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Revised Data Shows Community Colleges Have Been Underappreciated

By Kevin Carey

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A college degree is the key to unlocking many of the best careers in the modern labor market. But more than 20 million working-age adults in the United States are college dropouts, failed in some way by institutions that collectively receive hundreds of billions of dollars in public funding every year.

For the last few decades, the Department of Education has tracked graduation rates at colleges. Although a handful of elite colleges have graduation rates above 90 percent, many are below 50 percent — often, far below. But colleges have long complained that the federal rates are inaccurate. Back in 2008, Congress directed the department to study the matter.

Two years later (the wheels of government turn slowly), the 15-person Committee on Measures of Student Success convened. I was a member. So was Wayne Burton, the president of North Shore Community College in Danvers, Mass. Over several months, Mr. Burton argued forcefully that his college was a lot better than federal graduation rates suggested. The committee decided he was on to something, and recommended that the Education Department calculate graduation rates in a new way.

Six more years went by (there was a lot going on). Then this month the Education Department released the revised set of graduation rates. It turns out that Mr. Burton, who has since retired from academia and joined New Hampshire's citizen legislature, was right all along.

The new data suggests that some community colleges are doing a much better job of preparing students for future success than they've gotten credit for. Lawmakers and students may want to take a fresh look at them as an affordable starting point on the road toward a college degree. (You can look up rates for each college here.)

The old graduation measures date to the late 1980s, when Senator Bill Bradley championed legislation requiring colleges to report graduation rates for their basketball and football players — and, while they were at it, everyone else.

The measures were limited to students who enroll in college for the first time and take a full course load. This is a perfectly reasonable way to measure graduation rates at Mr. Bradley's alma mater, Princeton, because nearly all undergraduates there start full-time, a few months after finishing high school.

The federal graduation rates also calculated the percentage of students who graduated within six years of enrollment. This made sense for four-year universities, where the vast majority of bachelor's degrees are earned within six years.

The problem was that the graduation rate rules were then applied to the entire higher education system, including two-year community colleges, where nearly half of all undergraduates begin. The typical community college student isn't a fresh-faced 18-year-old taking a full slate of courses.

Most community college students are nontraditional — adults, parents, people with full-time jobs, people returning to school after years away. They often enroll part-time, taking longer to graduate than the three years the Education Department used to gauge the success of people pursuing two-year degrees. Many community college students also transfer to four-year colleges before finishing a degree — a good result, but one that wasn't counted for graduation rates.

So, following the committee's lead, education officials made several changes. They included part-time and returning students in the calculation. They extended the time period to eight years. And they made separate calculations of how many students transferred before graduation, and how many were still in college.

The results paint a very different picture of community college success. The old measures, for example, captured about 620,000 students who began as first-time, full-time freshmen in 2008. Only 20 percent graduated from the community college they started at within three years. North Shore Community College was typical — its old graduation rate was 19 percent.

Such dire numbers became fodder for people defending for-profit colleges from heavy criticism of their high cost and poor outcomes. In 2014, Steve Gunderson, head of the main for-profit college trade association, wrote: “Our institutions have a 63% graduation rate in our two-year programs, while our colleagues at comparable public institutions — community colleges — have a graduation rate of 20%.”

The new graduation rates, by contrast, captured more than 1.5 million community college students. Even though that group included more than 710,000 part-time students, who are often less likely to graduate, extending the time frame to eight years increased the average graduation rate to 27 percent.

But transfers are where community colleges really shine. Some 510,000 students transferred before graduating, bringing the combined graduation and transfer rate up to 60 percent.

Including all of the part-time and returning students and looking over eight years boosted North Shore's graduation rate to 35 percent. Another 19 percent transferred before graduation. Others were still working toward a degree. All told, more than half of Mr. Burton's students had a successful outcome — not, as the old rates suggested, fewer than one in five.

The for-profit picture is not so rosy. The two-year programs Mr. Gunderson chose for comparison make up less than one-fifth of all for-profit enrollment. Four-year programs at for-profits have much *lower* graduation rates than those of comparable public institutions. Combined, they had a 34 percent graduation rate under the old measures. And in contrast with community colleges, the new measures make for-profits look worse, dropping their average graduation rate to 32 percent.

For-profit students seldom bring their credits elsewhere. Including transfer students increases the average for-profit success rate to just 39 percent, compared with 60 percent at community colleges.

In other words, Mr. Gunderson had it backward. The new measures suggest that community colleges are much more successful than for-profit colleges, not much less. They are also far cheaper and leave the average student with much less debt.

Some for-profit results are catastrophic. Take South University, a Savannah, Ga.-based for-profit college. In 2008, it enrolled 12,233 new students in its online degree programs — more than the University of Georgia and Georgia State University combined. The old measures show South University Online with a mind-boggling 2.4 percent graduation rate. But, as with community colleges, most South University Online students are nontraditional. What happens when all the students are counted over a full eight years?

Answer: The graduation rate increases to just 7.8 percent. Add in transfers? 8.1 percent. Include those still enrolled? 8.5 percent. Three years after leaving college, only 23 percent of South University Online students have paid back even a dollar on the principal of their student loans, probably because nearly all of them failed to earn a degree.

Despite these results, South University Online remains accredited by the Southern Association of Colleges and Schools, the same body whose response to a multidecade academic cheating scandal at the University of North Carolina was to put the campus on probation for a single year.

By comparison, the graduation rate of Georgia Northwestern Technical College, a public school, increases to 50 percent from 25 percent using the new measures. Preparing students to transfer falls to regional public universities in Georgia, instead of community colleges. Savannah State University has only a 33 percent eight-year graduation rate. But include transfer students, and its success rate rises to 81.2 percent.

Not all community colleges look better. San Jose City College in California, which graduates 19 percent of traditional students within three years, sees its graduation rate drop to 18 percent when part-time and returning students are included, even when the time frame is extended to eight years. Transfers improve the success rate only to 21 percent. Most students at San Jose City College are falling short. Many community colleges have room to improve.

But the big picture shows that community colleges were unfairly tarred by the old graduation rates. The results produced by including all students — and by looking over the right time frame and accounting for transfers — suggest that many prospective undergraduates may benefit from giving their local community college another look when searching for an affordable path to a degree. And lawmakers who have typically underfunded community colleges may want to direct more resources to institutions that are doing a difficult job better than we knew.

Correction: October 31, 2017

An earlier version of this article misstated the time frame when the old graduation rate statistics were created by the Department of Education. The legislation requiring the collection of the statistics was developed in the late 1980s, not the late 1990s.

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