



## Community Colleges: Still an Affordable Route to a Degree?

This white paper continues the Commission's examination of how rising college costs are affecting California families. An earlier paper looked at the costs for students living on campus at the University of California and the California State University. Rising costs for UC and CSU have been particularly hard on middle- and lower-income families whose incomes have not kept up with inflation in the last 20 to 30 years.

This paper looks at costs for students who live with their parents and commute to a nearby community college. Costs for these students have grown over the last few decades, but more moderately than costs for students at residential university campuses.

### Findings

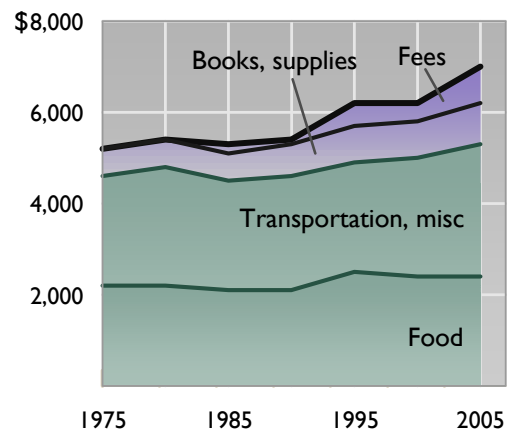
Costs are still relatively low, but a community college education is no longer easily affordable in the way that it was in the past. In the 1970s, a commuter student who worked full-time during the summer or part-time during the school year could easily cover their expenses. With stagnating wages for low-skill jobs, students can no longer pay their way with part-time work. Today, even community college commuter students must seek financial aid and turn to their parents for support.

For many students community colleges are still an affordable route to a degree. Most students in California live within easy reach of one of the state's 110 community college campuses. Students who take their lower-division work at a community college and transfer to a four-year university as a junior can complete their education without building up the debt that plagues so many four-year college students today. An efficient transfer system is an important way of broadening access to public universities. Living costs are a major driver of the cost of a community college education, so it is important that students get the counseling and guidance they need to complete their studies in a timely manner.

- For middle-income families the percentage of income needed to support a commuter student is about the same as in the 1970s and 1980s. For low-income families, costs have increased as a percentage of their incomes.
- In 1975, a 12-week summer job in retail would pay well over what was needed to cover a year's expenses for a commuter student. In 2005, a similar job would only cover two-thirds of these costs.
- Living costs are by far the most significant part of the cost of a community college education. Tuition is only 11% of the total, and is less than the cost of books and supplies.

### Costs for Commuter Students Constant 2005 dollars

A commuter student's costs at a community college for a year were about \$7,000 in 2005. This is an increase of 13% from 10 years earlier when adjusted for inflation.



Annual costs for students at community colleges living with their parents. These students have expenses for food, transportation, miscellaneous items, books, and tuition, but not for rent.

## Costs for Community College Students

The cost of a community college education remained fairly stable until the early 1990s, with costs increasing at about the same rate as general inflation. Throughout the 1970s and 1980s, the cost of supporting a community college student living with his or her parents was about \$5,000 when measured in 2005 inflation-adjusted dollars.

College costs began to increase in the mid-1990s. In part, this was driven by fee increases, but other costs began to increase faster than inflation then. For example, the costs of miscellaneous items went up by 24% between 1995 and 2005 when measured in constant inflation-adjusted dollars. Although tuition has increased nearly eight-fold since the community colleges started charging fees in 1984, tuition is still a small part of the total cost of attendance. In 1985, tuition and books accounted for 15% of the total cost of attendance. In 2005, tuition and books combined were still less than a quarter of total costs.

Costs increased sharply between 2000 and 2005. Overall, the price tag in 2005 for supporting a commuter student for a year at a community college was \$7,000.

A key component to maintaining affordability is a student's ability to live rent-free in a parent's home. Costs of students who live independently from their family are strikingly different, with housing costs roughly doubling the total cost of attendance.

## Cost Burden by Family Income

The recent increases in costs affect various segments of the population differently. The cost of a year at community colleges has remained at about 10% of annual income for middle-income families and has actually fallen as a percentage of income for families in the top income brackets. Wage stagnation for families in the low-income groups has meant that supporting a student at a local community college has gone from about 23% of annual income to 27% of annual income in 2005. Some of these costs are offset by grants or fee waivers, but with rising living costs, financing a community college education is becoming increasingly difficult.

In some cases, a student may not have all of these costs. For example, a student living modestly, riding a bike, or using a public transit pass provided by their college, would not have transportation costs. Also, some families might be willing to continue to support a student in the same way as they did when the student was in high school — these families might not view food as an additional cost. If transportation and food costs are eliminated, the minimum annual cost of a community college education drops to \$3,600. Nonetheless, this is still a significant burden for many families, equating to seven weeks of income for a low-income family.

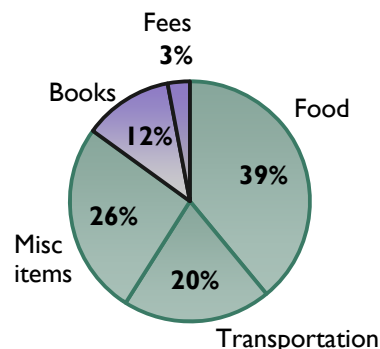
## Costs for Students at UC and CSU

Costs for students living on-campus at CSU and UC are in *Who Can Afford it? How Rising Costs are Making College Unaffordable for Working Families*, published in June 2008 and available at [www.cpec.ca.gov](http://www.cpec.ca.gov).

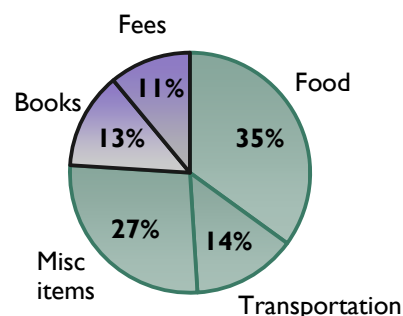
## Costs for Commuter Students at Community Colleges

**1985 — Total \$3,100**

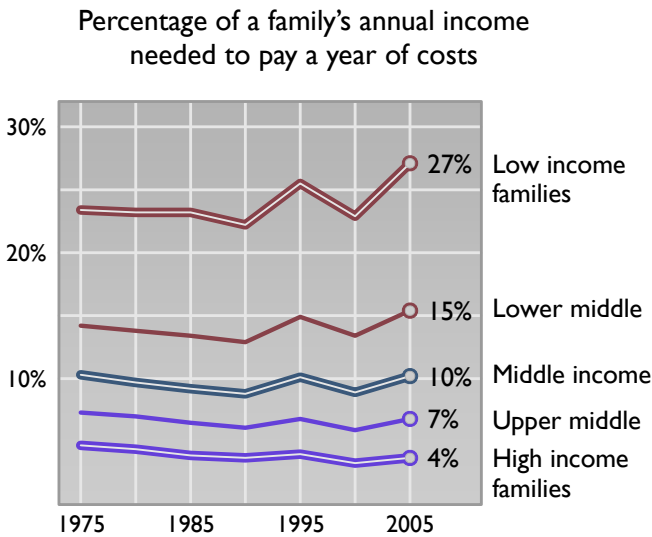
Equivalent to \$5,300 in 2005 dollars



**2005 — Total \$7,000**



**Costs for Commuter Students Compared with Family Incomes**



Number of weeks of income needed to pay a year of costs

	Low-income families	Middle-income families
Commuter students		
1975	12 weeks	5 weeks
2005	14 weeks	5 weeks
Students with minimum costs		
1975	5 weeks	2 weeks
2005	7 weeks	3 weeks

Costs for commuter students include expenses for food, transportation, miscellaneous items, books, and tuition, but not for rent. Costs for students with minimum costs exclude transportation and food.

Income group		Sample of occupations paying at this level
Low income	Annual income about \$25,000 <i>20% of families have incomes below this level</i>	Delivery drivers, receptionists, preschool teachers, hospital cooks, office machine operators, ticket agents, bank tellers, medical assistants, farm foremen, electronic assemblers, machine minders
Lower-middle income	Annual income about \$43,000 <i>40% of families have incomes below this level</i>	Bricklayers, food service managers, legal secretaries, police dispatchers, plumbers, production foremen, air conditioning repairmen, vocational nurses, motel managers, news reporters
Middle income	Annual income about \$66,000 <i>60% of families have incomes below this level</i>	Police officers, medical lab technicians, computer network administrators, registered nurses, budget analysts, real estate appraisers
Upper-middle income	Annual income about \$103,000 <i>80% of families have incomes below this level</i>	Pharmacists, personnel managers, marketing managers, research and computer scientists
High income	Annual income about \$185,000 <i>Only 5% of families have incomes above this level</i>	Physicians, top executives

See page 5 for sources of data used in this report.

## Grant Awards

Estimating the way that financial aid affects the cost burden for community college students, by factoring in grants and tuition waivers is a tricky endeavor due to data inconsistency and caveats that must be applied to any analysis. Although the California Community Colleges System Office collects and maintains some student financial data, its staff advise researchers to use data from the U.S. Department of Education, National Center for Education Statistics. This includes data from the National Postsecondary Student Aid Study (NPSAS).

The NPSAS data can be used to give a general indication of grant levels but the data are not broken down in a way that allows an estimate of grants received by full-time commuter students in particular income brackets. When confining the NPSAS data parameters to California two-year public institutions, the sample size becomes too small to place great reliability on the outcome.

The NPSAS figures give a general indication of grant levels for students at the lower end of the income scale. These students receive approximately \$2,900 annually, mostly in federal grants. It is estimated that 13% of students at the lower income levels do not receive any grant money. These award amounts are significant in relation to the cost of attendance at community colleges and, for the students that receive them, alleviate a substantial burden for students in the lowest income percentiles.

More comprehensive information on grants would be beneficial to state policymakers in developing an understanding of a student's financial situation and the degree to which costs are offset by grant funds. As resources become available, it would be useful for the California Community Colleges System Office to collect more data on the sources of financial aid used by community college students.

## Implications for California

Community colleges, due to low fees, remain an affordable higher education option for working families, when compared not only to four-year universities but also to two-year institutions across the country. But the low cost of a community college education rests heavily on the student's ability to live at home and have housing costs and other living expenses absorbed by their family. The cost burden will vary according to the financial contributions expected of students by their parents. In addition, the option of taking lower-division work at a local community college may not be available to students who live in remote areas or in towns that are too small for a community college center that can offer a full range of lower-division courses.

---

### Can community college students work their way through college?

In the 1960s and 1970s, it was easy for commuter students to finance their education with part-time jobs. Seasonal or part-time work in construction, retail, or food service paid well enough to cover living and educational expenses for these students.

In 1975, the average wage for retail salespeople was \$4.75 an hour. By working 12 weeks over the summer at 40 hours a week, a student could earn \$2,300, well over the \$1,600 needed to pay the costs of food, transportation, books, and other items for a year.

Wages for low-skill jobs have not kept up with college costs. In 2005, the average wage for retail salespeople was \$8.75 an hour. The 12-week summer job would pay \$4,200, enough to pay only 60% of the \$7,000 needed to pay for a year at community college.

Community college students with part-time jobs are in a better position to offset their costs than students living on campus at 4-year universities, where a job makes a smaller dent in college costs. But commuter students can no longer pay as they go. Rising costs mean that today even community college students living with their parents must turn to their families for support, seek financial aid, and carefully weigh the costs of loans against the value that they may get from a college education.

---

Although students living with a parent do not have housing costs they still have other living costs, so it is important that they do not prolong their studies, possibly building debt. It is critical that community colleges have the resources to give students the guidance they need to plan their studies and to make courses available so that students can complete their studies in a timely manner.

As costs at four-year institutions increase at a sharper rate, and debt levels upon graduation become increasingly daunting, families across all income levels are more likely to turn to community colleges for their postsecondary education needs. In addition, the weak economy and increasing unemployment will spur many workers to seek training for new occupations. The increased benefits available to veterans from the 21st Century GI Bill will encourage veterans and their family members to attend college.

That said, it is evident that many community colleges are at capacity and require construction of new facilities and updating of current facilities to accommodate enrollment growth. In the current budget crisis there are many demands for state funding and voters may be reluctant to approve bond measures for new community college facilities. Nonetheless, the community college system should maintain affordability, should continue to grow to accommodate enrollment demand, and should be provided with the resources needed to accomplish these tasks.

---

### Sources of data

**Student fees.** Data from Commission report *Fiscal Profiles*. Includes total fees for California community colleges from 1975 to present.

**Food, books, supplies, transportation, miscellaneous.** Data for years after 1984 from the College Board. Costs for earlier years were estimated from 1984 costs using the change in the appropriate component in the Consumer Price Index from the U.S. Bureau of Labor Statistics.

**Income and Wages.** Family incomes by percentile from the U.S. Census. Wages by occupation from the U.S. Bureau of Labor Statistics.

**Grants.** Median federal, state, and institutional grant award amounts from the National Postsecondary Student Aid Study. Figures for California public, two-year institutions.

---

**Student Costs Compared to Family Incomes**

Year	Family income	Commuter Student			Student with minimum costs		
		Total cost	Percent income	Weeks of income	Total cost	Percent income	Weeks of income
Low-income families – 20th percentile							
1975	\$6,987	\$1,636	23%	12	\$629	9%	5
1980	\$10,400	\$2,416	23%	12	\$897	9%	5
1985	\$13,285	\$3,083	23%	12	\$1,271	10%	5
1990	\$16,846	\$3,736	22%	12	\$1,571	9%	5
1995	\$19,070	\$4,880	26%	13	\$2,215	12%	6
2000	\$24,000	\$5,476	23%	12	\$2,518	11%	6
2005	\$25,616	\$6,961	27%	14	\$3,570	14%	7
Lower-middle-income – 40th percentile							
1975	\$11,505	\$1,636	14%	7	\$629	5%	3
1980	\$17,510	\$2,416	14%	7	\$897	5%	3
1985	\$22,886	\$3,083	13%	7	\$1,271	6%	3
1990	\$29,044	\$3,736	13%	7	\$1,571	5%	3
1995	\$32,985	\$4,880	15%	8	\$2,215	7%	4
2000	\$40,840	\$5,476	13%	7	\$2,518	6%	3
2005	\$45,021	\$6,961	15%	8	\$3,570	8%	4
Middle-income families – 60th percentile							
1975	\$16,000	\$1,636	10%	5	\$629	4%	2
1980	\$24,800	\$2,416	10%	5	\$897	4%	2
1985	\$33,152	\$3,083	9%	5	\$1,271	4%	2
1990	\$42,040	\$3,736	9%	5	\$1,571	4%	2
1995	\$48,985	\$4,880	10%	5	\$2,215	5%	2
2000	\$61,325	\$5,476	9%	5	\$2,518	4%	2
2005	\$68,304	\$6,961	10%	5	\$3,570	5%	3
Upper-middle-income families – 80th percentile							
1975	\$22,153	\$1,636	7%	4	\$629	3%	2
1980	\$34,800	\$2,416	7%	4	\$897	3%	1
1985	\$48,229	\$3,083	7%	3	\$1,271	3%	1
1990	\$61,490	\$3,736	6%	3	\$1,571	3%	1
1995	\$72,260	\$4,880	7%	4	\$2,215	3%	2
2000	\$91,374	\$5,476	6%	3	\$2,518	3%	1
2005	\$103,100	\$6,961	7%	4	\$3,570	4%	2
High Income Families – 95th percentile							
1975	\$34,700	\$1,636	5%	2	\$629	2%	1
1980	\$55,000	\$2,416	4%	2	\$897	2%	1
1985	\$78,965	\$3,083	4%	2	\$1,271	2%	1
1990	\$102,358	\$3,736	4%	2	\$1,571	2%	1
1995	\$123,656	\$4,880	4%	2	\$2,215	2%	1
2000	\$160,120	\$5,476	3%	2	\$2,518	2%	1
2005	\$184,500	\$6,961	4%	2	\$3,570	2%	1

Income groups are based on percentile of income as reported by the U.S. Bureau of the Census.