# Declining Enrollments in Community Colleges: America's Economic Divide

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The US labor market is going through a period of profound change, as more jobs require postsecondary education and workers struggle to adjust. While previous recessions led unemployed or underemployed workers to flock to community colleges to upskill or reskill, that was not the case during the COVID-19 recession. Enrollment at these two-year public colleges decreased by a stunning 10 percent in <u>Fall 2020</u> and 9.5 percent in <u>Spring 2021</u> from previous years.

Our <u>research</u> shows that this shift had the greatest impact on individuals from low-income households and those who were planning to pursue certificates or associate's degrees. Households in which individuals intended to take classes in a certificate or associate's degree program were the most likely to cancel their college plans entirely. That may be because their program did not translate to a virtual environment. Some certificates and associate's degrees require hands-on experience that is difficult to replicate online. In other cases, access to technology at home may have posed a challenge for students who had to shift to a virtual classroom unexpectedly. In addition, job loss and other financial difficulties brought on by the recession may have made it difficult for students to pursue their education as planned, as many work while they are enrolled to cover their tuition and other expenses.

## **A Growing Divide**

The enrollment decline at community colleges is a particularly devastating setback for workers because of how valuable postsecondary education has become in the US labor market. Although earnings vary by program of study, in general workers can expect to earn more with each additional level of education. Bachelor degree holders <u>earn</u> a median 74 percent more over their lifetimes than those with no more than a high school diploma.

These changes are only exacerbating the divide by race and class in US higher education. Higher-income households and those with students in bachelor or graduate degree programs were less likely to report changing their plans at all, and, when they did, a majority reported taking classes in a different format rather than canceling their plans to take classes altogether.

The US higher education system already had two <u>separate and unequal</u> tracks before the COVID-19 pandemic: one at well-funded, four-year colleges that tend to enroll affluent white students, and another at overcrowded and underfunded open-access two-year public colleges, which are mostly community colleges. (Community colleges disproportionately enroll Black and Latino students, as well as low-income white students.) Because of its growing role in individuals' economic success, the US postsecondary education system is now a gearwheel in the country's race and class inequality machine.

# Abstract

Enrollment at US community colleges plunged during the COV-ID-19 pandemic. The enrollment decline is a particularly devastating setback for workers, because of how valuable postsecondary education has become in the US labor market. This highlights the growing divide in the United States between those with postsecondary education and those without it.

These changes are only exacerbating the divide by race and class in US higher education. With selective four-year colleges spending almost three times as much on instructional and academic support as community colleges, it is no surprise that the students who attend selective colleges are more likely to graduate. Higher education mimics and magnifies the inequality that it inherits from the pre-K-12 education system, then projects this inequality into labor markets, transmitting race and class privilege across generations.

#### The Future of Community Colleges

The unexpected drop in community college enrollment during the COVID-19 pandemic fore-shadows the future college enrollment crisis. The number of <u>US high school graduates</u> is expected to increase from roughly 3.8 million students in 2020 to about 3.9 million in 2025, then fall to 3.5 million students by 2037. This trend will reinforce the higher education divide in the United States. For community colleges and other nonselective colleges, the shrinking college-age population will lead to declining enrollment. For selective colleges, however, the growth in families with two parents with bachelor degrees—and the wealth that comes with being college educated—will increase the size of applicant pools. Ultimately, we can expect downsizing, mergers, and closures at nonselective colleges, while selective colleges continue to thrive.

Two major policy proposals also stand to affect the future of US community colleges and their students: a federal infrastructure jobs plan and tuition-free community college. It is unclear whether and when these proposals will be enacted, and, if they are, what provisions will be included. However, we need to ensure that these major policy proposals do not lead to new forms of race, class, and gender tracking.

More than half of the 15 million <u>infrastructure jobs</u> created under the American Jobs Plan over 10 years would be available to workers with a high school diploma or less, who may only need short-term training to fill those jobs. We expect that the infrastructure bill would steer mostly young men, who traditionally fill infrastructure jobs, to training programs at community colleges. When the infrastructure program eventually ends, however, many of these workers may be displaced, at least in the short term.

If a free community college program were enacted in the United States, students who are low-income or from disadvantaged racial and ethnic groups will likely become more concentrated at these colleges. All the while, affluent white students will continue to be concentrated in four-year schools, where they are more likely to obtain a bachelor degree and the increased earnings that tend to come with it.

### **Policy Recommendations**

We can take action to help bridge this growing chasm between haves and have-nots in higher education. By strengthening pathways from high school to community college and community college to the bachelor degree, we can ensure that more students have access to the most reliable ticket to the middle class. Policies that improve access to bachelor degrees, such as allowing community colleges to award bachelor degrees, have already been implemented in about half of the states in the United States. Some states are also mandating higher transfer rates from community colleges to four-year public colleges. Changes like these are important to help low-income and underserved minority students earn bachelor degrees, rather than being tracked into postsecondary programs in which they do not have the resources to succeed.

In the meantime, the most urgent challenge is to help the students who canceled their postsecondary plans during the pandemic get back on track. Early signs for this Fall semester are not promising, despite improvements in public health and the economy. In July, completions of the FAFSA—the US federal financial aid form—were down nearly 5 percent from last year, signaling that the enrollment decline may persist this academic year. It is unclear whether continued financial challenges, health concerns, or even incentives to return to work are leaving potential students reluctant to start or resume their education.

The unfortunate reality is that employers' preferences for workers with postsecondary education are not going to change. The students who left community colleges amid the COVID-19 pandemic may get a short-term boost in pay amid the current worker shortages, but they risk being left behind in the long term in an increasingly competitive labor force.

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