

Connecticut Debate Association

February 7, 2015

Fairfield Warde High School, Glastonbury High School and St. Luke's School

Resolved: the government should provide free community college education.

Expanding Community College Access

The Editorial Board. New York Times, 15 Jan 2015: A.28.

In the abstract, President Obama's proposal for making community college tuition-free seems a reasonable response to a troublesome fact: The American work force is less educated than it needs to be at a time when most jobs in the new economy will require some college education. But for such an idea to work, states and localities that have been starving community colleges for decades will need to begin holding them to higher standards and commit to sustained financing instead of using the new federal money to dodge their own financial obligations.

The president's proposal deserves to be taken seriously by the public, state legislatures, municipal authorities and, of course, Congress, which will be asked to underwrite it. Although many details have yet to be worked out, the preliminary plans released last week call for an estimated \$60 billion in new spending over 10 years to help cover tuition and fees for full-time and half-time students who maintain a 2.5 grade point average -- about a C-plus -- and who make consistent progress toward completion.

The program would help as many as nine million students and would be open to colleges that offer credit toward a four-year degree or occupational training programs that offer certificates or degrees in high-demand areas. The federal government would cover three-quarters of the average cost of community college for those students, and states that choose to participate would cover the remainder. If all states participate, the administration estimates, the program could save each full-time student an average of \$3,800 a year.

Some argue that the program is unnecessary because community college, where tuition averages about \$3,330 a year, is reasonably priced and made even more so by the federal Pell Grants available to poor and working-class students. However, tuition accounts for only about one-fifth of the costs of attending a community college. These costs -- as defined by the federal guidelines -- include housing, food, books, transportation and other expenses. These are often insurmountable expenses for community college students -- about one in three come from families with annual incomes below \$20,000. Students, many of them struggling academically to begin with, typically try to make up the shortfall by working long hours. Their studies suffer, and they often drop out.

This is a particularly severe problem in urban community colleges, where the three-year graduation rate hovers around 15 percent. But, as President Obama pointed out in his announcement, efforts like the Accelerated Study in Associate Programs at the City University of New York can dramatically increase student success, as defined by graduation rates and the rate at which students move on to four-year degrees. ASAP, which began in 2007, provides money for books, coaching, tutoring, tuition waivers and transportation. Fifty-seven percent of last year's graduates finished in three years.

Despite higher upfront costs, the cost per ASAP graduate is actually lower than it is for traditional students because students in the program move through the system more quickly. One study found that for every dollar invested in ASAP, \$3.50 in tax revenues and unused social service benefits was gained.

As rules are written for the national program, the White House and Congress must make sure that only institutions with a demonstrable commitment to helping students graduate are rewarded. States should be required to sustain significant investments in their community colleges, revise accrediting rules so that community colleges are held to higher standards and make sure that students who graduate from those colleges can easily transfer to public four-year schools.

The skepticism that has greeted Mr. Obama's proposal in some quarters has overtones of the skepticism that greeted 19th-century educators when they began to agitate for free, universal public high schools. Their efforts proved crucial at a time when the country was moving away from farming and toward a world in which reading, writing and reasoning would be critical. Expanded access to community college could do the same thing for the country in the information age.

Obama's Free Community College Plan: What Students Need to Know

U.S. News, By Kelsey Sheehy Jan. 16, 2015 | 8:30 a.m. EST+ More

Part-time and nontraditional students would benefit from the plan, if it becomes a reality.

President Barack Obama's proposal for free community college tuition is either a game changer or an empty promise. It just depends who you ask. Either way, prospective students should pay close attention, despite that even if the plan is

implemented, it could be years before it is a reality.

The president's plan, dubbed America's College Promise, would cover students' tuition for qualifying community college programs, so long as students maintain a 2.5 GPA. Unlike similar plans in Chicago and Tennessee, which are only open to recent high school graduates, Obama's proposal would also cover tuition for so-called nontraditional students.

This is an important difference, says Evelyn Waiwaiole, director of the Center for Community College Student Engagement at the University of Texas—Austin. "The average age at a community college is 28. It is not 18 or 19," says Waiwaiole. "To say we're going to go in and just serve high school students would be a disservice to many, if not most, of the students."

Obama's proposal also only requires that students attend part time. That's a key distinction, considering 60 percent of students at two-year colleges are enrolled part time, according to the American Association of Community Colleges.

Another key distinction: America's College Promise would cover certificate programs, as well as courses that lead to an associate degree or could be transferred toward a bachelor's.

Community colleges awarded roughly 436,000 certificates during the 2011-2012 school year, the most recent data available from the American Association of Community Colleges.

It's too early to tell exactly how the proposal will play out, experts say, noting that a lot of important questions remain unanswered. "How the funding will be applied is currently vague," says Ramin Sedehi, director of the higher education consulting division at Berkeley Research Group and former vice dean of the School of Arts and Sciences at the University of Pennsylvania. "Will it be the last dollar, after the individual has obtained Pell Grants?" Sedehi asks. "Will it include room and board, keeping in mind that most community college students commute?"

How the program will be funded is another big question mark, which the president plans to answer in his 2016 budget proposal.

If enacted, America's College Promise could benefit as many as 9 million students each year, according to the White House. That's assuming the bill passes Congress and is implemented by all 50 states.

Those are big ifs, Sedehi says. "Given the current mood in Washington, the potential for any proposal of such magnitude becoming reality is quite low," says Sedehi. "It faces hurdles not just in Washington, but in many of the states."

In its current form, the America's College Promise plan requires states to foot 25 percent of the bill. Several states, including Mississippi and Oregon, were already considering legislation to offer tuition-free community college. Higher education officials in Oregon have already hinted at their willingness to implement the president's proposal.

While it's too early to predict if and how America's College Promise will come to fruition, things look positive from a student's perspective, says Waiwaiole, who urges people to "stay tuned and stay informed."

In the meantime, high school students in Chicago can take advantage of the city's Chicago Star scholarship, which covers the cost of tuition, fees and books for students who graduate with at least a 3.0 GPA and enroll in one of Chicago City College's pathway programs, structured college-to-career programs in high-demand areas such as health care and information technology.

And students in the Volunteer State can apply for the Tennessee Promise program, the statewide plan that inspired the president's proposal.

All prospective students should stay prepared, says Stephanie Freeman, coordinator of the arts and humanities program at North Carolina Central University. The four-year college has an articulation agreement with several community colleges in the state, so a student's associate degree would automatically count as their freshman and sophomore years at North Carolina Central.

"[Students] need to plan for college enrollment and save as much money as possible," Freeman says, noting that it will likely be years before the president's plan becomes a reality. "Tuition is only a part of overall college expenses."

Thoughts on President Obama's "Free Community College" Proposal

By Robert Kelchen January 08, 2015 8:56 PM, Blog – The Washington Monthly

Two weeks in advance of the State of the Union Address, President Obama unveiled a proposal for tuition-free community college that is getting a great deal of attention. The plan, which was influenced by a "Free Two-Year College Option" paper by Sara Goldrick-Rab and Nancy Kendall, calls for the federal government to fund three-fourths of the cost of tuition and fees while states fund the remainder. The student is then responsible for covering other costs that go along with college attendance, such as books and living expenses.

This is an ambitious and complicated proposal that requires a fiscal outlay and Congressional approval. As a researcher at the intersection of financial aid and accountability policies, there are some things to like about the proposal, but there are also some significant concerns. Below, I list some of the pros and cons of the tuition-free community college proposal, as

well as some potential items that can best be classified as “mixed” at this point:

Pros:

- This sends a clear message that community college is an affordable option for all students. Even though tuition and fees make up a small portion of the total cost of attendance—and it is unclear if all students will see additional savings from this plan—telling students early on that tuition will be free may induce more to prepare for college and eventually enroll.
- This could potentially encourage students to switch from expensive for-profit colleges to less-expensive community colleges for an associate’s degree. This would reduce their debt burden and maybe encourage them to pursue further education if desired.
- This program will likely be targeted toward middle-income families who do not qualify for the Pell Grant, but cannot readily afford to pay several thousand dollars out of pocket each year for college. This group is key in building public support for higher education. (I don’t think it would affect the college choices of high-income families, who typically chose four-year institutions.)
- Covering half-time students in addition to full-time students is a plus, although it remains to be seen whether half-time students would be eligible for additional years at a lower enrollment intensity.

Cons

- The neediest students may not benefit as much from this plan as a straightforward increase to the Pell Grant, as some funds will go to students without financial need. At this point, it sounds like the proposal is NOT a last-dollar scholarship, meaning that all students will get at least some money. But while this is less efficient than increasing the Pell, the broad-based nature of the plan could gain additional political support.
- If enough students switch from private to public colleges, the additional demand would force states and localities to undertake expensive capital building projects. This could also place additional strain on state financial aid programs.
- The promise to cover three-fourths of tuition could encourage states and colleges to raise their tuition in order to qualify for more funds. Ideally, the legislation will have some sort of mechanism to prevent outright gaming, but community colleges in high-tuition states will effectively get more money than those in low-tuition states (often with a better history of state and local support). The state/federal/institutional interactions deserve careful scrutiny.

Mixed or unclear

- Students must enroll half-time and earn at least a 2.5 GPA in order to qualify for free tuition. That is a step up from current rules for satisfactory academic progress for the Pell Grant, which typically requires a 2.0 GPA. It may help students be more serious about their studies, but it could also cut off struggling students who need additional support.
- Requiring the state to fund the remaining cost of tuition could cut out the role of the local community college district. While some states have centralized funding structures for community colleges, others rely on local districts to fund their own college. Moving to a system of state-funded community colleges could help reduce massive funding inequities across districts, but it could reduce taxpayer support for higher education if they do not want their funds going elsewhere.
- The plan calls for community colleges to work on transfer agreements with public four-year colleges and universities, which is a good thing. But I’d like to see the plan encourage collaboration with other regionally accredited institutions, including reputable private nonprofit and for-profit colleges.

We don’t know all of the details about the plan yet, but it is certain to generate a great deal of discussion in Washington and around the country. I’m looking forward to the conversation!

Robert Kelchen is an assistant professor of higher education in the Department of Education Leadership, Management, and Policy at Seton Hall University.

States Pitch Plans to Pay For College.

Adams, Caralee J. *Education Week*. 3/5/2014, Vol. 33 Issue 23, p1-14. 2p.

Free Community College, 'Pay It Forward' on Table

Persistent worries about the cost of higher education are prompting state leaders to propose a new stream of plans to increase college affordability and expand access for their students.

Gov. Bill Haslam of Tennessee drew national attention last month when he proposed providing two years of free community college to recent high school graduates. Also in February, the Mississippi House approved a similar two-year pilot program to cover gaps in community college tuition for students who have exhausted other aid.

In Texas, the state's higher education coordinating board--responding to a challenge by Gov. Rick Perry to come up with a low-cost baccalaureate option--in January launched a competency-based bachelor's degree program. Officials estimate that a student could earn a degree in about three years for \$15,000 or less.

Elsewhere, states are freezing tuition or batting around the idea of not having students pay tuition until after they graduate. Bills to advance that "pay it forward" model have been introduced recently in at least 19 states, though no state has adopted such a system. The closest step came when the Oregon legislature last year approved a measure mandating a study of the idea's feasibility.

And last week, the Oregon House followed the state Senate in approving a bill to study making community college free.

Despite the activity across states, some of the proposals--whether giving a free ride in community college or the pay-it-forward approach--are getting a mixed reception. Experts say states have a history of making promises that can be tough to sustain.

"What catches states is that it sounds good, but once the population changes and the cost structure remains, they are faced with a really big bill," said Matt Gianneschi, the vice president of policy and programs at the Denver-based Education Commission of the States.

But state leaders are feeling pressure to respond to frustrated consumers who fear that college is financially out of reach at the same time that the college-for-all push continues.

"States are recognizing they can't just put money into the same old system. To deal with the volume of students and the rising costs, they have to find ways to innovate," said Mr. Gianneschi. "To graduate those who don't see themselves as college material, you have to put new ideas on the table."

Recent data indicate a large increase in college costs. Over the past five years, the average published cost of tuition and fees has climbed by 27 percent for public four-year institutions (now at \$8,893), and 29 percent at public two-year colleges (now at \$3,264), according to the College Board. Those figures are adjusted for inflation.

However, last year marked one of the smallest one-year increases in those costs across both sectors in recent history, the data show.

Plenty of states have supported initiatives, often at great expense, that help make college education either free or low-cost for some students. One prominent strategy is merit- or need-based programs, such as the Georgia hope Scholarships and the Michigan Promise.

The popularity of such programs, however, has sometimes outpaced financing. Michigan ended its "promise" program in 2009, and Georgia in 2011 adjusted eligibility and funding levels to cut costs. That said, Georgia Gov. Nathan Deal, a Republican, just proposed a merit-based grant program covering full tuition at technical colleges.

Tennessee Promise

In his Feb. 3 State of the State address to Tennessee lawmakers, Gov. Haslam, a Republican, announced his plan for a free two-year education at a community college or a college of applied technology.

"Through the Tennessee Promise, we are fighting the rising cost of higher education, and we are raising our expectations as a state," he said. "We are committed to making a clear statement to families that education beyond high school is a priority."

The governor's proposal, as with the one being considered in Mississippi, is designed as a "last dollar" program, in which tuition and fees are paid for recent high school graduates after deducting all other state and federal scholarships.

The program would also call for the deployment of volunteers to mentor students during the last semester in high school and the first semester in college. That feature would help the program go beyond expanding college access to improving retention, said Randy Boyd, a special adviser to the governor for higher education. Since 2008, Mr. Boyd has worked with tAchieves, a nonprofit program that operates in 27 counties and was the template for the Tennessee Promise.

An evaluation of the local program issued last year by the Center for Business and Economic Research at the University of Tennessee found that students in tAchieves were 20 percent more likely to pursue post-secondary education than a similar set of those who did not participate.

State officials estimate the Tennessee Promise would help 25,000 students a year at a cost of about \$34 million. Gov. Haslam has proposed that the program be financed through an endowment set up with a reserve from lottery funds.

But he's encountered criticism, including from U.S. Rep. Steve Cohen, D-Tenn., who said in a statement that he would rather see lottery proceeds pay a larger amount of tuition under the state's hope scholarships, which offer merit-based aid at eligible two- and four-year institutions. Rep. Cohen argues that the governor's plan, which also would reduce the size of hope scholarship awards at four-year colleges for freshmen and sophomores, would create a disincentive for students to attend the state's "best" universities.

One complaint with providing free community college for all is that it would end up covering families that may not need the assistance.

A better use of state dollars is to expand targeted scholarships for low-income students and to provide adequate funding of

public colleges and universities to keep tuition down, argues Sandy Baum, a senior fellow at the Urban Institute in Washington and a research professor at George Washington University.

Mr. Boyd, the governor's adviser, defended the plan, saying it would be a big help to some middle-class families. "Those above the [income] threshold for [federal] Pell Grants still have a financial challenge," he said. "Just because your family makes \$60,000 doesn't mean you have the financial means to go to college."

State Rep. Gerald McCormick, the Republican leader in the Tennessee House, said the proposal has bipartisan support and that he expects it will be approved, possibly this month, without significant changes.

Pay It Forward

The plan approved last month by the Mississippi House is modeled after a tuition-guarantee program now operating at six of the state's community colleges and supported with a combination of private and public dollars.

Noell Vanasselberg, a counselor at rural Tremont High School in northeast Mississippi, said she tells 9th graders about the tuition-guarantee program at nearby Itawamba Community College, which has been available for the past four years.

Hearing that they can get two years of free tuition is an eye-opener for many, she said.

"It gives them kind of a hope or motivation," she said, helping to keep them from dropping out and "see past" graduation to further educational opportunity.

Each year, about 25 of the small school's 35 graduates go on to community college with the help of the program, she estimated.

The Mississippi measure now goes to the state Senate for consideration. About 6,800 students are projected to be eligible for the program in the first year, at a cost of about \$3 million. The second-year price tag is \$4.5 million in the second.

Another approach to bringing college within reach of more students is the pay-it-forward bills cropping up in states.

Under that model, students go to college tuition-free, but sign a binding contract to pay a percentage of their adjusted gross income (about 1.5 percent at community colleges and 4 percent at four-year institutions) for 20 years after leaving school. A trust fund would be established to enable the next generation to attend, similar to the concept of Social Security.

"Pay-it-forward is not a panacea, but an innovative tool to open up higher education to middle- and low-income students," said John R. Burbank, the executive director of the Economic Opportunity Institute in Seattle, which has championed the idea.

Last July, state lawmakers in Oregon passed a college-affordability bill that mandated a study of the feasibility of a pay-it-forward pilot. "Pay-it-forward is seen as a potentially creative approach to help finance higher education in a fairer way than conventional loans, which place such a burden on students, particularly those not in lucrative professions," said Ben E. Cannon, the executive director of the Oregon Higher Education Coordinating Commission, which is conducting the review.

Some policy experts say it will be hard for the pay-it-forward model to catch on because of the initial cost. "It would have to have a very, very large investment of funds upfront," said Michael Dannenberg, the director of higher education policy with the Education Trust, a Washington-based research and advocacy group. "I suspect that's part of the reason you are seeing a lot of calls for study rather than actual implementation."

The legislature in Washington state came up with a simple way to address college affordability last year freeze tuition. Lawmakers there also have explored the pay-it-forward approach, though no measure has passed a full chamber.

Competency-Based Program

On another front, the Texas Affordable Baccalaureate Degree Program began in January with a "soft launch" that included just 12 students at South Texas College and Texas A&M University-Commerce, said Van L. Davis, a director at the Texas Higher Education Coordinating Board. The goal is to have enrollment of 250 students by year's end.

The new approach--spurred by Gov. Perry, a Republican--has students progressing at their own pace in six seven-week terms offered year-round. Faculty members helped design the curriculum for the program, offered largely online. Students must master each competency with 80 percent passing grades to move on in the program.

The cost of a degree for brand-new students is expected to be \$13,000 to \$15,000.

Ultimately, observers say, it's hard to predict which flavors of state initiatives will prove successful and gain more widespread support.

"Major policy changes incubate over a period of time," said Mr. Dannenberg of the Education Trust. "They are first seen at the local level, then the state level, and then there is a base that coalesces around an idea."

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Obama's free college plan is no panacea; just ask California

The Washington Post, By Michal Kurlaender and Jacob Jackson January 28

Michal Kurlaender is an education professor at the University of California, Davis. Jacob Jackson is a researcher at the Public Policy Institute of California.

President Obama's proposal to make community colleges free is a valiant effort to address the rising demand for skilled workers throughout the nation and to improve college access for low-income students. As states consider his proposal, they would be wise to look to California. Our research in the state suggests that low tuition can put higher education within reach for many low-income students, but it is no panacea. Even with high participation levels and nearly free community college, many California students do not complete degrees.

California's 112 community colleges charge the lowest average tuition and fees in the nation at \$1,429 per year, less than half the national average, but Californians have benefited from effectively "free" community college for decades. The system began to charge tuition only in 1984 and then introduced the Board of Governors' fee waiver, which waives tuition for qualified low-income students. Nearly two-thirds of all 17- to 19-year-olds enrolled full time at a California community college receive a full tuition waiver. All students who receive a federal Pell grant also receive a full waiver, giving them money for other expenses, too — just as Obama proposes.

This system has helped build high levels of participation in higher education in California, as Obama hopes to do nationally. California boasts the largest public community colleges system in the country, serving more than 2.1 million students and conferring nearly 120,000 degrees and certificates each year. Fifty-six percent of students enrolled in public postsecondary education start at community colleges, more than any other state. But even those who go no further than community college can reap significant financial rewards; students who complete a certificate or associate's degree in vocational and career technical programs see their earnings rise by between 10 percent and 25 percent.

Other lessons from the California experience are more cautionary, however. First, California's woefully underfunded higher education system has faced intense capacity constraints since the cutbacks of the "Great Recession." In high-demand community college programs, such as nursing, students compete for a limited number of spots. If free tuition coincides with reduced resources, students may begin to "get what they pay for."

Second, high participation rates have not translated into high levels of postsecondary success. A majority of California community college students never earn a degree or certificate, and even the most optimistic estimates of transfer rates suggest that at best about 42 percent of community college students with the intention of obtaining a bachelor's degree transfer to a four-year school.

Third, while free or nearly free community college may have helped many students go to college, it may also have lowered the cost of leaving. Persistence rates at California community colleges are low. Only 75 percent of new full-time students return for a second term. By the end of the second year, only about 50 percent of the original group remains.

Adoption of Obama's plan would likely prompt most states to shift scarce funds to community colleges to support expanded access. But increasing access without explicitly directing resources to better support students once they are enrolled is unlikely to dramatically increase college graduation rates. The White House's ambitious proposal isn't a game-changer for California, but it might end up making the rest of the nation look a lot more like California.

Free tuition isn't free

Los Angeles Times, 14 Jan 2015: A.10.

Is paying community college fees for those who don't need aid the best use of the money?

If the U.S. government had unlimited funds, it could provide free tuition for community college and no one would complain. For that matter, the nation could put all interested and qualified students through four years of college and beyond. But right here, right now, there are limits to the good the U.S. can accomplish with available public dollars -- and that means careful, difficult choices have to be made. If the government has money to spend, should it provide safe, affordable day care for children while their parents go to work? Should it provide preschool for all? How about better reimbursement of doctors who accept Medicaid patients, or a boost in spending on roads, bridges, airports and other infrastructure?

President Obama thinks the nation's next step should be to underwrite up to three years of free community college for everyone who attends half or full time, progressing toward a vocational certificate or transfer to a four-year school. In a way, this makes sense: Community colleges are a particularly efficient way of delivering the first years of higher education, at a lower overall cost not just for students but for the nation as a whole.

Under Obama's ambitious proposal, the federal government would pick up 75% of the cost, paying up to about \$2,500 a year per student, with states paying the rest. The president estimates that the program would cost \$60 billion over 10 years,

although with close to 9 million students expected to be eligible, it's unclear how the cost could be kept that low.

It's a nice idea in theory. But at a time of limited resources, Obama is proposing to underwrite the community college educations not just of low-income students but also of those who can easily afford the tuition. Is that necessary or wise? California already waives all fees for any student whose family earns less than \$80,000 a year -- a category that includes close to half of the state's community college students. The annual fees of about \$1,500 are not an obstacle for the rest. Many other states offer similar relief for low-income students, and federal Pell grants can also help cover their costs.

It makes little sense to subsidize students who don't need the money while low-income students, even with basic tuition costs covered, still face tremendous barriers to attending community college. Their living expenses are a far bigger cost than tuition, especially in California.

The jobs of the future will depend on higher education; the nation shouldn't blithely accept the notion that a free public education stops after a high school diploma. The president is thinking big, but a leaner, means-tested program, targeted to the students who need it most, would be the smarter policy.

Obama's Dead-End Community College Plan

Weise, Michelle R. Wall Street Journal, 13 Jan 2015: A.11.

On Thursday President Obama proposed making two years of community college tuition free for responsible students. Two years gets a student closer to an associate's degree and halfway to a bachelor's degree, and college completion is the gateway to social mobility. All good things, right?

Not quite. Community college is great if it helps you get a bachelors degree, but only one in five students attending these institutions goes on to earn the degree within six years according to federal data. In addition, only 21% of first-time, full-time students earn an associates degree within three years, and tuition is not the main obstacle to the completion of a degree for low-income students.

Census Bureau data reveal that for most students with some college and no degree, it actually pays -- in pure earnings premiums -- to pursue a professional certification or educational certificate instead of a stand-alone associate's degree.

We have two competing agendas when it comes to higher education in the U.S. today: one about college completion and another about social mobility.

Mr. Obama's goal, which he announced in his first year in office, is that "by 2020, America would once again have the highest proportion of college graduates in the world." He based this initiative on the assumptions that employers will increasingly require degrees and that "higher education is the clearest pathway into the middle class." But increasing graduation rates does not necessarily translate into adding more skilled workers to the workforce or upward mobility.

Ask Facebook, Google and AT&T why they're partnering with Udacity to build programs in Big Data and Data Science and Computer Science. Ask Infosys why it partnered with Wayne County Community College District in 2012 to build a Software Engineering Boot Camp in Detroit through which plumbers, unemployed auto workers and a casino waitress were able to get the skills to take advantage of opportunities at companies like Compuware, GalaxE.Solutions and Kimberly Group. Ask Dev Bootcamp and other coding bootcamps why a company like Adobe is recruiting talent directly from them.

The students emerging from these programs aren't necessarily earning degrees, but they're getting jobs. As reported in this newspaper, coding bootcamps, for instance, boast anywhere from 63% to 99% job attainment rates -- stronger than the 57% placement rate of law-school graduates, according to the American Bar Association.

Today, many employers demand more and higher academic credentials because of their dissatisfaction with the quality of degree-holders. "Upcredentialing" is the latest trend, even though most middle-skills jobs don't require a bachelor's degree. The call for more education compensates for the imprecise signaling power of a college degree.

We should turn our attention to innovations springing up in alternative credentials, competency-based programs and micro-certifications that validate what a student actually knows and can do. This marketplace of non-degree credentials, according to Georgetown University's Center on Education and the Workforce, is a \$500 billion industry.

Given this investment in informal credentialing, how can the country shift the emphasis away from a degree as the sole proxy for talent? That's the public-policy question we should be asking.

Continued focus on a college degree loses sight of the needs of most first-generation, low-income and minority students. These students will miss out on the effects of Mr. Obama's proposed reform. Community-college tuition is already free through grant aid for most students in the bottom half of the income distribution.

No one wants to further stratify higher education by race and class -- but we need to be cognizant of the more than 91 million people with high-school degrees and some college who could significantly increase their earning power by attaining an alternative credential. Those pursuing and acquiring alternative credentials are typically low-income students with parents with an education of less than a bachelor's degree.

College is not the only path into the middle class. It's time to think strategically about how alternative credentials might serve as a powerful lever for upward mobility.

Ms. Weise, a senior research fellow at the Clayton Christensen Institute, specializes in higher education.

A Bit of College Can Be Worse Than None at All

By Melissa Korn, The Wall Street Journal, Oct. 13, 2014 12:10 p.m. ET

Racking Up Debt, Failing to Earn a Degree Leaves Many Young People in the Lurch

Lauren Bizzaro has three years of college credits from High Point University in North Carolina and the University of Rhode Island. But with no degree, those credits got her little more than a late start in the professional world and a \$40,000 student-loan balance.

Until recently, Ms. Bizzaro earned \$11.50 an hour dressing, feeding and bathing patients as a licensed nursing assistant at a long-term-care and rehabilitation facility in Vermont. Now a unit coordinator who handles clerical tasks like arranging doctor appointments and updating patient charts, she can't move further up the ranks without additional credentials, according to her employer.

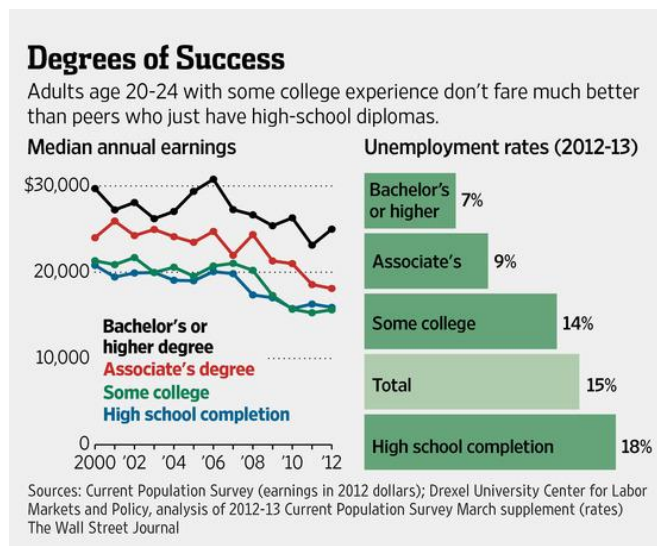
Once an aspiring nurse, Ms. Bizzaro, age 25, says she has felt "stuck and defeated" and has shifted her expectations about starting a career and settling down in her 20s.

Americans have flocked to colleges in unprecedented numbers in the last half-decade, fueled by a conviction that postsecondary education is the surest route to steady employment and higher salaries.

Yet those who begin, but don't complete, a degree are learning the hard way that the payoff is in finishing—or that they might have been better off not attending college at all.

The number of students who don't complete college is growing. Nearly one-third of students who started college in 2012 didn't return to a U.S. school the following year, according to the National Student Clearinghouse Research Center. And a new report out from a group of higher-education organizations found that roughly two-thirds of students who return to school after interrupted courses of study still don't graduate.

Those students may find themselves doubly damned: cut out of consideration for professional-track jobs, and starting their careers years behind their peers who entered the workforce with just high-school diplomas. Many have student loans to boot.



And both groups struggle to cobble together a living in their 20s. College dropouts have a lower unemployment rate than those with no college credits—12.1% versus 15.5%, respectively, for 20- to 29-year-olds—but they work almost exactly the same number of hours a week and weeks a year, according to a Drexel University Center for Labor Markets and Policy analysis of Current Population Survey data.

On wages, too, young workers with some college have little advantage. There has been little or no difference in wages among 20- to 24-year-olds who graduated high school and those who completed some college but aren't enrolled anymore. In 2011, wages for college dropouts were even lower, according to the Current Population Survey.

Median annual earnings for young adults with some college were \$15,640 in 2012, the most-recent year available, on par with high-school graduates' earnings. Associate-degree holders earned \$18,120, while those with at least a bachelor's degree could expect median earnings of \$24,990.

"The sheepskin effect is huge," says Paul Harrington, director of Drexel's Center for Labor Markets and Policy.

A few semesters of college can drag on young workers' finances for years. In 2009—the most-recent year available—more than half of students at four-year public or private, nonprofit institutions who didn't complete college took out federal loans, with average borrowings of \$9,300 to \$10,400 depending on the type of school, according to the National Center for Education Statistics. Eighty-six percent of for-profit college dropouts had accrued federal debt.

Those loans are weighing more on people who don't finish school than they used to. In 2001, such people had federal loan debt totaling 24% of their annual income, a figure that rose to 35% by 2009.

There is little or no difference in wages among 20- to 24-year-olds who graduated high school and those who completed some college but are no longer enrolled. Melissa Korn joins MoneyBeat. Photo: Getty.

Ms. Bizzaro defaulted on her student loans after leaving Rhode Island. About 15% of each paycheck from Genesis HealthCare Rutland Mountain View Center, about half what she pays in rent each month, goes to repay the debt.

When a degree was still a relative rarity, any college experience helped a candidate stand out. But postsecondary education is now the norm for enough people that a short stint in college is no longer a positive differentiator, says Anthony Carnevale, a labor economist who runs Georgetown University's Center on Education and the Workforce.

More than half of employers now [require a college credential for all jobs](#), and nearly one-third now hire college graduates for jobs that previously went to high-school graduates, according to a 2013 CareerBuilder survey of 2,600 hiring managers. Labor-market analytics firm Burning Glass Technologies recently found that 65% of postings for executive secretaries and assistants call for bachelor's degrees, but just 19% of current secretaries have such credentials.

Few hiring managers say that college graduates are more qualified than nongrads for jobs in retail and warehouses, but as long as the job market is tight, employers say they can afford to be picky.

Candidates with degrees or certificates have "shown perseverance and persistence to obtain that credential," says Kevin Brinegar, president and chief executive of the Indiana Chamber of Commerce. Dropping out after a few courses makes managers wonder "'Is that what they're going to do when they come to work for me? They'll work for three weeks or three days and say, 'I'm out of here?'"

"You want people who can go through an experience and drive it to completion," says Eric Eden, vice president of marketing at event-management software company [Cvent](#) Inc. in Tysons Corner, Va. He says a credential ensures that a candidate is committed and won't quit part way through the seven-week new-hire training program.

Though he would consider applicants who have some college experience but no degree, Mr. Eden says, "They would have substantially less of a chance" than those with proof of completion. He estimates that more than 90% of employees at Cvent are college graduates.

The rise of vocational certifications in subjects like computer programming and manufacturing can lead to well-paying jobs and prove that a bachelor's degree isn't the only path to success, some labor economists say.

Drew Saffles, 21 years old, enrolled at Pellissippi State Community College in Knoxville in August 2011 with the intention of pursuing a finance degree. Bored with the course work, he left school the following April.

He worked part time jobs at a Sears store and as a server at a local steakhouse. But "I never could quite work enough to make ends meet," he says.

Mr. Saffles enrolled in the Tennessee College of Applied Technology in Knoxville in May of last year and graduated as an HVAC and refrigeration technician. He landed a job at Rocky Top Air Inc. in Knoxville, where he makes \$14 an hour, plus sales incentives and overtime.

Ms. Bizzaro says she has no immediate plans to return to school, but it may only be a matter of time. Jeanne Phillips, senior vice president and chief human-relations officer at Genesis Healthcare LLC, says Ms. Bizzaro's current position could be a step toward a solid career opportunity, "with the right credentials."

College Worth It? Clearly, New Data Say

The New York Times, MAY 27, 2014, [David Leonhardt](#)

Some newly minted college graduates struggle to find work. Others accept jobs for which they feel overqualified. Student debt, meanwhile, has topped \$1 trillion.

It's enough to create a [wave of questions](#) about whether a college education is still worth it.

A new set of income statistics answers those questions quite clearly: Yes, college is worth it, and it's not even close. For all the struggles that many young college graduates face, a four-year degree has probably never been more valuable.

The pay gap between college graduates and everyone else reached a record high last year, according to the new data, which is based on an analysis of Labor Department statistics by the Economic Policy Institute in Washington. Americans with four-year college degrees made 98 percent more an hour on average in 2013 than people without a degree. That's up from 89 percent five years earlier, 85 percent a decade earlier and 64 percent in the early 1980s.

There is nothing inevitable about this trend. If there were more college graduates than the economy needed, the pay gap would shrink. The gap's recent growth is especially notable because it has come after a [rise](#) in the number of college graduates, partly because many people went back to school during the Great Recession. That the pay gap has nonetheless continued growing means that we're still not producing enough of them.

"We have too few college graduates," says [David Autor](#), an M.I.T. economist, who was not involved in the Economic

Policy Institute's analysis. "We also have too few people who are prepared for college."

It's important to emphasize these shortfalls because public discussion today — for which we in the news media deserve some responsibility — often focuses on the undeniable fact that a bachelor's degree does not guarantee success. But of course it doesn't. Nothing guarantees success, especially after 15 years of [disappointing economic growth](#) and [rising inequality](#).

When experts and journalists spend so much time talking about the limitations of education, they almost certainly are discouraging some teenagers from going to college and some adults from going back to earn degrees. (Those same experts and journalists are sending their own children to college and often obsessing over which one.) The decision not to attend college for fear that it's a bad deal is among the most [economically irrational](#) decisions anybody could make in 2014.

The much-discussed cost of college doesn't change this fact. According to a [paper](#) by Mr. Autor published Thursday in the journal *Science*, the true cost of a college degree is about *negative* \$500,000. That's right: Over the long run, college is cheaper than free. Not going to college will cost you about half a million dollars.

Mr. Autor's paper — building on [work by](#) the economists Christopher Avery and Sarah Turner — arrives at that figure first by calculating the very real cost of tuition and fees. This amount is then subtracted from the lifetime gap between the earnings of college graduates and high school graduates. After adjusting for inflation and the time value of money, the net cost of college is negative \$500,000, roughly double what it was three decades ago.

This calculation is necessarily imprecise, because it can't control for any pre-existing differences between college graduates and nongraduates — differences that would exist regardless of schooling. Yet [other research](#), comparing otherwise similar people who did and did not graduate from college, has also found that education brings a [huge return](#).

In a similar vein, the new Economic Policy Institute numbers show that the benefits of college don't go just to graduates of elite colleges, who typically go on to to earn graduate degrees. The wage gap between people with only a bachelor's degree and people without such a degree has also kept rising.

Tellingly, though, the wage premium for people who have attended college without earning a bachelor's degree — a group that includes community-college graduates — has not been rising. The big economic returns go to people with four-year degrees. Those returns underscore the importance of efforts to reduce the college dropout rate, such as those at the University of Texas, which Paul Tough described in a recent *Times Magazine* [article](#).

But what about all those alarming stories you hear about indebted, jobless college graduates?

The anecdotes may be real, yet the conventional wisdom often [exaggerates the problem](#). Among four-year college graduates who took out loans, [average debt](#) is about \$25,000, a sum that is a tiny fraction of the economic benefits of college. (My own student debt, as it happens, was almost identical to this figure, in inflation-adjusted terms.) And the unemployment rate in April for people between 25 and 34 years old with a bachelor's degree was a mere 3 percent.

I find the data from the Economic Policy Institute especially telling because the institute — a left-leaning research group — makes a point of arguing that education is not the solution to all of the economy's problems. That is important, too. College graduates, like almost everyone else, are suffering from the economy's weak growth and from the disproportionate share of this growth flowing to the very richest households.

The average hourly wage for college graduates has risen only 1 percent over the last decade, to about \$32.60. The pay gap has grown mostly because the average wage for everyone else has fallen — 5 percent, to about \$16.50. "To me, the picture is people in almost every kind of job not being able to see their wages grow," Lawrence Mishel, the institute's president, told me. "Wage growth essentially stopped in 2002."

From the country's perspective, education can be only part of the solution to our economic problems. We also need to find other means for lifting living standards — not to mention ways to provide good jobs for people without college degrees.

But from almost any individual's perspective, college is a no-brainer. It's the most reliable ticket to the middle class and beyond. Those who question the value of college tend to be those with the luxury of knowing their own children will be able to attend it.

Not so many decades ago, high school was considered the frontier of education. Some people [even argued](#) that it was a waste to encourage Americans from humble backgrounds to spend four years of life attending high school. Today, obviously, the notion that everyone should attend 13 years of school is indisputable.

But there is nothing magical about 13 years of education. As the economy becomes more technologically complex, the amount of education that people need will rise. At some point, 15 years or 17 years of education will make more sense as a universal goal.

That point, in fact, has already arrived.