EXECUTIVE SUMMARY

A Sound Investment: The Community College Dividend

Educating and training a highly skilled workforce is essential to America’s prosperity. Policymakers concur on the need for most Americans to obtain a postsecondary education credential of some type, and community college enrollments have risen dramatically over the last few years. At the same time, however, public support for these institutions has suffered. To meet the demands of the economy and the needs of students, sustained and increased investments in community colleges are desperately needed. These investments will yield substantial returns to both students and society.

Current projections show that between now and 2018 more than 46 million jobs will need to be filled in the United States, with nearly two thirds of them requiring at least some postsecondary education. These same projections show that the country is not producing nearly enough workers to meet this demand. Understanding this reality—in which education is the critical factor in occupational development and advancement as well as workplace productivity and efficiency—necessitates the creation and expansion of localized, high-quality learning opportunities that are accessible for traditional-age college students as well as for working adults. Providing access to these opportunities is a hallmark of community colleges.

The cost of expanding and enhancing the community college infrastructure is properly viewed as an investment. Investments in higher education, particularly investments in community colleges, yield a wide array of economic and societal returns that far outweigh the initial costs to students and the public. Low tuitions at community colleges help ensure broad access to students who would otherwise forgo higher education; these students emerge with no or low student debt loads.

With higher education come greater earnings, which in turn translate into more tax revenues and lower unemployment. These and other factors translate into tremendous economic returns on the public investment. Between increases in tax revenues and decreases in government expenditures, such as unemployment benefits and incarceration, the taxpayer benefit over a lifetime for having a student complete postsecondary education compared to high school ranges from $24,000 to $51,000, depending on race and gender.

Although many of the benefits of investing in higher education apply to all other sectors of higher education, the return on public investment in community colleges is enhanced because of their local focus. Community college students are more likely to stay in their communities after graduation. These colleges also provide noneducational services that help their students and the community as a whole. Finally, community colleges are providing these benefits to society with an absolute and proportionately smaller share of public resources than are other public institutions.