PACE

COMMENTARY

Do Community Colleges Contribute to Local Economic Growth?

AUTHORS

Andrew Crookston | Spokane Falls Community College

Gregory Hooks | McMaster University

PUBLISHED: January 15, 2013

In the decades following World War II, community colleges expanded rapidly. They were charged with the unique mission of providing higher education opportunity to broad sections of the population that were unable to access four-year institutions. To accommodate GIs returning from World War II and baby boomers coming of age, policymakers committed resources to expand and fund community colleges. However, beginning in the 1970s, fiscal austerity constrained state budgets. Moreover, funding for community colleges competed with criminal justice and other policy priorities. When compared to earlier decades, community colleges' funding shares declined significantly, despite recognition that community colleges continue to play a prominent role in access to higher education. Advocates of higher education have lamented the anemic investment in community colleges and some have linked declining support for community colleges to a sustained investment in incarceration. While state and federal government have committed ever-growing resources to incarcerate (with younger, minority and less affluent citizens over-represented in prison), funding for community colleges has become both more scarce and less reliable. One reflection of these shifting priorities is the large number of prisons being built compared to a handful of community colleges. As the chart above reveals, California offers a stark example of a state that has placed emphasis on prison-building while all but abandoning community college expansion.

What are the repercussions of this shift in budgetary priorities? In particular, has the disinvestment in community colleges impacted economic growth? In this study, we investigate the impact of community colleges on local economies, focusing primarily on rural counties. By comparing community college expansion to prison building, we examine the societal investment in, and commitment to, community colleges over time, and then assess the degree to which community colleges provide a boost to local employment.

Employing a panel design and focused on rural counties across the United States, we examined whether or not community colleges contributed to job growth between 1976 and 2004. In two panels, 1976–83 and 1991–97 (when state appropriations constituted the lion's share of revenues), community colleges made a significant impact on employment growth. However, in the most recent panel (1998–2004, a period marked by tuition increases and labor-training contracts with employers), we no longer find community colleges contributing to local employment. Moreover, there appears to be a perverse trade-off. Community colleges traditionally maintained very low tuition rates, providing an opportunity for the least affluent to pursue post-secondary education. In recent decades, to compensate for declining state appropriations, many community colleges have imposed sharp spikes in tuition. Where community colleges have persisted in maintaining open access (i.e., tuition and fees constitute a relatively small share of community college revenues), we found an unexpected *inverse* relationship between the presence of a community

college and local employment growth (from 1998 to 2004).

The dispiriting findings notwithstanding, demand for community colleges continues to surge; growth has been especially dramatic in the context of the Great Recession, far surpassing the rate of growth at 4-year institutions. In meeting this demand, community colleges are being forced to try to do more with less. Our study suggests that the low priority given to community college funding not only compromises educational opportunities for students, it also reduces the local employment contributions that community colleges make. States seeking to expand educational opportunities and promote rural employment growth would be well-advised to consider a reprioritization towards community college and other postsecondary educational opportunities.

The full study is here: Crookston, Andrew and Gregory Hooks, "Community Colleges, Budget Cuts, and Jobs: The Impact of Community Colleges on Employment Growth in Rural U.S. Counties, 1976–2004" Sociology of Education, October 2012, 85(4) 350–372. The authors are also interviewed by the journal's editor in a podcast availablehere.

Suggested citation

Crookston, A., & Hooks, G. (2013, January). *Do community colleges contribute to local economic growth?* [Commentary]. Policy Analysis for California Education. https://edpolicyinca.org/newsroom/do-community-colleges-contribute-local-economic-growth

PACE
Policy Analysis for California Education

Stanford Graduate School of Education
507 Lasuen Mall | Suite 205
Stanford, CA 94305
Phone: 650.576.8484

edpolicyinca.org