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Why Free Community College Could Be a Futile Effort

Executive Summary

- President Biden's [American Families Plan](#) (AFP) proposes one of the largest federal investments in higher education in recent memory: making two years of community college free for first-time students.
- Community colleges have the lowest graduation rates of any post-secondary institution type, with about 60 percent of community college students failing to earn a degree or credential in six years.
- Given this high rate of non-completion, only \$44 billion of the AFP's proposed \$109 billion combined federal and state investment would result in a degree or credential; the majority – \$65 billion – would essentially be a loss.
- Moreover, as the AFP's proposal does not address the causes of low completion rates and poor outcomes, by making community college “free” it could instead worsen both.

Introduction

President Biden's [American Families Plan](#) (AFP) includes a proposal to make two years of community college free for first-time students. Under the plan, the federal government would cover 75 percent of the national average tuition of community colleges, with states picking up the tab for the remaining tuition and fees. The program is estimated to cost \$109 billion over 10 years. While the AFP's details on the proposal are sparse, a similar [proposal](#) was offered under the Obama Administration. Under that plan, first-time students who attend community college at least part-time and maintain a 2.5 GPA would have been eligible.

Community college is already one of the most affordable avenues in post-secondary education, especially compared to the traditional four-year track. Unfortunately, community colleges have the lowest graduation rate of any post-secondary institution type. As the AFP fails to address the causes behind these low graduation rates and poor outcomes, it would spend billions of taxpayers' dollars for students to attend community college but never complete any degree.

Low Graduation Rates at Community Colleges

In general, federal investments in higher education are made to upskill the workforce, leading to economic growth. Making community college free would presumably increase enrollment, leading to a higher-skilled labor force. But as noted above, most students attending community colleges never complete a degree or credential. Below is a table that

estimates the exact number of completers and non-completers based on six-year completion rates for the 2009 through 2013 cohorts of public two-year colleges. It also compares these figures against those for public four-year universities and for private non-profit four-year colleges.

Table 1: Estimated Completers vs. non-Completers by Type of Institution^{1,2}

Institution Category	2009 to 2013 Total Cohort Size	Estimated Completers	Estimated Non-Completers	Avg Completion Rate	Avg Non-Completion Rate
Public Two-Year	8,557,578	3,329,961	5,227,617	38.9%	61.1%
Public Four-Year	6,717,876	4,309,161	2,408,715	64.1%	35.9%
Private Non-Profit Four-Year	2,665,195	1,995,621	669,574	74.9%	25.1%

Of the 8.6 million students in the combined public two-year cohort, only 3.3 million (38.9 percent) received a degree or credential while 5.2 million (61.1 percent) did not receive a degree. The free community college proposal would therefore pour large amounts of federal funds into the least-successful sector of colleges. At least 60 percent, or \$65 billion, of the \$109 billion allocated for free community college under the AFP would go toward students who never finish or receive a degree.

Prior research has found myriad reasons why community college completion rates are low. One major reason is that community college students tend to be older than traditional four-year undergraduate students.³ Older students have tighter time constraints and more responsibilities while attending college compared to recent high school graduates. These factors often force older students to prioritize immediate employment over education. Another major reason for students' low completion rate is the lack of adequate academic preparation at the primary level of education.^{4,5} At least 80 percent of community college students enroll in at least one remedial course. The attrition rates of these remedial courses are high, so many students never make it past this point and drop out.^{6,7}

Failing to Address—and Potentially Exacerbating—the Problems

The AFP fails to address the causes of low graduation rates at community colleges. Eliminating community college tuition does not alleviate the time constraints and added

¹ <https://nscresearchcenter.org/persistence-retention/>

² https://nscresearchcenter.org/wp-content/uploads/Completions_Report_2019.pdf

³ <https://files.eric.ed.gov/fulltext/ED539913.pdf>

⁴ www.mdrc.org/publication/developmental-education-barrier-postsecondary-credential-millions-americans

⁵ <https://www.communitycollegereview.com/blog/new-study-70-of-california-community-college-students-fail>

⁶ <https://www.ppic.org/press-release/remedial-courses-in-community-colleges-are-major-hurdle-to-success/>

⁷ *ibid*

responsibilities of relatively older students, and thus is unlikely to improve completion rates. If the intent of the program is to upskill the nation's workforce—as is typically the case with federal investments in higher education—a more effective approach might focus on internship and apprenticeship programs, such as the reviving the recently cancelled [Industry-Recognized Apprenticeship Program \(IRAP\)](#).

Eliminating community college tuition also does nothing to improve an incoming student's academic preparation. In the 2017 sitting of the National Assessment of Education Progress, only 40 percent of K-12 students in the United States scored as proficient or higher. The majority, or 60 percent, scored at the basic level. The 2019 sitting saw [little](#) to no improvement. As such, a better focus might be on improving outcomes at the primary level of education.

Finally, by making community college free, the AFP may worsen the problem of non-completion. Tuition is a big motivator for students to complete their degrees as it is the cost they face regardless of completion. By removing tuition costs, community college students would no longer have to take into account their sunk costs should they drop out. Community colleges could see a large influx of students that want to take advantage of free tuition but have a much lower incentive to complete a degree.

Conclusion

The AFP's free community college proposal would mark one of the largest-ever federal investments in higher education. While the plan would increase access to community college, especially for low-income students, it does nothing to address the poor outcomes and low completion rates of community colleges. Policymakers who wish to focus federal funding on community colleges should first focus on improving their value by addressing the key causes of high dropout rates. Doing so would truly increase the effectiveness of any public investments in higher education by successfully upskilling the labor force, all the while avoiding the large amount of waste that comes with blanket tuition elimination.