

Returns of community college to economic mobility

Community colleges play an important role in the U.S. higher education system. With their open admissions policies, less expensive tuition, and flexible curriculum and class schedules, community colleges serve groups that might not otherwise be able to pursue an education, such as first-generation college students, people from low-income families, and full-time workers who attend class part time. Students enrolled at community colleges across the United States represent 46 percent of current U.S. undergraduates. There are 11.5 million community college students in total, and 6.5 million of them are studying for college credit. For many of these students, community colleges are a path to further education and improved economic status.

Published in the January/February 2010 edition of the Federal Reserve Bank of St. Louis *Review*, Natalia A. Lolesnikova's article "Community Colleges and Economic Mobility" explores the advantages and limitations of a community college education as regards labor market outcomes. Lolesnikova's data illustrate community colleges' substantial influence on labor market outcomes. According to the author, the annual earnings of students who attended community college but did not complete an associate degree increase by 5–8 percent for each year of community college completed. Students who attended community college but did not complete a degree earn 9–13 percent more than those who have only a high school diploma. Although the return differs by city, the hourly wages of white men with an associate degree are 19 percent

higher than wages of white men who stopped their formal education immediately after high school. Returns are much higher for black and Hispanic men—25 and 27 percent, respectively. Women have higher returns to an associate degree than men do (perhaps related to the fact that they are more likely to major in nursing and related health fields).

However, a salary gap exists between those community college students who graduate with an associate degree and go on to receive a bachelor's degree and similar people who have a bachelor's degree without an associate degree, regardless of location or racial and ethnic boundaries. When all other factors are controlled, individuals of prime age (23 to 55 years old) with an associate degree earn \$3,853 less per year than their counterparts with no associate degree. Lolesnikova also finds a "penalty" resulting from beginning postsecondary education at a community college, regardless of whether an associate degree is obtained. College students who began their postsecondary studies at community colleges are 36 percent less likely to obtain a bachelor's degree than similar students who started at 4-year colleges.

Employment challenges faced by former inmates

Finding stable employment is one of the many challenges former prison inmates face when reentering society. Maintaining employment is often a decisive factor in determining the success of an inmate in his or her life after release from prison. Professor Steven Raphael discusses the challenges former inmates face and analyzes a number of programs that have been put in place to improve

their future employment prospects in his working paper titled "Improving Employment Prospects for Former Prison Inmates: Challenges and Policy" (NBER Working Paper 15874, April 2010).

Raphael analyzes the demographics of America's 51 Federal and State prison systems. He empirically characterizes inmates as being predominantly male (93 percent), mostly in racial or ethnic minorities (52 percent African-American and 20 percent Hispanic), and having low levels of educational attainment (two-thirds do not have a high school diploma or the equivalent). Large portions of the incarcerated population have physical and/or mental health problems. Many suffer from drug or alcohol problems, and 60 percent have participated in drug or alcohol treatment programs while incarcerated.

Many former inmates face challenges finding employment because of their educational and criminal background. Former inmates are often legally barred from employment in certain occupations or discriminated against in the hiring process because of the belief that former convicts exhibit behavioral traits that employers find objectionable.

Raphael continues by analyzing the results of a survey of establishments regarding employers' attitudes toward hiring workers with criminal records. He notes that 71 percent of private establishments said they would probably not or definitely not hire a worker with a criminal record. Sixty percent of employers indicated that they always check criminal records before hiring, and 78 percent of the establishments that always check records use an outside security agency to run background checks.

There have been numerous reentry

programs and experimental programs designed to help former inmates overcome these challenges. Raphael analyzes and discusses several of these programs. A meta-analysis of over 50 in-prison and post-prison interventions indicates that these programs yielded an overall 9-percent reduc-

tion in criminal activity for in-prison educational/vocational programs and a 5-percent decrease for post-prison employment programs. Many of the programs discussed focus on finding and maintaining employment as a means of reducing recidivism.

In conclusion, Raphael states that

the cost of these reentry programs is relatively low in comparison with the costs of constructing, staffing, and operating prisons for returning inmates. In addition, he asserts that these programs also result in obvious social benefits to both the former inmates and the general public. □