Communicating the Value of a Community College Credential

Statewide SEM Convening 2022
The Value of a Community College Credential

A recent essay from the Community College Research Center said:

“To build back enrollment over the longer term, colleges must not only take steps to make it easier to attend college but also reevaluate their programmatic offerings to ensure that all programs lead to outcomes that make them worth the investment of time and money by students and their families.”

(Jenkins & Fink, 2021)
Key Questions

• What does research tell us about the value of a community college credential?

• What can we learn from Tennessee data on graduates’ wages?

• Which resources help us communicate the value of a credential?
What does research tell us about the value of a college credential?
Research shows the value of a community college credential.

1. Students who earn a postsecondary credential are more likely to be employed & earn higher wages.
   
   Associate degrees yield on average $4,640–$7,160 per year in extra earnings compared to entering college but not completing an award (CAPSEE, 2017).

2. The value of college extends beyond wages.
   
   College graduates are more likely to be employed in jobs with health insurance and retirement benefits. They are also more likely to vote and volunteer than students with a high school diploma alone (Lumina, 2015).

3. Most community college graduates quickly realize a return on their investment.
   
   Associate degree earners have a higher likelihood than bachelor’s degree earners of recouping their educational costs within five years of graduation (Third Way, 2021).
However, not all degrees lead directly to a well-paying job.

1. Some community college graduates never realize a return on their investment.

21% of associate earners never recoup their educational costs, compared to 10% of bachelor’s earners (Third Way, 2021).

2. Outcomes differ significantly by community college students’ majors.

Employment outcomes for general transfer associate degrees are weaker than outcomes for applied associates if students do not earn a bachelor’s degree (CCRC, 2021).

3. A majority of jobs in Tennessee require skills training but not a bachelor’s degree.

56% of jobs in Tennessee require skills training beyond high school, and only 32% require a four-year degree (National Skills Coalition, 2020).
What can we learn from Tennessee data on wage outcomes?

- Data from P20 Connect TN
- Employment and wages in Unemployment Insurance (UI) data from 2009 to 2019
Consider the highest award earned by first-time students at TN community colleges.

Note: Outcomes for students who began as first-time, full-time freshmen at community colleges in 2017.

Data Source: TBR end-of-term data

- 19% Earned a University Parallel Degree (AA, AS, AST, AFA)
- 6% Earned an AAS or technical certificate
- 11% Transferred to a university without first earning a community college award
- 64% Did not earn a community college award or transfer within three years of first enrolling

19,424 first-time students enrolled in 2017.
graduates earn higher wages than non-graduates.

Five years after departing college, community college graduates earned a median annual wage of $36,420, which was $13,970 higher than the median wage for students who attended community colleges but did not graduate.

Note: Median annual earnings after departing college for Tennessee community college graduates and non-graduates, 2009 to 2017. Excludes students who transferred to a university.

Data Source: TBR analysis from P20 Connect TN

More information available in a TBR white paper.
However, wages differ significantly by graduates’ program of study. Five years after departing college, community college graduates from engineering technology and health programs earned 40-46% more than graduates from transfer programs. Note: Annual earnings five years after departing college. Bars show the range from the 25th to 75th percentile; values show the median earnings. Excludes students who transferred to a university.

Data Source: TBR analysis from P20 Connect TN
More information available in a TBR white paper.
Adults age 25+ who return to college & graduate see a significant increase in earnings.

Consider adults with some college but no degree who return to higher education. Five years after returning, graduates earned $10,723 more than in the year before their return to college. Non-graduates earned $5,710 more.

Note: Median annual earnings after returning to college for Tennessee SCND adults at community colleges, 2009 to 2014. Excludes students who transferred to a university.

Data Source: TBR analysis from P20 Connect TN
More information available in a TBR white paper.
However, adults who returned to transfer programs saw smaller earnings increases.

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Which resources help us communicate the value of a credential?
Several resources help us examine or communicate the value of a degree.

A tool from THEC and other state agencies identifies wages for in-demand occupations by region and education level (TN ECD, 2022).
Several resources help us examine or communicate the value of a degree. A tool from CCRC examines enrollments and completions by program area and the opportunities that each program leads to (CCRC, 2021).
Several resources help us examine or communicate the value of a degree.

CollegeForTN.org provides student-friendly resources on employment outcomes by industry, education level, or career cluster.
Discussion

• How have the changing economic returns to college impacted enrollment levels?
• How have current macroeconomic trends impacted students’ college choices?
• Do students have a good understanding of the value proposition of a college credential?
• How effective are currently available tools at communicating the value of college to students?
• How do we interpret the TN wage data by program presented here?