegerealitycheck@chronicle.com).

—Jeffrey Selingo

**[“How to Assess the Real Payoff of a College Degree,”](#)** The Chronicle of Higher Education, Scott Carlson, April 22, 2013.

**Possible Implications:** The debate as to the value of higher education will continue. The first two reports make solid economic arguments for the value of a community college education. Yet we must be aware that an education contributes more to students than just an economic boost. The intangible benefits of a college degree to the individual and to society cannot be overlooked. The best course for community colleges is to become completely transparent when it comes to potential earnings for a specific career path. Tools such as [Career Coach](#) on GRCC’s web site which shows potential earnings and the employment outlook for many occupations helps students put their career goals into perspective.

## **Gainful Employment**

**Summary:** Many college departments worked together to meet the Gainful Employment Rules for Disclosure in January. The rules which come from the Department of Education (DOE) state that each college that offers Gainful Employment Programs (defined as a program of less than two years which prepares completers for work) must disclose the cost of the program, the on-time completion rate and the median loan debt. A list of GRCC’s 32 Gainful Employment Programs can be found at [Gainful Employment Disclosure](#). If for example, you click on Dental Assisting and then click Gainful Employment Disclosure under the link at the right of the page, the link will take you to the [Gainful Employment Disclosure Template](#). GRCC created 32 such templates to meet the January 31, 2014 Federal deadline.

In addition to the disclosure requirements for Gainful Employment, part of the legislation requires a Gainful Employment Report which gives more information about the debt load of all students in these programs. GRCC submitted this report for 2011-12; however the report was suspended later in 2012 by court order.

In efforts to rewrite the reporting rules the DOE conducted three Negotiated Rulemaking Sessions last fall which attempted to gain consensus on what information the reports should collect. There was no consensus on the rules by the stakeholders involved in the sessions leaving the DOE to formulate their own rules for Gainful Employment Reporting.

**[“No Consensus on 'Gainful Employment,’”](#)** Inside Higher Ed, Paul Fain, December 16, 2014.

In February, the DOE continued to meet with stakeholders in order to rewrite the Gainful Employment Reporting Rules.

[“More meetings on gainful employment,”](#) POLITICO Morning Education, Libby Nelson, February 26, 2014.

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**Possible Implications:** Gainful Employment Disclosure and Reporting are Federal accountability rules which are intended to protect students from entering programs that may cause increased debt without the promise of a good paying job. As it stands now, Gainful Employment Disclosures will have to be updated annually. Gainful Employment Reporting all though still being formulated will again be required in 2015. Gainful Employment is among many such accountability measures from state and Federal sources that require college resources to comply. Given the current trend of increasing accountability for higher education one can expect increasing demands for such reporting by the college.