EDUCATION FINANCE AND POLICY

EFP Takeaways

Effects of Reduced Community College Tuition on College Choices and Degree Completion

Background

With nearly 40 percent of U.S. undergraduates enrolled at community colleges, efforts to increase college access and completion often focus on reducing tuition in this sector. However, some worry that tuition reductions could negatively affect four-year college enrollment and bachelor's degree completion. At the same time, reductions in community college tuition could deter students from enrolling in private, two-year colleges—such as for-profit institutions—that previous research shows have poor student outcomes. Riley Acton at Miami University explores this topic by examining how community college tuition rates impact a range of college enrollment and completion outcomes. Her work is published in vol. 16 issue 3 of *EFP*.

The Study

Acton examines how community college tuition rates affect students' enrollment choices and college persistence in both public and private colleges. The study compares the outcomes of high school graduates from 2009 and 2016 who reside on either side of a boundary of one of Michigan's 28 community college districts. Students who reside in-district face a substantially lower tuition rate at their local community college than those who reside just outside of the district.

For more details:

- View the full issue.
- See the full article in *Education Finance and Policy*.
- Sign up here to receive future *EFP Takeaways*.
- Summary of:
  Acton, R. (2021). Effects of Reduced Community College Tuition on College Choices and Degree Completion. *Education Finance and Policy, 16 (3): 388-417.*

Findings

Results indicate that Michigan students who live in-district, and thus have access to low cost community college, are more likely to attend their local community college and less likely to either not attend college or to attend lower quality, private vocational colleges. Specifically, a $1,000 reduction in community college tuition increases enrollment at the college by 3.5 percentage points (18 percent).

This shift in students' enrollment choices increases students' persistence in college, their completion of college credits, and the likelihood that they transfer to and earn bachelor's degrees from four-year colleges. The findings of this study imply that expanding in-district tuition rates to the 25% of Michigan students currently residing outside of a community college district would boost educational attainment, as would other interventions that encourage students to attend community colleges over lower-quality options, such as for-profits.

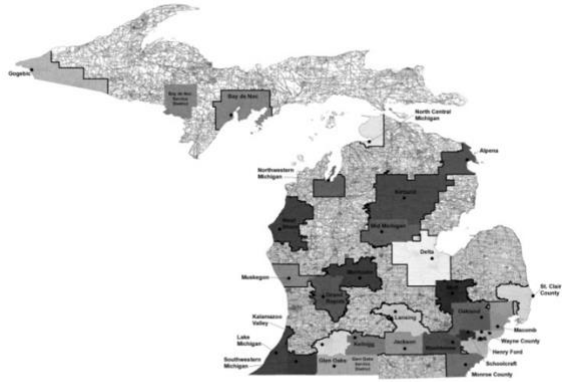

Figure 1. Community College District Boundaries