Can Higher Education Foster Economic Growth?

Defining a Role for Community Colleges in Economic Development

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Chicago, IL
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Three messages

- Community colleges are the “other half” of higher education. They are by design and in practice central to economic development of a city or region.

- History, financing, and regulation constrain the role of community colleges in economic development.

- Multiple strategies exist – some beneficial and some possibly harmful – to enhance the role of community colleges in economic development.
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Community colleges represent nearly half of all undergraduate students

Undergraduate institutions and enrollments, 2005 in percent

100% = 4,000

Community colleges

<table>
<thead>
<tr>
<th>Number of institutions</th>
<th>Number of students</th>
</tr>
</thead>
<tbody>
<tr>
<td>25</td>
<td>42</td>
</tr>
</tbody>
</table>

All other

<table>
<thead>
<tr>
<th>Number of institutions</th>
<th>Number of students</th>
</tr>
</thead>
<tbody>
<tr>
<td>75</td>
<td>58</td>
</tr>
</tbody>
</table>

Accounts for . . .

- 47% of all Black undergraduate enrollments
- 55% of all Hispanic undergraduate enrollments

Source: Measuring Up 2006
# Community college missions

<table>
<thead>
<tr>
<th>Mission</th>
<th>Goal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Liberal Arts</td>
<td>baccalaureate transfer</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>occupational education</td>
</tr>
<tr>
<td>Adult Education</td>
<td>ESL, GED</td>
</tr>
<tr>
<td>Continuing Education</td>
<td>special interest</td>
</tr>
</tbody>
</table>
A typology for university led economic growth

University roles in alternative regional innovation-led growth pathways

Creating New Industries (I)
- Forefront science and engineering research
- Aggressive technology licensing policies
- Promote/assist entrepreneurial businesses (incubation services, etc.)
- Cultivate ties between academic researchers and local entrepreneurs
- Creating an industry identity
  - Participate in standard-setting
  - Evangelists
  - Convene conferences, workshops, entrepreneurs’ forums, etc.

Industry Transplantation (II)
- Education/manpower development
  - Responsive curricula
  - Technical assistance for subcontractors, suppliers

Diversification of old industry into related new (III)
- Problem-solving for industry through contract research, faculty consulting, etc.
  - Education/manpower development
  - Global best practice scanning
  - Convening foresight exercises
  - Convening user-supplier forums

Upgrading of mature industry (IV)
- Bridging between disconnected actors
  - Filling ‘structural holes’
  - Creating an industry identity
- Education/manpower development?

Source: Richard Lester, MIT
Postsecondary Educational Attainment Matters

Source: Tom Bailey, Columbia University Community College Research Center

- Less likely to be incarcerated
- More likely to vote
- Better health

Unemployment rate in 2003

- Doctoral degree: 2.1%
- Professional degree: 1.7%
- Master's degree: 2.9%
- Bachelor's degree: 3.3%
- Associate's degree: 4.0%
- Some college, no degree: 5.2%
- High school graduate: 5.5%
- Some high school, no diploma: 8.8%

Median weekly earnings in 2003

- Doctoral degree: $1,349
- Professional degree: $1,307
- Master's degree: $1,064
- Bachelor's degree: $900
- Associate's degree: $672
- Some college, no degree: $622
- High school graduate: $554
- Some high school, no diploma: $396

~ half attended CC
Highest growth critical jobs

Highest growth critical jobs in transportation, warehousing, & logistics for Northeastern Illinois

Source: Workforce Boards of Metropolitan Chicago

Annual job openings

- 4,000
- 7,000

Hourly rate ($/hr)

- Telemarketers
- Customer service rep
- Computer systems analyst
- Network and computer systems administrator

Job Zone Training Levels
Examples

- Denver
- Cleveland
- Bridge programs in Illinois
- Many others
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Sources of funding - Chicago

Revenue sources, 2005

100% = $350 million

Source: City Colleges of Chicago Fact Sheet 2005
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Potential strategies

- Align entrance and exit requirements
- Focus and measure outcomes
- Move “upstream”
- Argue for best use of public dollars
# Community college missions

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<tr>
<th>Mission</th>
<th>Enrollment</th>
<th>Outcomes</th>
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</thead>
<tbody>
<tr>
<td>Liberal Arts</td>
<td>47,700</td>
<td>1,300 AA degrees</td>
</tr>
<tr>
<td>Workforce Development</td>
<td>26,200</td>
<td>800 AS degrees</td>
</tr>
<tr>
<td></td>
<td></td>
<td>5,800 certificates</td>
</tr>
<tr>
<td>Adult Education</td>
<td>47,500</td>
<td>NA</td>
</tr>
<tr>
<td>Continuing Education</td>
<td>8,200</td>
<td>NA</td>
</tr>
</tbody>
</table>
Potential strategies

- Align entrance and exit requirements
- Focus
- Move “upstream”
- Argue for best use of public dollars
Thank you

- Richard Lester
- Rick Mattoon
- Sean Safford