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Community Colleges' Crucial Role in Powering Local Economies

With the right kind of investment, they can provide the skills employers need, and their graduates are more likely to stay in the community.

Rob Sentz and Karen Stout | November 13, 2018

Vibrant communities have a healthy dose of industry diversity, job growth that spans a variety of skill levels, and residents with the skills and training to fill those new jobs. Every community wants to attract and keep an educated workforce. However, as public investment in higher education lags, most proposals for how to do so carry a hefty price tag.

But [new data](#) from an unprecedented analysis of more than 100 million résumés and social profiles show clear patterns of degree-earners' movement -- and may point to a way forward.

It turns out that 61 percent of community-college graduates stay within 50 miles of their alma mater. State institutions and systems likewise see large numbers of their graduates settle down in-state; some 40 percent stay within 50 miles of the campus. This suggests that public colleges and universities, and particularly community colleges, are uniquely equipped not only to develop but also to retain the sort of talent that is in demand within our local economies.

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A new breed of education-consumer data further reinforces the economic rationale of investing in community colleges. We are learning that a higher-education institutions' relevance to work and daily life -- more than the institutions' rank or prestige -- is correlated with the value that graduates ascribe to their educational experiences. And [according to recent data](#), two-year degree holders rate the relevance of their education to the world of work eight points higher than four-year degree holders.

With so many regions facing critical talent shortages, the time is ripe to expand the role of community colleges, as Texas did last year when the legislature moved to allow them to offer bachelor's degrees in high-demand fields such as applied sciences, early childhood education and health care.

Community colleges also are increasingly developing new and expanded pathways for students, particularly adults, to gain shorter-term, career-relevant training while remaining on the path to a degree. In Florida, for example, Miami Dade College responded to labor-market shortages by partnering with the Washington, D.C.-based Business-Higher Education Forum to develop such "stackable" credentials -- ultimately leading to a bachelor's degree -- in data science and analytics.

This kind of alignment with local economies creates a four-fold win. Colleges win when they build locally focused, relevant programs. Employers win when they have a reliable pipeline of well-prepared talent. Students win when they build the knowledge and skills that they can put to work quickly without having to move to find a job. And regions win when the students they invest in go on to live and work within the community rather than taking their talents elsewhere.

These migration data, together with deep work completed in local communities, lead us to two key recommendations:

- **Focus on return on investment:** States and local communities would be wise to not just increase but to get creative with their investments in community colleges. The most successful communities are those where college programs and local industry are tightly connected. Education tied to employer demand leads to a good return on investment for students. And when

students are able to find jobs locally, they are far more likely to stay, helping businesses and local economies to thrive.

• **Craft innovative approaches to value creation and sustainability:** For example, Madison Area Technical College in Wisconsin realized that it was no longer reaching the workers and unemployed residents most in need of training, in part because they couldn't get to its downtown campus. Harnessing economic and demographic data, college leaders built a case for a new campus to reach this untapped talent pool, ultimately raising more than \$20 million from local businesses and foundations to fund construction. Columbus State Community College, on the other hand, didn't need to move to grow its Ohio city's talent pool; it needed to partner. Recognizing a labor shortage in high-tech manufacturing, the college collaborated with the local Honda plant to develop [the Modern Manufacturing Work Study program](#). It's been an unqualified success.

If we expect our regional economies to remain competitive, we need more of these partnerships. We need to build onramps for those with untapped talent to access career-relevant educational opportunities and create incentives for them to stay in the community. It's an unprecedented opportunity for the higher education institutions that work closest with our communities.

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