

# The Financial Needs of Community College Students

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There are many compelling reasons why people – even those with four-year aspirations – choose to go to a community college. The application process is simple, straightforward and inexpensive. Admission is all but guaranteed. The campus is conveniently located. Class times fit around work and family obligations. Transfer credit is often guaranteed to in-state, four-year institutions. And perhaps most important of all, community college is easier to pay for. At least, that’s how the story goes.

The majority of Hispanic undergraduates, 58 percent, are enrolled in two-year institutions, a percentage that is higher than that of other ethnic groups. Latino students also are more likely to enroll part time in college at a higher percentage than are White, Black or Asian-American/Pacific Islander students. Economics plays a major role in both these trends. Latinos tend to have lower family income, which impacts the students’ ability to study full time – since they have to work to support themselves and their families – and makes students sensitive to tuition costs.

Unfortunately, this path to a bachelor’s degree can be daunting. According to the Pew Hispanic Center, “less than 13 percent of Hispanic students who begin at a community college complete a bachelor’s degree, compared to 23 percent of their White peers.”

Of the many barriers faced by today’s community college students, the least explored is the impact of financial issues on those who want to transfer.

## Financial Barriers

In *Trends in College Pricing*, the College Board reports that the average cost of a college education rose faster than inflation in 2007, a trend that has persisted for over three decades.

Financial aid has not kept pace with the increases in college tuition. According to the College Board, percentage increases in grant aid were largest for the wealthiest students ... at the most expensive schools. This is the result of continuous increases in merit aid. Meanwhile, at both the federal and state levels, student financial aid based on need has declined to its lowest level.

For instance, federal Pell Grants today cover only 32 percent of tuition and fees and other expenses at the average public four-year college, compared to 52 percent 20 years ago. To make the problem worse, Latino students receive the least amount of federal aid, on average, and are less willing to take on loans than are other students.

In 2006-07, average tuition at a community college was \$2,361. This represents only 38 percent of the cost of the average tuition at a four-year public university (\$6,185). At first blush, this makes attending community college a compelling, if not downright savvy, economic choice. But the reality is much more complicated.

Financial aid policies at the institutional, state and federal level have failed to acknowledge the need to support transfer students and increase the participation rates for students from lower-income families. Financial aid policies remain driven by the traditional way of doing college, the linear way, with little student mobility taken into account. Specifically:

- Although Pell Grant awards are transportable, transfer students still face time limits for using the award. During the transfer process, if some of the credits earned are not accepted or are only accepted as electives, students will have to complete additional courses in their major to satisfy degree requirements. Taking additional courses will mean taking longer to complete the degree and not having enough Pell Grants available to pay for that extra time. Course alignment and transfer agreements guaranteeing that all credits earned will be counted are critical policies to promote student transfer.
- Only limited financial aid exists for part-time students. For instance, at the federal level, part-timers are not eligible for Stafford or PLUS loans.
- Students also face the challenge of limited access to financial aid and the lack of scholarship money to attend summer school, which recent research has shown to be a good indicator of degree attainment.
- Most four-year institutions frontload their financial aid to attract a desirable first-year class, leaving students who transfer with little or no funds available in the form of institutional scholarships, grants or even work-study. In a sense, transfer students are second-class citizens who tend to be admitted last and given little or no institutional financial support.

For Latino students who manage to finish their associates degree and then wish to enroll in a four-year college, this can be a devastating situation. Their access to financial aid decreases just when they are faced with an average \$3,824 tuition increase – not to mention higher student fees and, possibly, increased room and board costs. This gap is not only alarming, it is mostly unexpected.

Students – particularly first-generation college attendees with solid academic records – are rarely told that, given the current way of doing things, they might be better off going to the more expensive four-year college from the beginning, when they can get a comprehensive financial aid packet, rather than facing the financial consequences of transferring.

### Case Study: Aiding Transfer Students in Connecticut

As in most other states, the majority of Latino students in Connecticut attend one of the 12 community colleges in the area. Current Hispanic enrollment at the community college sector is 6,724 or 13.9 percent. In the last five years, Latino enrollment at the community colleges has increased 23 percent. In comparison, the four comprehensive universities of the Connecticut State University (CSU) system enroll only 1,799 or 6 percent Hispanics. Most community college students continue their studies in one of the four universities within the Connecticut state system. This fall, out of 1,152 students who transferred to CSU, only 185 were Hispanics.

Increasing the number of Latino students who successfully transfer to four-year institutions should be a higher education goal for the state. Unfortunately, this has not been the case.

One-year retention for Hispanics at the community colleges is 54 percent, compared to 60 percent for White students. The graduation rate for all students is 13 percent. Only 10 percent of last year's community college graduates were Latinos.

The Latinos Endowment Fund (LEF), a giving circle of the Hartford Foundation for Public Giving, serves as a vehicle for members to pool their funds and expertise to impact the Latino community in positive ways. To better understand the pathway to a baccalaureate degree, LEF held a forum in the spring of 2007 on the topic, "Community Colleges: Opportunity or Dead End?" (*Oportunidad o Carretera sin Salida*). Three well-recognized educators, Marc Herzog, chancellor of the Community Colleges; Wilfredo Nieves, president of Middlesex Community College; and Elsa Núñez, president of Eastern Connecticut State University, discussed the issues and offered recommendations.

Along with inadequate academic preparation, and difficulty in developing transfer and articulation agreements, the panelists agreed that lack of financial aid for transferring students is another barrier for completing the baccalaureate degree. While tuition at Connecticut community colleges is \$2,820, that amount nearly triples for those who transfer to a public four-year institution in the state, where the average tuition is \$7,586.

Based on the discussion and recommendations offered by the panelists, LEF decided to award funds to a proposal that offered an innovative approach to helping Latino students in the transition from a community college to a four-year institution. The program offers dual enrollment to a cohort of Latinos students who will attend Quinebaug Valley Community College and Eastern Connecticut State University. The students will enroll in nine credits at Quinebaug (including developmental courses as needed) and four credits at Eastern. Students will live at Eastern and receive a number of services, including direct instruction, professional and peer tutoring, academic advising, financial aid advising and family outreach.

This proposal creates a seamless pathway to the degree because, from the beginning, the student is enrolled at a four-year university. All course credit earned will be accepted for the degree, and financial aid will support the pathway to a baccalaureate degree.

In addition to this funded proposal, an anonymous donor from LEF provided funds to start a scholarship program for Latino students who

transfer to a four-year university. LEF plans to seek donations to increase this scholarship fund so that more students can be supported.

### Recommendations

Just as institutions have been working to make credit articulation seamless between participating community colleges and their four-year counterparts, a comprehensive approach to financial aid is needed. A recent report from the National Center for Public Policy and Higher Education, *Good Policy, Good Practice*, advocates for the following:

- Avoiding loans until students are in the last half of their academic programs to reduce the likelihood of students acquiring debts without gaining a credential
- Ensuring that priority for financial aid goes to low-income students
- Making the state rather than institutions responsible for distributing financial aid awards

To this list, we would like to add:

- Communicating with students early on – beginning in high school – about their financial aid options and providing them with the facts they need to make an informed decision about how best to proceed
- Tracking students at a state or national level, instead of an institutional one, so that their progress toward degree completion can be accurately measured.
- Increasing aid for part-time students
- Securing financial aid to cover the increased cost in tuition and fees students face when they transfer to a more expensive four-year institution
- Identifying and evaluating "best practices," especially from those states that have begun to address financial aid programs in transfer

But if none of the above happens, Latinos can still come together as the members of LEF did to ensure that our students can complete the pathway to a baccalaureate degree.

The most generous scholarship program designated specifically for community college transfers comes from the Jack Kent Cooke Foundation. According to the foundation's Web site, each of the 50 awards given each year covers "tuition, living expenses, required fees and books ... [up to] \$30,000 per year."

The Hispanic Scholarship Fund also makes money available specifically for transfer students – and only Latino ones at that.

At the local level, more than 650 four-year colleges and universities from all 50 states and the District of Columbia offer merit-based scholarships for transfers from two-year schools, often for members of Phi Theta Kappa, the honor society of two-year colleges. Both two- and four-year school administrators should advertise the availability of these funds to families and students.

As college degrees become more and more necessary for success in the work force, it is crucial that we find solutions to this financial aid situation. A 13 percent graduation rate just isn't enough. Students should not have to pay, literally and figuratively, for lack of a financial aid system that addresses multiple points of entry to the baccalaureate degree.

### For more information:

Hispanic Scholarship Fund: [www.hsf.net/Scholarships.aspx/](http://www.hsf.net/Scholarships.aspx/).

Jack Kent Cooke Foundation: [www.jackkentcookefoundation.org/](http://www.jackkentcookefoundation.org/).

Phi Theta Kappa Scholarships: <http://scholarships.ptk.org/>.

