

BY CHARLES GERENA

Telling the Story of Community Colleges

Community colleges are an important part of the higher education landscape, offering unique educational and training opportunities to workers at all stages of their careers. Nearly half of American workers between the ages of 24 and 64 have attended a community college at some point in their lives.

Aside from this workforce development role, community colleges also serve as anchor institutions in local economies, especially in rural communities where they are often one of the largest employers, a major investor in local economic development, and a provider of training facilities and other educational resources that wouldn't be available otherwise. They also support students in various ways to help them complete their studies, from emergency financial aid to mental health services.

Yet according to Richmond Fed researchers, the full story about community colleges and their contributions isn't often told. For students who enroll in for-credit programs at colleges and universities, their outcomes are tracked by the National Center for Education Statistics, a part of the U.S. Department of Education. However, traditional graduation rates only include students who are enrolled full time. But what happens to students outside of that traditional path — the divorced mom attending school part time to get her nursing degree, or the computer programmer with a bachelor's degree under his belt seeking an additional certification to qualify for a better job?

"The consequences of not having full information on community colleges are many, largely characterized by incentive misalignment that leads to undervaluing these institutions," says Stephanie Norris, a senior research analyst at the Richmond Fed. As associate director of the Bank's Community College Initiative, she studies this higher ed segment with Laura Ullrich, director of the initiative and a regional economist and senior manager in the Richmond Fed's Charlotte branch.

One example of this undervaluing of community colleges is how states allocate higher education funding to schools. Such funding is typically based on a complicated calculation of full-time equivalents (FTEs) rather than a simple headcount of enrolled students. "Not only do community colleges receive less per FTE generally than four-year public colleges," Norris explains, "they also have many part-time students, which deflates their FTE." (See "Zooming in on Community Colleges," *Econ Focus*, Fourth Quarter 2024.)

To fill the information gap, the Richmond Fed launched a new Survey of Community College Outcomes (SCCO), applying its survey expertise as it did back in 2009 to gain a better

understanding of community development financial institutions. The Bank formed a team led by Ullrich, who has years of experience working in and studying higher ed. (Before joining the Richmond Fed in 2019, she was a professor of economics and administrator at Winthrop University.) Other members of the team include Jason Kosakow, the Richmond Fed's survey director, and survey analysts Davy Sell, Nathan Sumner, and Anthony Tringali.

The SCCO team began with a pilot survey in 2022 of nine community colleges in the Fifth District. They collected data on every student who remained enrolled in a credit program over a given four-year period — regardless of whether they were full time or part time, attending college for the first time, or were ready to graduate or transfer. They also included information on non-credit students who want to gain new skills, dual enrollment students taking for-credit classes in high school to get a head start on college, and support or "wraparound" services offered to all students.

Before starting the pilot survey, the team conducted in-depth interviews with the president and institutional research leaders of each school to learn about the data they were reporting — and the data they wished they were able to collect and report. At the same time, the team wanted to avoid burdening community colleges with an extensive survey that would take weeks to fill out.

Based on feedback from the pilot participants and other community college officials who appreciated the relevance of the initial results, the SCCO survey team conducted an extended pilot with 63 colleges in 2023. In 2024, the first year of the full-scale survey, the team received responses from 121 community colleges in Maryland, Virginia, North Carolina, South Carolina, and West Virginia — nearly every community college identified in the Fifth District.

The preliminary findings for the 2019-2020 cohort of community college students reveal variations in success rates by enrollment status, geography, age, gender, race/ethnicity, and Pell Grant status. For example, there were larger than expected differences in the success rates between full-time and part-time students, especially in Virginia. The survey team attributes some of this trend to COVID-19 disruptions that may have been particularly hard on older part-time students at community colleges trying to balance school, work, and home responsibilities.

In 2025, the SCCO team plans to expand the survey to states outside of the Fifth District. In the meantime, they will continue to share their data as broadly as possible, primarily with survey participants to help them benchmark their success and identify best practices to improve student outcomes. **EF**