COMMUNITY COLLEGES & THE SHARING OF THE AMERICAN DREAM

American Association of Community Colleges

10th June 2019

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White House: Plan to end 529 tax benefits 'was a distraction'
Distribution of 529 holders

We are the 99%!

Average real household income, 1979-2013

Source: CBO
Note: Income is pre-tax.
Or not?...

Average real household income, 1979-2013
Separation also in…

- Family structure and stability
- Health
- Wealth
- Life expectancy
- Culture & social capital
- Neighborhoods
- Education…
RICHARD V. REEVES

DREAM HOARDERS

HOW THE AMERICAN UPPER MIDDLE CLASS IS LEAVING EVERYONE ELSE IN THE DUST, WHY THAT IS A PROBLEM, AND WHAT TO DO ABOUT IT
Education: The Great Equalizer
The leveling power of college...
But 4-year+ biggest pay bump
The ROI on college...
But....
Stickiness of education

Intergenerational Education Mobility

Source: Author's tabulations of PSID data.
Big Class Gaps in College Going

College Attendance Rates vs. Parent Income Rank in the U.S.

- Percent Attending College at Ages 18-21
- Parent Income Rank

Slope = 0.675
(0.0005)
Community Colleges: serving those in need

Community college for the middle class

WHERE DOES EACH QUINTILE GO TO COLLEGE? CHETTY DATA, 1991 COHORT

- Less than two-year
- For-profit
- Two-year
- Public four-year
- Private four-year
- Ivy or other elite

Bottom Quintile:
- Less than two-year: 14%
- For-profit: 2%
- Two-year: 2%
- Public four-year: 49%
- Private four-year: 2%
- Ivy or other elite: 0%

Second Quintile:
- Less than two-year: 11%
- For-profit: 2%
- Two-year: 31%
- Public four-year: 34%
- Private four-year: 46%
- Ivy or other elite: 1%

Middle Quintile:
- Less than two-year: 2%
- For-profit: 1%
- Two-year: 8%
- Public four-year: 44%
- Private four-year: 1%
- Ivy or other elite: 1%

Fourth Quintile:
- Less than two-year: 1%
- For-profit: 5%
- Two-year: 13%
- Public four-year: 41%
- Private four-year: 38%
- Ivy or other elite: 2%

Top Quintile:
- Less than two-year: 7%
- For-profit: 19%
- Two-year: 23%
- Public four-year: 49%
- Private four-year: 49%
- Ivy or other elite: 0%
Increasingly so over time..
Transfer rates vary by state

Transfers from community college by state
(Average Transfer-With-Award Rates)

<table>
<thead>
<tr>
<th>State</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>FL</td>
<td>58%</td>
</tr>
<tr>
<td>NJ</td>
<td>44%</td>
</tr>
<tr>
<td>HI</td>
<td>37%</td>
</tr>
<tr>
<td>NY</td>
<td>36%</td>
</tr>
<tr>
<td>WA</td>
<td>36%</td>
</tr>
<tr>
<td>MA</td>
<td>35%</td>
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<tr>
<td>US Average</td>
<td>29%</td>
</tr>
<tr>
<td>WY</td>
<td>16%</td>
</tr>
<tr>
<td>WI</td>
<td>15%</td>
</tr>
<tr>
<td>SC</td>
<td>14%</td>
</tr>
<tr>
<td>MT</td>
<td>12%</td>
</tr>
<tr>
<td>LA</td>
<td>12%</td>
</tr>
<tr>
<td>WV</td>
<td>11%</td>
</tr>
</tbody>
</table>

Williams’ Warrior Society
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“The reformers protest that equality of opportunity has not really been achieved; the wealthy reply that in fact it has, and that the poor now have the opportunity of becoming warriors - it is just bad luck that their characteristics are such that they do not pass the test. ‘We are not’, they might say, ‘excluding anyone for being poor, we exclude people for being weak, and it is unfortunate that those who are poor are also weak’.” – Bernard Williams
America’s Test-Taker Society

“The reformers protest that equality of opportunity has not really been achieved; the wealthy reply that in fact it has, and that the poor now have the opportunity of getting good college educations - it is just bad luck that their characteristics are such that they do not pass the test. ‘We are not’, they might say, ‘excluding anyone for being poor, we exclude people for being dumb, and it is unfortunate that those who are poor are also dumb’.” – Bernard Williams (adapted!)
Conclusions

• Higher education can act to magnify or mitigate class inequality
• Community colleges are vital for upward mobility into the middle class
• Improving flexibility and movement within the system is vital
• The myth of meritocracy is dampening efforts for equitable reform
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