

Chairman Scott, Vice Chair Levin, Ranking Member Foxx, and Members of the Committee:

Thank you for inviting me to testify.

I lead higher education grant-making at the Joyce Foundation. The Joyce Foundation funds state and federal policy development and advocacy to advance racial equity and economic mobility in the six-state Great Lakes region. The Foundation distributes a total of \$50 million to non-profit organizations annually and has assets of \$1 billion. For decades, the Foundation has worked to help people get better jobs through education and workforce development programs.

Educational attainment is a key determinant of an individual's lifetime earnings and stable employment. And it is a key factor in increasing the economic competitiveness of regions, communities, and states vis-à-vis other nations. That's why it is troubling that gaps in college attainment are widening by race and income.

In 1990, 26% of white 25-29 year-olds held a bachelor's degree or higher while 13% of black young adults did – a gap of 13 percentage points. Since then, that gap has gotten worse and now is 19 percentage points. For Latinx young adults, the story is the same: in 1990, 8% had a bachelor's degree or higher, for a gap of 18 percentage points. Since then, the gap has gotten worse and is now 24 points.¹ Similarly striking is the gap by income: students from wealthy families are now 48 percentage points more likely to hold a baccalaureate degree than students from poor families. That gap, too, has widened.²

Our Foundation's goal is to foster racial equity and economic mobility to increase the vitality of Great Lakes communities. These college attainment gaps must be narrowed to make that possible. We hope this committee will support the changes to our college system that would move us in that direction.

A good place to begin is in the community college system. Half of first-time black, Latinx students, and low-income students start in community colleges. So it's especially critical that these students complete their degrees and find a job that helps them move up the economic ladder. That's one reason the Joyce Foundation has supported the Aspen Prize for Community College Excellence since its inception.³ Although community colleges serve the students with the greatest need, they do so while spending far less per student than other types of colleges, as Dr. Susan Dynarski noted in a previous hearing.

¹ NCES data. Accessed at: https://nces.ed.gov/programs/digest/d17/tables/dt17_104.20.asp

² Top 20% vs bottom 20% in net worth. Pfeffer, Fabian. "Growing Wealth Gaps in Education" Demography, 2018. Accessed online at: <http://fabianpfeffer.com/wp-content/uploads/Pfeffer2018.pdf>. Also covered in the New York Times: <https://www.nytimes.com/2018/03/25/opinion/college-graduation-gap.html?module=inline>. See also Bailey and Dynarski. "Gains and Gaps." National Bureau of Economic Research. 2011

³ Community College Research Center at Columbia University. Accessed at: <https://ccrc.tc.columbia.edu/Community-College-FAQs.html>

Therefore, the first area I would like to focus on with the committee is **well-targeted investments in community colleges can yield significant and measurable increases in college completion.**

Currently, only 39% of students who start in a community college will complete a certificate or degree from any institution within six years.⁴ And that number is lower for black and Latinx students. But on a positive note, a growing body of evidence has shown that it is possible to increase graduation rates in community colleges. Randomized control trials on four programs show colleges can double and even triple graduation rates.⁵ In some cases, those programs are increasing graduation so much that they actually reduce the number of dollars spent per college graduate, proving that investments in higher education can be both effective and efficient.

This evidence led a bipartisan group of two former Chairs of the Council of Economic Advisors, Austan Goolsbee and Glenn Hubbard, and Aspen expert Amy Ganz to propose a new \$22 billion per year federal investment in community colleges, which they estimate would produce 3.6 million incremental college graduates from 18-24 year olds in 2030 and add 28 million older workers with college credentials by 2030.⁶ While \$22 billion is a very large number, it points to the growing ability of the field to link targeted investments to clear outcomes in community colleges. Many philanthropies are trying to scale these programs up, but it is unlikely that we will achieve significant scale without federal or state funds.

Federal policymakers could help by providing funding to scale up these evidence-based programs.

The second area that I want to mention is **connecting community college graduates to good jobs.**

What we see now is that well-paid **jobs are shifting to people who have bachelor's degrees.** In the last 25 years, the economy added 18 million well-paid jobs for people with bachelor's degrees, 3.2 million well-paid jobs for associate's degree graduates, and added 300 thousand well-paid jobs for certificate holders, and – over the same period - lost 1.8 million well-paid jobs for high school graduates.⁷

⁴ National Student Clearinghouse – 2018 National College Completion report. Accessed at: <https://nscresearchcenter.org/signaturereport16/>

⁵ The four programs are CUNY ASAP (evaluator: MDRC), One Million Degrees (evaluator: University of Chicago); Arkansas Career Pathways Initiative (evaluator: College Counts); and Stay the Course (evaluator: Notre Dame Lab for Economic Opportunity)

⁶ Goolsbee, Hubbard, and Ganz. “A Policy Agenda to Develop Human Capital for the Modern Economy.” Aspen Institute (2018). Accessed at: https://assets.aspeninstitute.org/content/uploads/2019/01/1.1-Pgs-16-39-A-Policy-Agenda-to-Develop-Human-Capital-for-the-Modern-Economy.pdf?_ga=2.84399641.1092312820.1560193520-719562301.1559839133

⁷ See Figure 5 in Carnavale, Strohl, Ridley, and Gulish. “Three Educational Pathways to Good Jobs.” Georgetown Center on Education and the Workforce (2018). Accessed at: <https://cew.georgetown.edu/cew->

To reiterate – the well-paid jobs are increasingly moving towards requiring bachelor’s degrees or higher. Because under-represented minorities or individuals from less-wealthy families are increasingly behind in getting those degrees, that move to bachelor’s degrees is increasing economic inequity in our society.

We thus support those **employers bucking the trend and hiring Associate’s degree graduates for jobs that typically require four-year degrees**. One such effort is happening in Chicago. Aon, Accenture, and other leading employers have hired, retained, and promoted community college graduates in their firms, working closely with the City Colleges of Chicago and Harper College. At the request of the employers, philanthropic investment from the Joyce Foundation, the Pritzker-Traubert Foundation, the Chicago Community Trust, the MacArthur Foundation and the philanthropic arm of JP Morgan Chase has focused on building the capacity of community colleges and non-profit partners to meet employer demand.

Federal policymakers could support college-employer partnerships when they will lead to wage progression. Knowing whether there is wage progression will, in turn, require better federal data collection.

But given the growing employer demand at the bachelor’s level, a third area worth exploring is **improving the community college pipeline to four-year degrees**. Unfortunately, fewer than 1 in 5 students who start in a community college will earn a bachelor’s degree within 6 years.⁸ That reflects both structural barriers and a student population that may be part-time due to work or family obligations.

State policies could be designed to reduce the need to repeat costly college credits and to smooth the path to a four-year college. This is a good example of how philanthropy can help support innovation. Together with the Kresge Foundation, the ECMC Foundation, and Ascendium Education Philanthropy, the Joyce Foundation is supporting technical assistance to Virginia, Minnesota, and Texas to dramatically improve statewide transfer outcomes.

Public universities can also make a difference by strengthening their commitment to recruiting and admitting community college transfer students. We know, based on Joyce-funded research from the Institute for Higher Education Policy, that the share of black and Latinx students in Great Lakes public flagship universities is declining relative to their share of the population.⁹ We need to ensure greater equity in public universities. The same is true for students from lower-income families. They are significantly under-represented relative to their share of the population.¹⁰

[reports/3pathways/](#). The authors define “good” jobs as those that pay \$35k or more for workers between 25 and 44 and \$45k or more for workers between 45 and 64.

⁸ National Student Clearinghouse report. Accessed at: <https://nscresearchcenter.org/signaturereport13/>

⁹ See the Institute for Higher Ed Policy research at www.ihep.org/equitysnapshots

¹⁰ See for example: <https://www.nytimes.com/interactive/2017/01/18/upshot/some-colleges-have-more-students-from-the-top-1-percent-than-the-bottom-60.html> and <https://www.washingtonpost.com/news/answer->

On a positive note, the best universities in the country are tackling this issue; at UCLA, community college transfer students make up a third of the incoming students each year.¹¹ Given the imperative to do better, the Joyce Foundation supports Ohio State in its work to improve its pipeline and success with community college and regional campus transfer students.

Much of the work to address effective transfer must be done by individual institutions and states. But federal policymakers could also play a role by creating stronger incentives for selective institutions to enroll under-represented minority and lower-income students.

As I mentioned earlier, well-paid and stable jobs increasingly require bachelor's degrees. Thus, my fourth point is that changing skill needs may mean that **community colleges should offer technically-oriented baccalaureate degrees**. Twenty-five states allow community colleges to grant work-aligned four-year degrees to fill specific employer needs. Together with the Lumina Foundation, the Joyce Foundation is funding research on the efficacy and scale of these offerings. Across the country, we see programs in microelectronics, cybersecurity, and early childhood education, among others. These degrees may simultaneously be able to improve equity, address challenges with transfer, and serve an employer need that is not addressed adequately by the higher education system.

Progress in this area, too, appears to belong in the domain of states. But I thought it was an issue worth tracking for this committee.

My fifth and final point is that investments in education technology may not improve outcomes as much as we initially hoped, especially if implementation is not carefully managed. A couple years ago, Joyce funded research to see whether high school equivalency and English language learner outcomes for adults could be improved through the use of technology. Our research failed to find an impact, adding to a mixed research base on education technology for adults in college preparation and college on-ramps.¹² I'd be happy to provide more information on our effort if it is of interest.

As this body considers how it will support innovation in the higher education system, I hope you will consider programs with the potential to meaningfully close the race- and income-based gaps in baccalaureate attainment and help build a more equitable society for all.

Thank you again for inviting me to testify. I would be happy to answer questions.

[sheet/wp/2018/08/06/the-talent-is-out-there-so-why-dont-elite-colleges-enroll-more-low-income-students/?utm_term=.c3a90c1fb373](https://www.joycefdn.org/wp/2018/08/06/the-talent-is-out-there-so-why-dont-elite-colleges-enroll-more-low-income-students/?utm_term=.c3a90c1fb373)

¹¹ See "The Talent Blind Spot" by Ithaka S+R and the Aspen Institute. Accessed at:

<https://sr.ithaka.org/publications/the-talent-blind-spot/>

¹² More details on that effort and its findings is here: <http://www.joycefdn.org/news/educational-technology-can-it-improve-job-prospects-for-adults-who-need-stronger-math-and-english-skills>. A survey of the landscape by Sandy Baum and Spiros Protopsaltis may also be helpful: <https://mason.gmu.edu/~sprotops/OnlineEd.pdf>.