Borrowing the Price of Admission

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I am most grateful for God’s grace throughout this process. Through a series of serendipitous events, circumstances and people I was led along this path of academic pursuit. With great humility, I recognize that these fortuitous events created the opportunity for me to demonstrate the resolve and dedication that resulted in the culmination of this achievement.

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ABSTRACT
BORROWING THE PRICE OF ADMISSIONS
Wayne W. Williams
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The purpose for this dissertation is to explore how students who have borrowed to attend a large, urban community college develop their value proposition for postsecondary education. Nearly half of all students in the United States begin their postsecondary education at community colleges. In the aftermath of the Great Recession when unemployment rates were unusually high, enrollment at community colleges increased dramatically, especially amongst minority students. This study focuses on three central questions: how do community college students describe their demand for higher education? Secondly, how do these students describe the economic and social benefits of college? And thirdly, to what extent do students understand the costs of college and their sources of financial aid? The study modifies Perna’s Multi-Level Conceptual Model of Student Enrollment based upon the findings derived from qualitative interviews with twenty, currently community college students during the 2012 fall semester to determine how community college students define their value proposition. This value proposition was found to be comprised of the student’s demand for higher education through academic preparation, availability of financial resources and the student’s aspirations. Additionally, the value proposition was comprised of the expected benefits as expressed in monetary and non-monetary expectations as well as cost considerations. These combined enrollment factors were used to determine what criteria formed the basis for
the student’s borrowing decision and the use of the loan proceeds. The student interviews were analyzed through the lens of the multi-level conceptual framework and an interview with the institution’s lending officer was used to interpret the student responses. The choice to attend community college was found to be more circumstantial than deliberate. The increasingly nontraditional students who do enroll in these institutions often have to balance employment and family obligations in pursuit of their aspirations. While these students pursued college with the expectation of higher earnings upon completion, many had an altruistic purpose in serving others. Finally, there exists a significant knowledge gap with regard to financial literacy exists among students which is exacerbated by the complexity of the financial aid process and the limited institutional resources available to support the nontraditional students attending community colleges.
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Chapter 1 – Introduction

In 2008, the collapse of major banking institutions in the United States caused a historic global financial crisis. As a result, the United States faced the worst economic recession since the Great Depression of the 1930s. Public institutions and the citizens most reliant upon them would be profoundly affected by the constrained government resources available at the federal, state and local levels. The role of education writ large, and more specifically the role of higher education, was seen as one key component in the economic rebuilding process. In this emerging global economy the President of the United States declared that in order to overcome a “jobless recovery”, the U.S. would have to increase the educational attainment of its citizenry. Seen as an integral part of the solution to restoring the U.S. economy, the challenge beset would require an aspirant nation that would be willing and able to make the necessary sacrifices to achieve the postsecondary education goals outlined. The financial crisis accelerated the decline in public funding for higher education.

The United States is unique in contrast to most other homogeneous societies because of the growing diversity of its population. According to the U.S. Census Bureau, by 2020 the proportion of working adults (defined here as aged 25-64) who are white is projected to decrease by 63% while the aggregate share of workers from other groups is expected to increase by 37% (Zumeta & Hunt, 2012). In the aftermath of the recession, the United States has emerged with the following dilemma in its restoration efforts:

1 Acknowledging these factors early in his Administration, President Obama challenged every American to commit to at least one year of higher education or post-secondary training. The President has also set a new goal for the country: that by 2020, America would once again have the highest proportion of college graduates in the world. White House. (2012). Higher Education. Retrieved from http://www.whitehouse.gov/issues/education/higher-education
making college affordable to a changing demographic at a time when increases in funding to higher education would exacerbate a growing national deficit. The U.S. system of higher education includes an array of institutional choices ranging from vocational training to graduate research institutions to serve this diverse population. These institutions experienced a “recession-era boom” in freshman enrollment largely driven by a sharp increase in minority enrollment (Fry, 2010). The enrollment increases were not evenly spread across institutional types with the greatest increase (11%) occurring at community colleges.

Prior to the collapse, beginning in the 1990s, higher education affordability took on a new political definition. Instead of focusing on access to higher education for low-income families, college affordability shifted towards the financing problems for middle and upper income families. The price of a traditional, four-year residential college experience has never been higher and when combined with several consecutive years of stagnant family incomes, uncertainty in the job market for recent graduates, both pricing power and enrollment pressure at colleges and universities have weakened. At a time when the nation and public funds are limited and the country would benefit most from an educated workforce, the vast majority of students and their families no longer have the financial resources to finance postsecondary education. The demand for increased educational attainment, affordability concerns and community college enrollment increases provide the foundation that underlies the value proposition which students and their families must make regarding the promise of the benefits of a higher education. A
concurrent decision, as a consequence of rising tuition costs, is the decision to borrow to meet the rising costs of a postsecondary education.

**Purpose of the Study**

The purpose of this study is to research and present the narrative of students who attend a large, urban community college and who are using student loans as a source of financing for their education. Understanding how this population of students interprets the value of a higher education during this post-recession economy will help to inform public policy makers and institutional leaders who make decisions about pricing and financial aid. Further, given the current economic climate and the associated complexity of college financing decisions, cost-shifting has resulted in an increased burden in the form of financial decision making about higher education to students and their families. The potential changes in federal aid policies, including those governing Pell Grants and subsidized loans, could have a dampening effect on enrollment trends at community colleges as an affordable alternative to the competitive, market-oriented and expensive baccalaureate-granting institutions. The support of federal aid may represent the only source of funds available to a changing demographic with limited resources. The value proposition of these students will be most closely linked related to the perceived benefits of a postsecondary education that they could derive.

**Research Questions**

More specifically, this study will address the following research questions: How do community college students perceive the benefits of higher education? How do students describe the economic and social benefits of college? To what extent do
students understand the costs of college and their sources of financial aid? In particular, are students aware of how much they have borrowed for higher education and what overall debt they will have to pay once they either stop or complete their education? Lastly, to what extent do students feel confident that they can meet their debt obligations once they leave higher education? By speaking with student borrowers and gaining their perspectives, this study will provide additional contextual basis for the public attitudes that contribute to the back and forth shifting of federal policy from grants to loans (Hartman, 1971).

Community colleges, as an institutional-type, are poised to play an increasingly more important role in the postsecondary training of a mass population. According to the federal government, jobs requiring at least an associate degree are projected to grow twice as fast as those requiring no college experience and by 2020, community colleges will need to produce an additional 5 million graduates (White House, 2010). Much of the past research regarding student financing of undergraduate education have focused predominantly on policy implications and institutional response, instead of upon the students themselves. This study seeks to give voice to those who are currently enrolled, have already borrowed and yet to complete their studies to better understand how they categorize the benefits of their college experience as consumers of a good. Existing literature predominantly emphasizes the benefits of a college education from a theoretical perspective through the lens of economists while quantitative data and surveys provide consumer perspective.
Significance of the Study

The very premise that a college education is almost always worth it, based upon higher lifetime earnings, suggests that economic opportunity is tied to the decision to pursue a college credential (Whitsett, 2012a, Carnevale, Rose, Cheah, 2011). However, in some cases people with less education actually earn more than those with more education (Carnevale et al., 2011). With lower published prices, open admissions policy and with greater geographical proximity that other institutions to most students, community colleges provide an access point to higher education that would otherwise be unavailable (Baum et al., 2011). This study explores the value proposition for a college education of currently enrolled community college students.

Prior research on the borrowers perception of student loans is limited (Perna, 2007). While there have been other studies that relate to borrowing perceptions (Perna, 2007), they have investigated students prior to enrollment in college. Past research that focused upon enrolled students was related to degree attainment and whether student loans proved better than grants as a financial resource in postsecondary education (Cheng, 2011). Research has investigated the counseling practices and the influence of the financial aid process on the college funding decision at multiple sites combining community colleges and public four-year institutions (Porter, 2006). Research that related to borrowing explored post-completion borrowers who were in loan status to determine how well they are able to manage the debt post-college (Baum & O’Malley, 2003). Only a few studies have actually explored the influencing factors in the decision-making process to borrow for college (Perna, 2007). Hence, this study’s distinctive
quality is that it explores the linkages between the borrowers perception of the use of student loans as it relates to their perceived value of postsecondary education while enrolled at a community college.

Further, the issue of college affordability has become a central issue within our national dialogue. Since 1981, the cost of college tuition has consistently increased faster than the overall inflation rate, exacerbating the problem (Bureau of Labor Statistics, 2010). Even within the most affordable sector of higher education, public two-year institutions (community colleges), the total budget for students averages close to $15,000 annually (Baum et al., 2011). Meanwhile, the use of student loans to finance postsecondary education expenses has become commonplace within the U.S. financial aid system (Perna, 2007). These collective phenomena have necessitated the decision to borrow as a consequence of choosing to pursue a college credential for more American students and their parents who increasingly are unable to finance the cost of college attendance solely with their earnings.

This study addresses the need for a qualitative study that explores the college enrollment decision and their perception of the student loans used to support that decision. By nesting the student’s value proposition for college enrollment within the a multi-level framework (Perna, 2006), this study addresses the need to further explore the role of social, economic and policy context, the role of the institutional context, and the factors that influenced a student’s choice to enroll in college of which little is known (Perna, 2006). By examining how these factors may have contributed to the enrollment decision as well as the expected social and economic benefits that a college education
may provide them, it will be possible to determine how students attending a community college may construct a value proposition for postsecondary education.

Finally, this study through in-depth, qualitative interviews will help to gain an understanding of the student’s loan literacy and the thought processes that they used in the borrowing decision making-process(es) (Whitsett, 2012b). This component will broaden the college enrollment conceptual framework to include student’s loan perceptions. As an increasingly minority and demographically different population of students who are more non-traditional than history provides increasingly pursue higher education based upon the impetus that college education will provide a gateway to middle-class lifestyle, they will also be forced to use loans to support that decision. Lots of occupations with high wages don’t require a bachelor’s degree; however they do require other education after high school, such as an associate’s degree or postsecondary non-degree award (Bureau of Labor Statistics, 2012). However, educational credentials alone are not the only factor that can affect earnings which requires that students develop a cost-benefit analysis to their choice construct (Carnevale et al., 2011; Perna, 2007). Financial aid leaders may be able to glean an important understanding of student perceptions of debt to design effective institutional constructs that improve borrower knowledge. Policy makers may be able to develop legislation that helps students to make better decisions about college costs, financing their education and the value of a college degree.
Chapter 2 – The Literature Review

Defining the Benefits of a College Education

Historically, the benefits of higher education have been constructed through economic theory. Theorists who have accepted the idea that education as an investment in human capital rely upon the established fact that there is a positive correlation between education and earnings at an individual level (Checchi, 2006, pp. 15, 163). The human capital approach to education assumes that perfect financial markets exist and that markets will produce the necessary workforce needed (Checchi, 2006). While there is proven evidence of individual earnings from increasing educational attainment, the existence of a causal relation between the two is not yet widely accepted (Checchi, 2006, 9, p. 163). Policy advocacy that promotes the use of public dollars funded by taxpayers to make college affordable has in recent decades lost ground to the economic argument that defines education as a private good and which increasingly shifts the financial obligation of a college education to students and their families. While this study does not seek to resolve the debate, the question of what benefits accrue to the individual who attains a postsecondary education is a primary determinant of how the public perceives the value of a college education.

In this critical period of U.S. history where the role of higher education is tied to economic restoration, the societal value of education is important to the macroeconomic challenges facing the nation. People generally think of college education in personal terms and public opinion polls reveal a widespread understanding of the role of education in opening the door to a middle-class lifestyle (Baum & Ma, 2007, p. 6). U.S. President
Obama has said, “In a global economy where the most valuable skill you can sell is your knowledge, a good education is no longer just a pathway to opportunity – it is a prerequisite” (Heller, 2011, p. 2). In the current economic climate of uncertainty the manner in which students and their families construct a framework to value a college education become increasingly relevant to protecting the critical public priorities of public access and affordability (Heller, 2011, p. 92). Students and their families in a sluggish economic recovery face rising college tuition prices that require difficult choices about the sacrifices involved to afford a college education (Baum & Ma, 2007).

A democracy’s ability to function well is tied to the educational level of its citizenry (Bowen, 2009, p. 2). To achieve the goal of democratic equality, education is a purely public good; as a component of social mobility and efficiency, it is a public good in service to the private sector; and as a determinant for social mobility, education is a private good for personal consumption (Labaree, 1997, p. 3). The longstanding historical support for government funding for higher education was originally justified by the philosophical reasoning that a college educated citizenry would confer sizable benefits to the society at large (Forest & Altec, 2006, p. 293). The research article, “Beyond Private Gain: The Public Benefits of Higher Education” in the International Handbook of Higher Education, defines the social benefits of postsecondary education to include the private benefits, (such as the higher trajectory of post-school earnings) as well as the public benefits (the benefits society derives from higher education beyond those enjoyed by the individual) (Bloom et al., 2006). Some argue that tension between the public and private benefits of education and the problem
of college affordability has become a powerful political issue (Labaree, 1997, p. 1; Zumeta & Hunt, 2012).

Higher education provides an array of public and private benefits (Table 1). The increased earnings associated with higher education attainment lead to greater tax revenues and also increased savings and investment that support economic growth (Bloom et al., 2006, p. 299). While there is a scarcity of “rigorous, quantifiable, compelling evidence concerning the public…benefits of higher education”, according to Bloom, Hartley and Rosovsky, proponents of the argument that higher education is a private benefit are economists, not educators, who have developed the empirical framework of human capital theory (Palacios, 2004). The new demographic, economic and global context of higher education suggests a moral and economic imperative to rethinking the public and private benefits of college education.

<table>
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<tr>
<th>Table 1. The Array of the Higher Education Benefits</th>
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<tr>
<td><strong>Public</strong></td>
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<tr>
<td>Economic</td>
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<tr>
<td>*Increased Tax Revenues</td>
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<tr>
<td>*Greater Productivity</td>
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<td>*Increased Consumption</td>
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<td>*Increased Workforce Flexibility</td>
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<td>*Decreased Reliance on Government</td>
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<td>Financial Support</td>
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<tr>
<td>Social</td>
</tr>
<tr>
<td>*Reduced Crime Rate</td>
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<tr>
<td>*Increased Charitable Giving/Community Service</td>
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<tr>
<td>*Increased Quality of Civic Life</td>
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<tr>
<td>*Social Cohesion/Appreciation of Diversity</td>
</tr>
<tr>
<td>*Improved Ability to Adapt to and Use Technology</td>
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<tr>
<td><strong>Private</strong></td>
</tr>
<tr>
<td>Economic</td>
</tr>
<tr>
<td>*Higher Salaries and Benefits</td>
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<tr>
<td>*Employment</td>
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<tr>
<td>*Higher Savings Levels</td>
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<tr>
<td>*Improved Working Conditions</td>
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<tr>
<td>*Personal/Professional Mobility</td>
</tr>
<tr>
<td>Financial Support</td>
</tr>
<tr>
<td>Social</td>
</tr>
<tr>
<td>*Improved Health/Life Expectancy</td>
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<tr>
<td>*Improved Quality of Life for Offspring</td>
</tr>
<tr>
<td>*Better Consumer Decision</td>
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<tr>
<td>*Making</td>
</tr>
<tr>
<td>*Increased Personal Status</td>
</tr>
<tr>
<td>*More Hobbies, Leisure Activities</td>
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Note: The authors of this table use the term “social” benefits to refer to non-economic benefits. By contrast, Bloom, Hartley and Rosovsky define “social benefits” to be the sum of public and private benefits, many components of which are economic.

A timeline of the financing of higher education shows that as operating costs continued to escalate, shifting public funding has made college less affordable to most American families. One of the major differences between state and federal funding to higher education is that the federal support has largely been designed as “vouchers in that they are portable across institutions and must be used for educational expenses”. (Heller, 2011, p. 73; Hauptman, 2000). In the period from 1982 -2008, according to data provided by the U.S. Census Bureau, college tuition and fees increased by 472% compared to a far more modest 155% increase in family median incomes. The continuously changing counter-balance between federal and state roles in funding higher education has shifted the costs of rising tuitions towards students and their families since the 1970s (Zumeta & Hunt, 2012). A landmark shift occurred in 1980 with the election of Ronald Reagan who openly supported the free market idealism of Nobel laureate Milton Friedman whose work called for a diminished role of government as a solution to most social and economic issues (Palacios, 2007; Zumeta & Hunt, 2012). By unsuccessfully attempting to close the Department of Education due to a lack of Congressional support as well as the support from Terrel H. Bell, his own Secretary of Education, the Reagan administration signaled support for the philosophy that education would be the responsibility of the state and the private sector (Zumeta & Hunt, 2012). A climate of public disaffection was created that perpetuated higher education as wrought with wasteful spending, lackluster student learning outcomes and rising tuitions (Zumeta & Hunt, 2012). As was true with most of the prior and subsequent federal administrations, during the Reagan administration support to the Pell Grant program grew
more modestly than what was needed to keep pace with enrollments and the cost of college attendance (Zumeta & Hunt, 2012).

According to a 2006 report released by the Department of Education (Heller, 2011):

Even with additional federal investment, there is little chance of restoring the Pell’s purchasing power if tuition increases absorb most or all of the new money. This effort requires not only federal investment but also strategies by which colleges and universities constrain increases in tuition and fees.

Higher education experiences considerable difficulty increasing the productivity of the faculty function, and like many other industries where costs exceed production, tuition prices are driven up over time by a phenomenon termed “cost disease”. (Archibald & Feldman, 2011). With public institutions financial challenges are exacerbated by reliance upon governmental subsidy and the revenue available from student tuition and fees, which fluctuates based upon student enrollment. Absent universal cost containment measures that have proven effective, the notion that students and families should shoulder greater responsibility for paying for a college education had made its way into the mainstream of public opinion. During the 1980s and 1990s, the public discourse within and outside higher education focused on the private and individual benefits of higher education (Heller, 2011, p. 103). According to Patrick Callan of the National Center for Public Policy in Higher Education (NCPHHE), the responsibility for the funding of college has remained “increasingly blurred”. James Carville, political consultant to the successful 1992 Presidential campaign of Bill Clinton famously put it, “it’s the economy stupid” (Zumeta & Hunt, 2012). The economic boom of the 1990s led to higher prices
and increased costs due to the importance of higher education to the individual and national well-being. The fact was due to the growth in the economy both families and government could afford to spend more on education because of rising incomes and increased tax revenues, accordingly (Lingenfelter, 2006).

With college costs rising, the federal government responded by increasing access to federal student aid in the form of student loans. In 1992, the income eligibility caps for higher education borrowers were removed with the creation of the Parent Loan for Undergraduate Students (PLUS) and an unsubsidized Stafford Loan program (Zumeta & Hunt, 2012). The major consequence of this legislation was that “student loans became a way to help middle- and higher-income families finance college” According to the College Board in their report, Trends in Student Aid (2010) by 2009-2010, 66% of federal student aid was in the form of student loans. According to the U.S. Department of Education’s National Postsecondary Student Aid Study (2007-08), more than half of independent students with annual incomes below $100,000 and an even greater percentage of dependent students with annual household incomes between $20,000 and $99,999 used student loans (includes federal, state, institutional, and private loans) as a way to finance college. By 2009-2010, a half century after successfully integrating student loans into the college financing process, the federal government had provided more than $146 billion student aid in through grants, work-study aid, direct and guaranteed loans, and tax credits and deductions (Zumeta & Hunt, 2012). With regard to state support for higher education, when faced with economic downturns, states
typically reduce public funding of education in response to contracting tax revenues (Heller, 2011; Lingenfelter, 2006; Zumeta & Hunt, 2012).

Speaking at the Brookings Institution on May 18, 2012, University of Maryland Chancellor, William Kirwan gave testimony about the role of state grant programs in funding higher education in light of the recent economic recession and the concurrent need to increase educational opportunity to meet the national goal of increasing educational attainment. In his testimony, Chancellor Kirwan stated,

Part of the answer to keeping college affordable for needy students, in addition to the policies proposed in this report, is for states to place a much greater priority on funding higher education, if and when the economy rebounds. In constant dollars, state appropriations on a per FTE basis nationally, have declined almost 13 percent since 2006. This is the single largest factor in the precipitous rise in tuition over this period. And tuition has increased almost 16 percent from 2006 to 2011, again, in constant dollars. Take out, if you put back in -- I mean, factor out the inflation, of course, it’s much higher than 16 in actual dollars. As the cost of attending college continues to soar at rates far in excess of the CPI, we are at grave risk of becoming a two-tiered society where those born into poverty have little or no chance of ever pursuing the American dream. If this is to be the legacy of the current generation of university officials and state and national policymakers, it will be a travesty and a total reversal of our national ethos as a land of opportunity.

The testimony given by the researchers provided compelling arguments for funding increases to state grants while realizing that state aid could not replace federal financial aid.

As the twentieth century drew to a close, the reliance upon free markets in an increasingly global competitive environment spurred creative destruction as new technology was introduced eliminating existing jobs while previously non-existent jobs were created. What had changed was the very nature of the role of college education.
Job turnover quickened and the idea of a lifetime with a single employer faded. What became clear was that high school or college graduates were likely to hold more than one job in more than one profession in their lifetime. The demand in the higher education market responded by increasing enrollments, especially at community colleges. These new demands would influence the evolution of the higher education system and the recognition that higher education would serve the practical needs of U.S. economic progress (Greenspan, 2008, pp. 401-404). According to Alan Greenspan, who guided the Federal Reserve Bank from 1987 to 2006, he asserts that “choice is what public policy is all about”. The funding shifts created by changes in public policy to reduce federal and state support for higher education leaves new choices for the students and their families who wish to compete in a competitive labor market. If economic progress depends upon an educated citizenry, and as increasing college costs are shifted to households, the perceived value of a college education will grow in importance. As student aid has increased in the form of student loans, will students and their families be willing to borrow the costs for college (price of admission) to achieve a middle-class lifestyle (the American dream)?

A poll conducted by The Institute for College Access and Success (TICAS) in 2011 for the Project on Student Debt reported that young Americans regardless of gender, ethnicity, education level, debt level, or household income level overwhelmingly believe that college education and training are more important for their generation than for their parents’ generation. The importance of the benefits of attaining a postsecondary education is a notable convergence amongst researchers, policymakers and the public-at-
large that has sustained itself over time. Not only must higher education maintain public support through funding but it must also provide education that students determine is relevant and attainable. The expectation that students will continue to perceive that the increasing debt levels that are being created by the system are sustainable would ignore the economic principle of demand (Hubbard, 2012).

**Inelastic Demand for a College Education**

A weak U.S. economy combined with increasing college enrollment (outpacing state funding to higher education) are external factors that have contributed to increases in college prices at both two-year and four-year public institutions during the 2011-2012 academic year (Baum et al., 2011). The College Board, a non-profit advocacy organization founded in 1990 to expand access to higher education, currently has more than 5,900 educational institutions as members. In October 2010, an online questionnaire, “The Annual Survey of College”, was distributed to its member organizations and subsequently collected and reviewed in September, 2011. Results from the voluntary responses were collected, reviewed and the published prices for the 2011-2012 academic year was provided in a report titled, “Trends in College Pricing 2011”. The College Board’s companion report, “Trends in Student Aid 2011”, uses data that extend through the 2010-2011 academic year.

The percentage increase in the average tuition and fees at public four-year higher education institutions in the 2011-2012 academic year was higher than at private nonprofit institutions (Baum et al., 2011). From 2001-02 to 2011-12, the published in-state tuition and fees at public two-year colleges and at public four-year colleges
increased beyond the rate of inflation, on average, at a rate of 3.8% per year and 5.6% per year respectively (Baum et al., 2011). It should be noted that the limitations of the reported data are caused by variations in pricing patterns across states and represent best estimates of average prices (Baum et al., 2011) reported that there is a widespread public perception that “college prices are rising more rapidly than the prices of other goods and services in the economy”. In spite of the perception, students and their families justify the cost of attending college based upon the higher lifetime earnings expectation but are faced with the realities that an increasing reliance upon borrowing to attend college means that more families are struggling to pay for college both during the within-college period of attendance and after when the loans must be repaid (Baum et al., 2011).

The results of a collaborative effort (studentPOLL), between the College Board and the Art & Science Group, LLC (CBASG), is a series of national surveys that measure the opinions, perceptions, and behavior of college-bound high school students and their parents. Since 1995, the Art and Science Group, LLC has published survey findings for the benefit of college and university senior leaders and enrollment officers as well as secondary school college counselors regarding college choice. The studentPOLL is managed by the WB&A Market Research firm which designs, and fields, opinion research studies with prospective and current undergraduate, graduate, and professional school students on behalf of educational institutions nationwide to help them better understand the attitudes and behaviors of students in order to strengthen communications, academic programs, and other resources and services. It has produced three studentPOLLs that are deemed relevant to this study in terms of framing the issue of
costs and affordability: “Many College-Bound Students Report Difficulty Affording a 
College Education” (CBASG, 2010b); “The Effects of the Current Recession on the 
Financial Circumstances and College Plans of High School Seniors and Their Families” 
(CBASG, 2009); “Students and Parents Making Judgments about College Costs Without 
Complete Information” (CBASG, 2010a).

The report, “Many College-Bound Students Report Difficulty Affording a College 
Education” (CBASG, 2010b), indicated that college-bound high school seniors were still 
considering schools that they believed were worth the higher costs based upon 
characteristics such as strong academics, prestigious reputation, and other value factors. 
Two separate polls were used to issue the 2010 published reports. The studentPOLL 
conducted in winter of 2009 was conducted through an online survey of 1,067 high 
school seniors (early prospects) from a random national sample of 42,000 high school 
seniors who registered for the SAT and who completed an optional Web survey between 
November 19 and January 5, 2010 to explore how they were deciding where to apply to 
college and their college financing plans. A second studentPOLL was conducted among 
903 high school seniors (late prospects) in April, 2010 after students had received 
admissions decisions and financial aid offers. Both the early and late prospects were 
equally likely to report that the state of the economy had changed their minds about their 
choice of college. They were “much more likely” to pursue an in-state public institution, 
one that made a generous financial aid offer, or work part-time while attending school 
(CBASG, 2010b).
Approximately 57% of the late prospects compared to 28% of the early prospects were more likely to consider the net cost of college attendance in consideration of the amount of aid they were being offered. While students and families often look at the published tuition and fees for a college as an indicator of affordability, they must also consider the full cost of attendance (CBASG, 2010a). The full cost of attendance includes the cost of books and supplies, transportation and living expenses (room and board), as well as miscellaneous personal expenses (CBASG, 2010a). The “net price” (cost of attendance minus grants and scholarships) is the actual amount that students and their families have to cover from work, savings, or loans which could appear “financially out of reach” but due to available aid may actually be affordable (TICAS, 2011).

Approximately 41% of the late prospects compared to 27% of the early prospects had used a net tuition calculator. Beginning on October 29, 2011, college web sites were required to post net price calculators to assist students and families to give greater consideration to the “net price” when assessing the affordability of particular colleges (TICAS, 2011). However, a “high proportion of those students in the “Many College-Bound Students Report Difficulty Affording a College Education” (CBASG, 2010b) survey indicated that neither they nor their parents had actually used the calculators (40% of late prospects compared to 59% of early prospects).

The report, “Students and Parents Making Judgments about College Costs without Complete Information”, concluded through its findings that parents and students were making decisions about college affordability without accurate or complete information (CBASG, 2010a). When looking across all SAT scores, many students believed they
would receive financial aid based upon their academic abilities and had an unrealistic expectation about the amount of financial aid they would receive. Many believed that grants and scholarships would cover 30% of their costs (CBASG, 2010a). An important finding in the study was that despite the considerable amount of resources dedicated by colleges and institutions to educate families, even more needs to be done to educate families early in the process who are appear to be “less than perfectly rational about the financial aspects of the college search process”. The findings also indicate that a strong segment (59%) are ruling out colleges due to costs and that 93% of those polled were applying for financial aid with 51% of those expecting to receive need-based financial aid and 56% of them expecting to receive merit-based financial aid (CBASG, 2010a).

Students also believed that grants and scholarships would cover one-third of their costs with loans covering one-fifth. Their estimate exaggerates the amount of aid they can expect to receive and the expected loan repayment amount they will incur, on average (CBASG, 2010a). Federal need-based financial aid is based primarily on family income, whether they are financially independent (age 24 years) and their attendance status as a full-time or part-time student (US Department of Education, 2008). Despite their concerns about college affordability, nearly all students believe their families will find a way to overcome the financial challenge that college attendance may impose (CBASG, 2010a).

An important finding in the “The Effects of the Current Recession on the Financial Circumstances and College Plans of High School Seniors and Their Families” (CBASG, 2009) Student Poll was that the recession affected nearly two-thirds of these
students and their families. One-third reported that parental income had declined, 23% described that their family had fallen on hard times and one in six were forced to change their college plans. The affordability issue is far more consequential to those within the lower economic strata, especially since the recession in 2008. Of those household with lower incomes, 32% had a family member lose their job compared to 5% of high income households and 12% of middle income households (CBASG, 2009). Demographically, African American students compared to Caucasian students were more likely to agree that their parents had experienced a decline in income [39% versus 27%] and that their family had fallen on hard times [31% versus 20%] (CBASG, 2009). At all levels of the income distribution, income was lower in 2010 than it had been a decade earlier but declined by 16% in inflation-adjusted dollars for the bottom 20% of income (Baum et al., 2011). The law of demand states that when prices rise, the quantity demanded falls, ceteris paribus (Hubbard & O'Brien, 2010). Despite the rising costs associated with attending college, the demand for a college education seems to ignore this well-proven economic theory. Richard Hesel, Principal of the Art and Science Group, LLC and Ryan C. Williams, VP of enrollment for the College Board write that, “the moment when affordability will become the defining issue, enrollment may have arrived” (CBASG, 2009).
Unabated Enrollment Increases

The National Center for Education Statistics, in its 2011 Fact Facts report about college enrollment, indicates that the demand for a college education has remained inelastic (consumers continue to purchase the good despite the increasing price) over the years. The total student enrollment in degree-granting postsecondary institutions, which increased by 38% between 1999 and 2009, was fueled primarily by full-time enrollment (NCES, 2011a). At the onset of the recession, freshmen enrollment increased by 144,000 from the Fall, 2007 to Fall, 2008, which at 6% represents the largest increase in student enrollment since the height of the Vietnam War in 1968 (Fry, 2010). The recent uptick in college enrollment can be partially attributed to counter-cyclical college enrollment trends that occur during economic downturns, but has largely been driven by a sharp increase in minority enrollment reflecting demographic changes in the U.S. population (Fry, 2010), (NCES, 2011a), (NCES, 2011b). Figure 1, on the following page, displays the longitudinal rise in enrollment at the undergraduate and graduate student levels. The unabated increase in undergraduate enrollment has more than double since 1970.
According to the National Center for Education Statistics [Figure 2], college enrollment during the first decade of the new millennium trended upward without retreat, exceeding the overall population growth of traditionally-aged college students (18- to 24-year-olds):

- The number of 18- to 24-year-olds in the United States increased by 14%
- The percentage of 18- to 24-year-olds enrolled in college increased by 5%
- The college enrollment of students under age 25 increased by 27%
- The college enrollment of students over age 25 increased by 43%

The percentage increase in the number of students aged 25 and over has been larger than the percentage increase in the number of younger students due to the influence of widespread technology and an increasing demand of employers for a college-educated workforce, and this pattern is expected to continue (Zumeta & Hunt, 2012). From 2010 to 2019, the U.S. Department of Education projects a 9% rise in undergraduate enrollments of students under 25, and a 23% rise in undergraduate enrollments of
students 25 and over (NCES, 2012). Some of this growth in the nontraditional-aged students can be attributed to enrollment in graduate and professional studies (post baccalaureate). Between 1999 and 2009, undergraduate enrollment rose 39%, however post baccalaureate enrollments rose by approximately 73% (NCES, 2011a).

In addition to the increased enrollment of individuals aged 25 and over, students entering college continues to be diverse in non-traditional ways across gender and race (NCES, 2011) (NCES, 2011b). Since 1988, demographic changes in the gender of college going students have occurred. The number of females in post baccalaureate programs has exceeded the number of males (NCES, 2011). With regard to race, from 1976 to 2009, the percentage of Hispanic students rose from 3% to 12%, the percentage of Asian/Pacific Islander students rose from 2% to 7%, and the percentage of Black students rose from 9% to 14% while during the same period, the percentage of White students fell from 83% to 62% (NCES, 2011b). The growth in minority enrollment is a symptom of the nations’ changing demographics (Fry, 2010). College enrollment trends have persisted across age, institution-type, gender and ethnicity since the onset of the “Great Recession” in 2008.

In the fall 2008, a record number (2.8 million) of first-time, full-time freshmen enrolled in the nation’s postsecondary institutions. Researchers at the Pew Research Center in a report entitled , “Minorities and the Recession-Era College Boom”, reported that in 2010 record rates (70%) of high school completers were immediately enrolling in college reflecting a historical high for the data series which began in 1959 (Fry, 2010). Approximately three-fourths of the boom in freshmen enrollment is attributable to
minorities (Fry, 2010). While minority enrollment was widespread amongst institutional-types, in comparison to their white peers, minority student enrollment was concentrated at two-year and less-than-two-year institutions (Fry, 2009; Fry, 2010). While only 3% of U.S. two-year colleges have at least 20,000 students, freshmen enrollment increased by 37% (Fry, 2010) followed by a 30% increase in less-than-two-year institutions. Community colleges offer two-year and less-than-two-year postsecondary education. Factors that contribute to their attractiveness amongst first-time, full-time freshmen include lower published prices, less stringent admissions requirements and geographical proximity (Baum et al., 2011).

While the percentage increases in minority enrollments occurred predominantly amongst public institutions which tend to be less expensive, bucking the trend towards affordability is the concentration of minority postsecondary attendance amongst just a few large, private for-profit online institutions which are more expensive (Fry, 2010)(NCES, 2012). As a matter of choice, this emerging population of college entrants will be faced with a decision regarding institutional-type affecting both the total cost of their postsecondary education and the need to increase borrowing to meet those costs. With enrollment increases at community colleges, many higher educational professionals are reported to be concerned that the students attending these institutions are enrolling part-time, working excessively and not borrowing enough (Baum, 2011). Compared to students attending community colleges, minority students attending for-profits are more likely to borrow substantially (Field, 2010). The majority of research being reported that shares concern about rising costs and increasing debt levels associated with college
enrollment are consistent with the research reporting public perception. The 2009 American Freshmen Survey reported that 55% of freshmen in 2009 expressed “some concerns” about finances, the highest level since 1971 (Fry, 2010; HERI, 2010).

**Changing Values and Perceptions of Students**

Assessment of student values, especially with growing college costs, is integral to both policy and institutional planning. Donald Heller in his analysis of the issue of affordability at public colleges and universities writes, “Some may argue that we have reached or soon will be the practical limit of what people can afford to pay for a college education...college has become much less affordable over the last decade for all but the wealthiest students. Yet one way or another, the students keep coming” (Heller, 2011, p.31). The growing wage premium for college graduates, affirmative action, and increasing participation of women and minorities help to explain the demand shift (Heller, 2011, p.31). Another key predictor of whether a student decides to attend college is whether the student’s parents attended college (Blakemore & Low, 1983; Hossler, Schmit & Vesper, 1999; Kodde & Ritzen, 1988; Manski & Wise, 1983; Savoca, 1990). The opportunities and the benefits of postsecondary education are not distributed evenly (Heller, 2011). While researchers have posited to understand the coexistence of rising costs and increasing enrollment, the determination of the student’s value proposition may best be understood from the student perspective.

The Cooperative Institutional Research Program (CIRP) was conceptualized and implemented in 1965 by Alexander W. Astin at the American Council on Education before transferring it to the University of California, Los Angeles in 1973. This study
would survey college youth in an effort to alert the public and shape public opinion about the key issues that college youth were facing. The 40-Year Report provides insights, including the attitudes and values of students. The CIRP researchers expressed increasing concern with regard to the influence of state financial aid policy that promotes merit-based versus need-based financial support to public institutions. According to their findings, the policies are most impactful to first-generation students, or to students who come from lower income households who can be priced out of the college going market. Or, increasingly these students may be subjected to an overreliance on student loans which imposes post-graduation constraints on career choices and thus undermine the social value of education (Price, 2004). The statistics were obtained through random sampling, self-reporting by students and are subject to error because of the comparison of data across normative groups, across related item categories, and over time. By understanding the attitudes and values of the youth going to college, Astin had hoped to provide data that would help in shaping key policy measures affecting higher education (Pryor, 2007). The result of these annual surveys is a comprehensive report titled, The American Freshman: Forty Year Trends 1966 to 2006.

The study underscores the statistical data reported by the National Center for Higher Education Statistics that along with unprecedented enrollment growth over the past forty years has been attributable to the changes in the proportion of students who are female, students who are of color and the number of students who attend four-year institutions. While the CIRP data provide a host of insightful data, the focus of this work examines those data findings related to student values. In 2006, students’ top personal
objective was “raising a family” (Figure 2). The data reflect that more than three-fourths of both men and women consider this a top objective compared to past cohorts that revealed a greater disparity based upon gender. The goal of raising a family as a motivating factor to attend college has risen over time since the data has been collected and ranks just above the objective of “being very well off financially”. The data are interpreted by CIRP to reflect student’s interest in the quality of life as well as having social mobility. The growth in the percentage of students who wanted to be very well off financially grew from 42.2% in 1996 to 74.1% in 1987 and has remained stable since (changing to only 73.4% by 2006 some 20 years later)\(^2\). Despite the emphasis on being well off as a desired objective, during the same period another trend which had shown the largest decline among incoming students is trending positively again.

The sweeping transformation of the U.S. workforce demographic is occurring because of a growing minority population. Additionally, many new Americans will be immigrants or the first-born generation of immigrants (Pryor, 2007; Zumeta & Hunt, 2012). Through the year 2050, in certain states the share of the number of college-age students will grow most dramatically among Hispanic (+212%) and Asian/Pacific Islander (+117%) immigrants and only modestly amongst African-Americans (+21%). Meanwhile, native born white Americans, as a percentage of the workforce, will actually decline (-7%). Values shape and influence the decision of institution to attend and the CIRP data reflect that students are now increasing the number of schools to which they apply (56.5% apply to four college in 2006), and a significant number of students are
deciding to attend second, third, or fourth (or more) choice institutions based upon economic factors. The effects of rising tuition and debt burdens are affecting where students choose to go and will be further explored through interviews with students.

The Cooperative Institutional Research Project also conducted exit surveys of college seniors. Their Findings from the 2009 Administration of the College Senior Survey (CSS): National Aggregates found that “higher education financial concerns are a growing source of anxiety for students”. The repercussions of seniors graduating with increasing debt burdens will undoubtedly be felt in the types of jobs they pursue, whether or not they apply to graduate school, or any number of different post-college options (Rothstein & Rouse, 2007). The societal impact of this borrowing anxiety is that those who do complete college competing for positions based solely upon compensation or without regard to their intended occupational career paths or positions that hold significant value to the economic viability of the nation such as social services and government but are lower paying jobs (Rothstein & Rouse, 2007). For Millennials (those born after 1980) and the adult population returning to college to obtain new skills or training to re-enter the workforce, the choice to pursue a postsecondary education and the acquisition of debt associated with that choice is increasingly becoming a pure investment decision that has lost its social value.

Despite the emergence of community colleges as providers of vocational training and associate degree education in the 1960s as another viable option for students, the four-year baccalaureate degree has become a minimum and necessary credential for upward social and economic mobility in American life (Lazerson, 2010; Pryor et al.,
2007). However, in part due to economic conditions and the issue of college affordability, the largest growth in undergraduate enrollment occurred at two-year institutions over the past decade (Baum & Ma, 2012). However, the first ever White House Summit on Community Colleges was convened on October 25, 2010 to host the “critical discussions around how community colleges can learn from each other and share best practices to continue to strive for better outcomes for their students” (White House, 2010). A growing emphasis has been placed upon the role of these institution types to assist with the national goal of achieving “a 4% annual increase through 202 in the proportion of young adults with an associate or bachelor’s degree” (NCES, 2010). Opposition to federal funding, which proposed $12 billion in support to community colleges and $2.5 billion to improving college completion, resulted in re-allocated reductions that totaled $2 billion in educational and career training at community colleges and $750 million to college completion efforts (Zumeta & Hunt, 2012). Likely influenced in part by the fact that the wife of his vice president is a faculty member at a community college, and to a large extent in support of his political platform which emphasizes the restoration of the middle-class post-recession, President Obama signed the legislation which overhauled student loans by eliminating intermediary fees charged by bank and used the estimated $68 billion in savings from that action to restructure student loan repayment guidelines.

Those persons who start their college education at a two-year college are less likely to borrow (38%) while a high percentage of those who begin their college education at for-profit two year institutions are more likely to borrow (98%) (Baum &
Steele, 2009; Gladieux, Perna, & National Center for Public Policy and Higher Education, 2005). A Gallup Poll conducted by the Lumina Foundation in May, 2011 investigated the individual perceptions regard to public attitudes about higher education institutions, as well as additional topics related to degrees, certificates, and the value of higher education. The tabulated results of the 1,001 national respondents provides insight about the attitudes of students towards attending two-year institutions for the first half of their undergraduate education that will prove important as a baseline for this study.

Students may increasingly opt to attend a community college for the first two years of postsecondary education to reduce the overall debt burden associated with attending a four-year institution for their entire college career. This study attempts to determine to what degree, if any, students make a rational financial decision to attend community colleges to reduce costs. Through investigative inquiry the following research questions are posed: How do community college students perceive the benefits of higher education? How do students describe the economic and social benefits of college? To what extent do students understand the costs of college and their sources of financial aid? In particular, are students aware of how much they have borrowed for higher education and what overall debt they will have to pay once they either stop or complete their education?

Lastly, to what extent do students feel confident that they can meet their debt obligations once they leave higher education?

The respondents to the Gallup Poll (2011) survey overwhelmingly responded that they believed that a college education was available to anyone who wanted it (71%), and that they were satisfied with the quality (70%) of education offered at the nation’s higher
education institutions. But when asked about affordability, they provided their strongest response in dissatisfaction of the cost to attend college (75%). Compared to their strong feelings about the cost, those surveyed replied that it was “very important” to a person’s financial security in the future that they obtain a college degree (71%) and that an education beyond high school was helpful in getting a good job (68%). These responses were consistent with the replies to the question about the main reason for getting an education beyond high school to which they replied, “to earn more money” (53%) followed by “to get a good job” (33%). When asked about learning as a reason to attend college, there was a measurable decline in the importance of receiving a college degree. Only 5% would attend college to become a well-rounded person, with even less concerned with learning about the world (3%). When it came to institutional preference, 55% chose private traditional colleges and universities and when it came to online education 47% chose private online institutions. Only 23% strongly agreed that community colleges offered high quality education according to the Gallup Poll (2011) which implies that the purposeful choice to attend a community college may be influenced more by price than the pursuit of perceived lower quality education in an effort to curtail debt. The alternative choice to attend a traditional four-year institution would, on average, translate to a higher level of assumed debt (Gladieux et al., 2005).

Choosing College, Choosing Indebtedness

The decision to borrow for college costs may be a secondary consideration to a student’s choice to attend college. Students will increasingly be faced with the question of whether the perceived benefits of pursuing a postsecondary education outweigh the
accumulative costs of attendance. This may be due to either the lack of preparation before enrolling into college, or due to the process of enrollment in which financial decision-making occurs after students have completed their class registration. More students entering postsecondary education borrow and the amount that they borrow has increased (Baum et al., 2011). Increasingly, U.S. college-going students who make the choice to attend college are simultaneously making a critically important financial decision for which they may be ill-equipped: borrowing to pay for it. While several scholars have provided taxonomies of educational benefits, less is known about the value proposition that students use to justify the decision to borrow for college. In Response to President Obama’s State of the Union Address on February 12, 2013 in which he stated that, “it’s a simple fact: the more education you have, the more likely you are to have a job and to work your way into the middle class”, Institute for Higher Education Policy (IHEP) President Michelle Asha Cooper, Ph.D., issued a statement that public perception about the aims of higher education had elevated. Statistics gathered from a Gallup/Lumina Poll conducted revealed that 97% of those surveyed believed that a college education while 74% said a college education was unaffordable. For the vast majority of Americans, a college education will require varying levels of indebtedness.

While students and their families have continue to find justification in borrowing for postsecondary education, borrowing as a factor of concern cannot be minimized mostly because student loan debt is occurring unevenly across the higher education spectrum including the most affordable institutions. A warning signal to community college leaders, whom have traditionally championed access to postsecondary education
through an affordable, subsidized education, must face increasing financial responsibility because of the inability of Pell Grants to keep pace with rising tuition costs. As a consequence, the leadership at these institutions will have to play a new, critical role in ensuring that the students who attend these institutions make informed decisions about borrowing at a community college.

The effects of the recession had a considerable impact on 2/3 of students and their families. One in six reported that the current economic circumstances had forced them to change their college plans (CBASG, 2009). Expectations from these findings were that more families would choose public institutions and community colleges, and that many students will be forced to work part-time to help pay the costs of college attendance. With enrollment increases at community colleges, many higher educational professionals are reported to be concerned that the students attending these institutions who are predominantly minority, are enrolling part-time, working excessively and not borrowing enough (Baum et al., 2011).

**Research Site: A Community College**

This study was conducted at a large, urban community college in the northeast United States. The institution, which will remain anonymous throughout this study, is a large (19,751 total students as of fall, 2011), two-year public institution awarding associates degrees (NCES, 2012a). Public two-year institutions represent more than 60% of all community colleges and serve nearly 95% of the students who attend community colleges (Carnegie, 2010). The chosen site is exclusively an undergraduate two-year institution with a higher enrollment ratio of part-time to full-time students (Carnegie,
For many students, the community college is the access point for postsecondary education because of lower published prices, open admission and geographical proximity (College Board, 2011).

With a student body that is 48% Black/African-American (NCES, 2012a), this commuter, urban college also meets the definition of a Predominantly Black Institution (PBI) as found in Section 318(b) of the Higher Education Act of 1965, 20 U.S.C. 1059e (U.S. DOE, 2012). From a sample population of the racially and socioeconomically diverse population of part-time and full-time students, the study will permit the exploration of the differences, if any, in the attitudes towards borrowing for college of students who are demographically different and who may face different obstacles in the pursuit of a postsecondary education. The site selected is a Predominantly Black Institution (PBI) which further underscores the relevance of this choice of institution since African-Americans are more likely to borrow for college and graduate with the highest level of debt (Demos, 2011; College Board, 2010).

The potential weekly earnings for bachelor degree recipients ($1,038.00) are 66% greater than high school graduates ($626.00) according to 2010 figures released by the Bureau of Labor Statistics. The financial incentive provided by an increase in lifetime earnings for those whom decide to pursue a college degree necessitates scholarly inquiry into student values, their borrowing behavior and their attitudes towards loans (Cheng, 2011). According to the National Center for Education Statistics, during the academic year from 2010 to 2011, 41% of full-time students at this community college received at
least one student loan. A total of $34,994,722 was borrowed in the 2010-2011 academic year at the college (NCES, 2012).

While there are a myriad of external factors that can affect the value proposition of a college education, the purpose of this research aims to isolate the unit-of-analysis to that of community college students. As higher education is perceived as more of an economic private good with increasing costs and potentially adverse economic consequences for those who do not pursue it, the decision to attend college requires an informed financial consumer. However, the privatization of higher education makes the decision-making process to finance it increasingly more complex while those who could potentially benefit the most are the least financially literate. Among the sources of federal financial aid made available to students over the decade from 1999 to 2009, student loans represent the primary form of financial aid (College Board, 2010). The growth in both the frequency and the outstanding cumulative balance of student borrowing requires a better understanding of how student borrowing perceptions help to shape the value proposition influencing student educational aspirations for an increasingly minority population attending a community college. It is vitally important to develop policies that are designed to protect students from unmanageable debt to the strongest extent possible and to make better information available about postsecondary choices and responsible borrowing (Baum & Steele, 2010). While community college students are likely to borrow less than the other sectors of higher education, many higher education professionals are concerned that they may not be borrowing enough and instead working excessively and enrolling part-time (Baum et al., 2011). This study
provides the opportunity to make a worthwhile contribution to the existing literature which provides data on borrowing levels without the benefit of qualitative exploration of community college borrowers.
Chapter 3 - Methodology

This research was conducted as a case study at a single site focusing on the issue of the student’s perception of postsecondary education and the borrowing necessitated by their decision. This is an exploratory case study to determine the connections that link community college students’ value proposition for higher education to their perceptions of student loans and the factors that influenced their decision to borrow for postsecondary education (Yin, 2003). This research will examine students who are enrolled at a community college during the fall semester of 2012 and that have accepted student loans as a part of their financial aid award package. Qualitative methods will be used in this study to explore the interactions that are related to the value proposition of students and their decision to borrow. This study is exploratory because little is known about the perceptions of community college students who borrow (Yin, 2003).

Qualitative methods are the best choice for this research because qualitative methods allow the researcher to listen to the views of the research participant, while considering the natural context, such as the particular decision, of which the participants express their views. Qualitative research methods are unsurpassed for research problems where the variables are unknown and need to be explored (Creswell, 2005). Qualitative inquiry is inclusive of three tenets employed in this study: the researcher matters, the inquiry into meaning serves understanding and embraces new ways at looking at the world (Shank, 2006). The research analysis follows Creswell exploratory mixed method procedures to organize data, code themes and identify interrelated categories (Creswell,
The data used in this research is qualitative only, representing a modification to the exploratory model that relies upon combining quantitative data (Creswell, 2007).

This work is an empirical study that, according to Julnes (2007), “investigates a contemporary phenomenon in depth and within its real-life context especially when the boundaries between the phenomenon and the context are not clearly evident”. The research will use a multi-level conceptual framework which will situate the student value proposition within a prescribed external context (Perna, 2007). In this manner, the research will lead to the construction of a model that allows the interviews to explore a student’s “choice architecture” (Thaler, 2011). The research explores the student’s assessment of the costs and benefits of borrowing to attend college by including their accessibility to academic resources (student advising) and financial resources (Perna, 2007). This inquiry will be achieved through the distribution of surveys and through interviews with student participants. The social capital theory and the idea of rational behavior (Palacios, 2007; Friedman, 1962) will be examined for their application in the case study by exploring the perceived benefits of attending college and the use of student loans.

**The Basis for the Development of the Conceptual Model**

The conceptual framework employed in this study was adapted from the Multi-Level Conceptual Model of Student Enrollment (Perna, 2007). The model considers four external layers that affect a college student’s enrollment decision: (fourth layer) social, economic and policy context, (third layer) higher education context, (second layer) school and community context, and (first layer) student and family context. The model in
this study revises Perna’s third contextual layer in her model from Higher Education in general to the influence of attending a Community College specifically. The historic growth and subsequent role of the community college is explained in the fourth chapter. Constructing an environmental climate lens which takes into consideration the role of community colleges provides an overlay to the behavior and the attitudes of students towards postsecondary education and their understanding of borrowing and the financial aid process. Typically community colleges are under-resourced with regard to student services. The intent was to explore the existence of a relationship between how students value a postsecondary education, and the decision-making behavior of students and their families with respect to borrowing to attend college.

Another revision to Perna’s model involves redefining the second layer from that of the role of School and Community to the role of Financial Aid Office. Another important revision is the formulation of a “student’s value proposition”, the principle focus of this study, which is defined as a combination of the private economic benefits and the public social benefits (Table 1, Chapter 1). The value proposition considers the student’s reasons for enrolling in higher education as well as their expected benefits from the enrollment decision. Lastly, this study expands upon Perna’s framework by adding the student borrowing decision as a component of the Multi-Level Conceptual Framework of Community College Value Proposition of Enrollment & Borrowing Decision Framework (Appendix C). The model employed in this study, “Multi-Level Conceptual Framework of Community College Value Proposition of Enrollment & Borrowing Decision Framework” benefits from the added contextual insight gained from
interviewing financial aid administrators at the research site. Research suggests that students’ perceptions of loans may differ based upon the messages from external influences (Perna, 2007). The methodological approach described will provide credibility and the requisite evidence of adequate rigor in the qualitative process by providing multiple layers of analysis (Creswell, 2009).

The final consideration in the case design study was to ensure construct validity (Yin, 2003). The use of an interview protocol, that included the external factors provided in the multi-level framework affecting students, informed the interviewing process and permitted the internal validity testing of the research (Yin, 2003). The conceptual framework developed for this study (see Appendix C) draws upon four levels of external influences to the student narrative. The test of construct validity was met by first designing the questions to relate to the original study objectives and by applying an existing framework (Perna, 2006) that had been used in previous research. To increase the construct validity of this research, multiple sources of evidence along with a chain of evidence was employed (these procedures are described in the data collection and analysis section of the chapter, respectively) (Yin, 2003). The use of validated existing instrumentality reinforces the rigor of the study, the validity of the approach taken and the findings from the research (Yin, 2009).

Data Collection

The primary data used in this research were interviews conducted with community college students and institutional officers at their home institution and was a part of the purposeful sampling strategy in the case study design (Creswell, 2009).
Interviews with students and institutional officers played a central role in the data collection efforts for this study. The individual students were the unit-of-analysis in this study and are one of the most important sources of case study information (Yin, 2003). Interviews are one of the six recommended types of information that should be collected in a single instrument case study that focuses on an issue within one bounded case, in this case the community college site (Creswell, 2009). The interview protocol used in this study (Appendix B) was developed during the case study design to narrow the central question and sub-questions in the research study (Creswell, 2009).

Semi-structured interviews lasting on average between 40 minutes and 60 minutes were conducted with 20 participants. The interviews were audio-taped using a backup recorder prior to being transcribed to minimize the risk of data loss. A signed consent form was required for each of the participants in the study. The use of confidential student interviews allows the inquiry to examine the subject matter (community college students) while retaining the meaningful characteristics of real-life events such as individual life cycles (currently enrolled) and the influence of other contributing factors (borrowers) (Yin, 2009). Although the line of inquiry was designed by the study’s interview protocol, the questioning was decidedly non-linear to permit a conversational inquiry that would help to ferret out how instead of why (Yin, 2003, Rubin & Rubin, 2005). The student interviews were conducted at the community college campus in a natural setting permitting the observation of relevant behaviors and environmental conditions (Yin, 2009). A campus office space was used that was sufficiently quiet to enable audio-taping.
Additional sources of evidence include a pre-interview survey for all of the participants (Appendix A). The survey instrument allowed the collection of demographic data, and for the collection of perceived college benefits, as well as to determine the level of understanding about borrowing decisions. Institutional documents including the school newspaper, statistical data concerning costs and borrowing published by the Institutional Research office as well as documents provided by participants (confidential financial aid data voluntarily provided) augmented the data collected in the campus interviews (Yin, 2003). Casual data collection (Yin, 2003) was derived from direct observation of student interaction with the financial aid office to gain a deeper understanding of the student’s experience. By speaking with academic officers of the institution prior to interviewing students and subsequently interviewing financial aid officers, a data analysis spiral was developed during the analytical stage (Creswell, 2009). By combining the use of these multiple sources of evidence, converging lines of inquiry where triangulation of data can be employed provides more compelling and accurate case study findings (Yin, 2003).

**Participant Selection**

The initial challenge to the research was to develop a sample population of willing participants that met set criteria to allow for the application of replication logic (Yin, 2009). In order to identify currently enrolled students with existing debt, administrators within the college’s financial aid office solicited participation from work-study grant recipients within the financial aid office. A letter of introduction regarding the purpose of the research was given to prospective students and those who agreed to
participate were given a stipend for their anonymous participation. Those who agreed to participate were asked to complete a survey questionnaire (Appendix A) provided to the financial aid office in advance which the participants were asked to bring to an interview later arranged by the researcher. Once a list of twenty students was established by the financial aid office, the researcher contacted each student for the purpose of arranging interviews.

During the course of the interviewing process it was determined that an adjustment in the solicitation of study participants was necessary. As a matter of convenience, the financial aid office chose only work-study grant recipients employed in their office. As a result, midway throughout the process known faculty at the site were asked to solicit currently enrolled students with existing debt from their classes using the same introductory letter, survey questionnaire and stipend incentive used by the financial aid office. Only twenty of twenty three participants were included in the research and included six participants who were not referred by the financial aid office thereby satisfying the importance of rival explanations which is an important consideration of theoretical replication (Yin, 2009). Access to the student’s financial records were disabled to protect the anonymity of the student and to ensure that the study only included the student’s self-reported perceptions.

Since it is possible for students who are still in high school to take classes at the chosen site, all participants in this study are adults of majority age (18 years of age, minimally). Participants were continuing students specifically pursuing an accredited degree and not a certificate program. In addition, the variance in student demographics
add contextual nuance to the unit of analysis (students). Most students attending the institution included in this research are part-time and the majority of them are female (NCES, 2012).

The community college associate degree offerings include an Associate’s in Arts (A.A) for students intending to transfer to bachelor’s degree granting institutions, and an Associates of Applied Science (A.A.S.) degree which provides students with certain specific career skills that are intended to lead directly to employment. Each of the participants have existing student loan debt from borrowing in prior academic year(s) but have yet to complete their degree program at the community college by the fall semester of 2012 when the research was conducted. The participants in this study were comprised solely upon those referred by either the financial aid office or by campus faculty, and who were interested and voluntarily willing to participate. The resultant pool of participants used in this in the study was demographically diverse (Appendix C). By following specific systematic procedure throughout the data collection process the research design and implementation, as well as the participant selection process described herein will assuage any concerns and contribute to the validity of the research rigor (Yin, 2003).

**Analysis**

Qualitative research data analysis requires preparing and organizing the data (Creswell, 2009). A systematic approach to the analysis including coding the data into themes was undertaken (Huberman & Miles, 1994; Creswell, 2009). The multiple sources of evidence included interviews, documents and observations. Transcriptions,
existing research and field notes supported the formulation of categories (Creswell, 2009). To further illuminate the case study analysis approach, interview narratives are provided as evidence in the following chapters to reflect an in-depth picture of the case and to highlight distinguishing characteristics that provide compelling evidence for the findings (Creswell, 2009). The transcribed interviews were used to develop four broad themes: demographics, the decision to attend college, categorization of the value proposition and borrowing perceptions. Themes, coding and the use of tables reflect the core elements of the qualitative data analysis (Creswell, 2009). A preliminary list of codes described in Table 1 as “Variables” was developed in order to inform the study. Creating and coding the data afforded the opportunity to develop naturalistic generalizations (Creswell, 2007, p. 163). A thematic analysis that employed pattern-matching amongst the data ascertained from the respondents formed the basis for the findings which emerged (Creswell, 2009).

Table 2 – Summary of Key Protocol Questions, Key Variables And Analysis appears on the next page and represents the linkages within the interview protocol (Appendix B) that constitute the factors that influenced the community college students decision to attend college, the value proposition and their borrowing attitudes and behavior. Three central questions provide the basis for the direction in this study and are included in Table 2. The purpose of Table 2 is to provide a visual roadmap of the analytic process (Creswell, 2009) that allows the conceptualization of the case study approach used in this inquiry. The table also reflects the deconstruction process that helped to focus the research attention on specific qualitative data (Creswell, 2009).
### Table 2. Summary of Key Protocol Questions, Key Variables, Analysis

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>Interview Question</th>
<th>Variables</th>
<th>Analysis</th>
</tr>
</thead>
<tbody>
<tr>
<td>The central question is to understand the value proposition of community college</td>
<td>1-32</td>
<td>• Demographics</td>
<td>Constant Comparison</td>
</tr>
<tr>
<td>students toward postsecondary education. Further, how do they categorize these</td>
<td></td>
<td>• Influences on college attendance</td>
<td>Identification of Themes (emergent categories)</td>
</tr>
<tr>
<td>benefits within the context of using student loans to determine whether or not the</td>
<td></td>
<td>• Persistence to degree</td>
<td></td>
</tr>
<tr>
<td>borrowing was worth it?</td>
<td></td>
<td>• Private benefits of college education</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Public-social benefits of college education</td>
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<td></td>
<td></td>
<td>• Financial literacy</td>
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<td></td>
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<td>• Borrowing levels</td>
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<td>• Borrowing attitude</td>
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<td></td>
<td></td>
<td>• Borrowing Needs</td>
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<tr>
<td></td>
<td></td>
<td>• Repayment concerns</td>
<td></td>
</tr>
<tr>
<td>How did students arrive at the decision to attend college?</td>
<td>1-4, 8-10</td>
<td>• Demographics</td>
<td>Constant Comparison</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Influences on college attendance</td>
<td>Identification of Themes (emergent categories)</td>
</tr>
<tr>
<td>How do students categorize the benefits of attending college?</td>
<td>5-7</td>
<td>• Persistence to degree</td>
<td>Constant Comparison</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Private benefits of college education</td>
<td>Identification of Themes (emergent categories)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Public-social benefits of college education</td>
<td></td>
</tr>
<tr>
<td>How did students plan for, and from what sources did they get, assistance to</td>
<td>17-25</td>
<td>• Financial literacy</td>
<td>Constant Comparison</td>
</tr>
<tr>
<td>manage the financial expense of college?</td>
<td></td>
<td>• Borrowing attitude</td>
<td>Identification of Themes (emergent categories)</td>
</tr>
<tr>
<td>What are the student perceptions and attitudes about using student loans?</td>
<td>18-26, 27-32</td>
<td>• Financial literacy</td>
<td>Constant Comparison</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Borrowing levels</td>
<td>Identification of Themes (emergent categories)</td>
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<td>• Borrowing attitude</td>
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<td>• Repayment concerns</td>
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</table>
The first question that was addressed in the research addressed defining and categorizing the value proposition students use to pursue their postsecondary education? (Appendix B: Questions 1 to 32). In determining the value proposition, the survey questions that relate to the importance of higher education and the motivation factors were partially derived from a national survey previously conducted by the Public Agenda (Immerwahr, 1998, pp. 4, 10, 11). Students were asked to reflect upon the path which they took to arrive at college during the conduct of the interviews. Using a reflective form of inquiry at the outset created a learning opportunity for the participants. According to Astin, reflection allows for someone to determine what it means to them personally and through reflection is how one discovers a real understanding of oneself and others (Astin, 2002). Students were also asked about their parent’s educational background to determine what motivating factors to attend college were present and to establish if they were first-generation college students (Appendix B: 1-4, 8-10).

The second central question in the study explores the differences, if any, in the attitudes towards borrowing of diverse students (Appendix B: Questions 17 -25). The participants varied in age, race and national origin providing data that could be interpreted in the findings. Participants were queried regarding their financial planning for college to determine their level of financial literacy. To ascertain implications for future research of the research, the participants were asked, “Do you have any suggestions about how students could make better decisions about paying for a college education?” Lauren Asher, President of the Institute for College Access and Success, reports in the Project on Student Debt that, “without readily accessible, accurate
information about borrowing at specific colleges”, students are increasingly at risk of making decisions which are not informed. Hence, the study included questions about the financial aid process from the student’s perspective that could inform financial aid policies and may benefit prospective students from unnecessary borrowing. In a Fall, 2006 hearing before the Advisory Committee on Student Financial Assistance, Lauren Asher testified that the committee was “rightly concerned about the complexity of the financial aid process” which could serve as a barrier in informing students and their families about college aid which they may be entitled to (TICAS, 2006).

The final central question in this study makes inquiry into the perceptions of within-college period students towards student loans in an effort to understand if these perceptions have any significant bearing on the value proposition of their college education? (Appendix B: Questions 18 – 26 and 27 – 32). Since the core phenomenon in the study is student perception, factors including the decision-making process must be given careful consideration (Gladieux et al., 2005). The formulation of decision-making matrices for students may give rise to the importance of increasing the financial literacy of students who are faced with making decisions inside of a highly complex financial system. In addressing the worrisome trend of student borrowing, previous research recommends both qualitative research regarding loan literacy and the need to develop methods for improving student loan literacy (Whitsett, 2012a). Both of these recommended research inquiries are analyzed through this qualitative study.

Qualitative methods are particularly appropriate for understanding the value proposition of currently enrolled undergraduates within a college environment and can
help to explore the process through which students rationalize and construct a decision-making framework that justifies borrowing for a college education. Using open-ended questions and probing follow-up questions allowed the identification of themes and patterns to emerge during interviews. A database was used to profile each student interview, to organize and to analyze the information collected (Yin, 2009). Merriam (1998) emphasizes the importance of an effective data management system in case study research. In addition to the interview transcripts, field notes also provided detailed and highly descriptive data for the benefit of building a case study database with labeling, synthesis and storage (Merriam, 1998). The objective was to maintain manageable sets of data that can be interpreted through a data analysis spiral (Yin, 2009). Data collected during the interview process helped to construct the description of the findings in the narrative (Creswell, 2009) presented in Chapter 5.

A final consideration in the analysis was cost and affordability. One of the factors that affect the borrowing decision is the public policy environment. References to the current economic climate, the disparity in lifetime earnings based upon educational credentialing and the issue of college affordability helps to frame this context. Relevant to this study are the tuition and fees, the average net price\(^3\) for full-time returning students\(^4\) and the degree to which students rely upon financial aid\(^5\), including the use of federal loans. The conceptual model in this study examines the role of the institution (Li, 2007). More than one-third of all students (38%) attending public two-year institutions

\(^3\) Average net price is generated by subtracting the average amount of federal, state/local government, or institutional grant or scholarship aid from total cost of attendance.

\(^4\) Returning students are students whom have enrolled in prior years and have returned in the fall, 2012 semester to persist towards graduation from a program of study.

\(^5\) Includes students receiving federal work study aid, and aid from other sources.
had borrowed at the onset of the Great Recession (Baum et al., 2011). Attention to this issue is important in signaling the need to “administrators to slow tuition inflation” (Thompson, 2012). The students attending the community college used in this study are heavily dependent upon financial aid. The percentage of full-time beginning students in the academic year prior to this study (2010-2011), was between 80 - 90% of students (NCES, 2012a). Of this student population, nearly half had received financial aid in the form of federal student loans. Consequently, there is a rich pool of continuing students at the selected institution who had previously borrowed for the purpose of this study. The study will assume that a combination of the external and individual student circumstances, directly and indirectly affect the cost-benefit perceptions of students towards postsecondary education and their willingness to borrow (Perna, 2007).

**Limitations of the Study**

In conducting credible research, limitations and threats to the validity of the study must be addressed. The first limitation of this study is the constraints of time and available resources (Yin, 2003). This study was conducted during only one academic semester (fall of 2012) in the midst of an anemic economic U.S. financial recovery with higher than normal levels of unemployment (CBASG, 2009). Because higher education is counter-cyclical to the economy, the decision to attend college typically increases during periods where the rate of unemployment is higher than normal. A longitudinal approach may have provided a richer understand of the student value proposition inquiry, the borrower perception, or both. An additional limitation includes contemporaneous changes to policy, institutional policies, and student behavior. To
monitor concurrent changes to the fourth layer of the multi-level conceptual model (social, economic and policy context), weekly internet search alerts from reputable online sources (Chronicle of Higher Education, Inside Higher Education, NY Times, et.) provided lesser valued data that was used to inform relevant findings established by the research.

The use of a community college as the site of inquiry would include a higher proportion of first-generation college going students than those found at traditional four-year institutions (Cohen & Brawer, 2008). While the site used was a very, large urban community college according to Carnegie Classification, the student population varies at different community colleges throughout the country based upon geographic location, course offerings and the types of degrees and certificates awarded. Consequently, the borrowing levels, attitudes and perceptions of the students included in this study cannot be uniformly applied to all students in the U.S. population although the research addresses the need for qualitative inquiry (Whitsett, 2012; Perna, 2007). In fact, community college students receive a much larger proportion of federal Pell Grants than other types of federal aid, including student loans (Baum et al., 2011). As of 2007-2008, 62% of associate degree recipients and 70% of certificate recipients graduated without student debt (Baum et al., 2011).

This study is also limited due to the prescribed participant criteria, including the adjustments in the solicitation process. The chosen sample is a small sampling of the entire institutional population and therefore, the findings cannot be generalized as representative of students at this institution, within this sector of higher education.
(community colleges) nor reflective of the entire college-going population as a whole. Lastly, the research was an individual effort that would have been enhanced by the assistance of multiple researchers to increase the amount of data collected and multiple perspectives in the analysis process.

Investigators who employ the case study approach are prone to developing and designing studies that substantiate a preconceived position that the researcher may have developed because of their firsthand knowledge of the issues (Yin, 2003). It is therefore important to explain any biases that the researcher holds related to their own perspectives, understanding or preconceived beliefs about the topic of investigation. By revealing these biases, those who review the study are better able to conclude how these findings were realized. One tenet of qualitative research is that the researcher matters and the use of a self-profile will identify any implications that my own biases may have upon this study (Creswell, 2009).

**Role of the Researcher**

I work at a community college and have interacted with students over the past decade as a faculty member, advisor and a department head with administrative authority. In conducting this research, my familiarity with community college students allowed me to develop a greater sense of rapport during the interview process with the student participants. As a faculty member in business courses, specifically finance, I have done research on the lack of financial awareness among community college students. Notably, I have never attended a community college myself as a student. I have attended a variety of higher education institutions, including a large, public university in an urban setting; a
small, private institution in a suburban setting and a large urban, Ivy-league institution. The majority of my adult life has been spent in an academic environment either as a student pursuing a degree, as a professional obtaining continuing education, or as an employee. I began my career in academia as an adjunct faculty member at a small, private institution.

While I have spent considerable time on the campus of a community college, I have been afforded many educational opportunities that are typically not available to students who attend community college. I was raised in a stable middle-class upbringing and was heavily influenced to pursue postsecondary education by my father who attended an Ivy-league college and a mother who reinforced the importance of college education at an early age, despite not attending herself. I received the support of my family towards my educational aspirations in the form of financial contribution towards tuition, housing and transportation costs. I was able to fill the resource gap in my educational expense with financial aid, employment and student loans. Prior to this research, I had already acquired a graduate education with minimal debt which was repaid through my employment following graduation. My awareness of these experiences should limit any influences in conducting the study.

In my role as researcher, it was necessary to guard against my own bias and to be in service to understanding the choice architecture of community college students and their financially literacy. To ensure this, questions during the interview process were designed to be open-ended allowing for the participant to provide meaningful explanation for their answers. A relevant observation, was the challenge that the opportunity to
verbally express their views posed for many of the participants. Sometimes stumbling, or looking for the phraseology that captured their thoughts, the participants often used colloquialisms and incomplete sentences that reflected their incomplete postsecondary education. For instance, money became “cheddar”, or a mistaken reference to the ability to intelligently express one’s thoughts was called “speaking with authority”. Despite these nuances, the opportunity to interview the students in a comfortable environment provided the chance to explore these cryptic expressions to discover their deeper meaning. Because the study involved students whose primary language was not English, the language barrier was an additional hurdle in the interpretive process. To overcome these challenges, probing and listening skills were used along with coaching to help them complete their thoughts.

In addition, I have shared my findings during the research process with other professionals who have conducted research on student borrowing to provide feedback. The input of other academic professionals helped in the construct of the conceptual framework and to establish the validity of my research findings. These measures are enacted to reduce the imposition of my own perceptions throughout the analysis process and from within the findings. The use of the literature review provides an additional baseline for comparing the case analysis and the aggregate findings. The study is also designed to benefit from the feedback of the participants themselves to gauge my interpretation of the qualitative inquiry.
Conclusion

The student value proposition for postsecondary education at a community college, and the decision to borrow for it, has evolved as a by-product of shifting costs, educational supply/demand tied to economic growth, and the complexities of funding the educational needs of a changing demographic in the aftermath of a recession. By interviewing a sample population at a community college this study explored how the students attending this growing sector of higher education value a postsecondary education and justify borrowing to attain it. While the nation seeks ways to restore its economic vitality within a global economy following the most recession and considers the role of higher education in the process, the perspective of the students who choose to attend the most affordable institutions will illuminate the issues surrounding cost, expectations and the choice to borrow in order to participate in the mainstream economy that increasingly requires a college education.
Chapter 4 – The Institutional Context and Characteristics of Community Colleges

A Brief History of the Community College

This study was conducted at a large, urban community college. Community colleges currently occupy an important space within higher education and will continue to play an integral role in the development of America’s higher education system well into the future. The development of this institutional sector should be placed in the context of all higher education institutions in the twentieth century (Cohen & Brawer, 2008). Secondary school enrollments grew exponentially since the early 1900s and the demand for college access was a function of the increase in the number of high school graduates. By the 1970s, high school graduation rates had stabilized at 72 to 75%, leveling off until the 1990s when the rate of college going rose again (Cohen & Brawer, 2008). The increase in demand during the 20th century spawned the emergence of these institutions within the higher education landscape. Instead of expanding university capacity, the majority of states chose to accommodate the influx of new students by creating junior colleges intended to relieve the burden of existing universities from the general education of young people. This would be accomplished by universities abandoning and relegating the function of teaching freshman and sophomore students to the junior colleges (Cohen & Brawer, 2008). Universities would be responsible for the higher order scholarship allowing them to become “true research and development centers” while leaving the general and vocational education to these institutions (Cohen & Brawer, 2008). This philosophy was not universally accepted rendering the development of two-year community colleges adjunctive to the mainstream education pecking order. While the institutions benefitted from the opportunity to grow
enrollments by buffering traditional universities and to seek funding allocated to vocational training, their growth from without traditional higher education stigmatized their identity (Cohen & Brawer, 2008). Thought of by many within the higher ranks of academia as “alternative institutions”, the early 20th century two-year public institutions developed as upward extensions of secondary school.

While there are several arguments that can be postulated to rationalize the rapid growth of this institutional sector, the best idea may be that since its founding, the United States has been dedicated to a belief that individuals shall be entitled to an opportunity to achieve their greatest potential (Cohen & Brawer, 2008). Over the period from 1915-1999, the growth in public and private, non-profit two year colleges went from (74) and (55) to (1,244) and (169), respectively (AACJC, 2001; NCES, 2001). As the colleges grew, the idea of access was reliant upon proximity and all public universities draw the majority of their freshman from a short radius (Cohen & Brawer, 2008). In 1947, President Truman’s Commission on Higher Education articulated that “because around half of the young people could benefit from formal studies through grade 14, the community colleges have an important role” which was reinforced fifty years later by former President Clinton (Cohen & Brawer, 2008). As public education grew in the United States throughout the twentieth century, community colleges expanded although not uniformly into a fixture within the higher education system. Currently, a community college, branch campus, or extension center is within an hour's drive of most of America’s homes to serve educational or training needs in a region (AACC, 2013).
The Role of Community Colleges within the Higher Education Landscape

According to the philanthropists, business leaders, the Obama administration and workforce specialists, to meet the national goals of educational attainment will require innovative thinking and a realignment of resources to support the nation’s more than one thousand open admissions community colleges (AACC, 2010). Community colleges in 37 states, from FY 2009 to FY 2010, experienced a flat or negative change in operating support while experiencing enrollment surges (AACC, 2010). Public community colleges in the U.S. receive the majority (approximately 38%) of their institutional operating revenue from states. According to Georgetown University’s Center of Education and Workforce projections, the U.S. economy will need 22 million college degrees and at least 4.7 million new workers with postsecondary certificates by 2018 (AACC, 2010). In 2010, at the time of the Community College White House summit, the nation’s community colleges were producing 600,000 degrees and over 300,000 certificates annually. President Obama established a national educational agenda that included a goal for community colleges to expand degree and certificate production by an additional five million students by 2020.

Community colleges have evolved into their current role within higher education as both a source of controversy and as an institution that reflects the social mobility that characterizes America (Cohen & Brawer, 2008). This fact underscores the importance of conducting research at this type of higher education institution. Competition is pushing community colleges to consider students as customers whose instruction and services should be delivered at the time, location, and pace of the students' choosing (AACC,
In the post-recession era where traditional four-year residential college experience has never been more costly, community colleges may provide a less expensive choice for students seeking a high-quality education that serves them in the job market and throughout their lifetimes (Snyder, 2012). Statistical evidence of the increasing role that community colleges play in educating U.S. students is reflected in the total fall enrollment in degree-granting institutions which shows that 37% of the 8,580,557 total students enrolled in college started their journey at two-year institutions in 1970. By 2011, the total increase in the number of students enrolled at accredited institutions had risen to 20,994,113 and 56% of those (13,494,131) began at two-year institutions (NCES, 2012).

Community colleges come in many shapes and sizes, from small rural colleges to very large multi campus, urban colleges (AACC, 2013). The site used in this study is a publicly funded associate’s degree granting, large multi-campus college in an urban setting. The site is one of 186 large urban community colleges and serves considerably more students than the national average (8,204 students) as reported by the American Association of Community Colleges (AACC, 2013). The chosen site of inquiry provides many ways for students to access the more than 70 degree and certificates offered by the institution whether for the purpose of lifelong learning or in pursuit of an associate’s degree. Day, evening, weekend and online classes are offered for full-time and part-time students. The students who attend the researched site reflect the majority of large, city community colleges whom are both racially and socioeconomically highly diverse (Rosenbaum, J.E., 2006, AACC, 2010). Demographically, the research site has a
majority (74%) minority population and a median age (26) that is slightly below the national age of 29 years old (AACC, 2012). The relevancy of using an institution of this size was to allow for the researcher to access a pool of student participants that reflected a broad cross-section of college going students.

**The Institutional Identity Crisis of Community Colleges**

Because higher education in the United States is comprised of many institutional types, one critical attribute that helps to distinguish the institutions from one another is their mission statement. There are three prevailing theories that previous researchers have identified that explain the institutional difficulties that community colleges face related to mission. The authors of the book, *The Diverted Dream*, trace community colleges from their historic roots as transfer institutions to their emphasis on occupational goals (Rosenbaum, 2006; Brint, 1989). That longitudinal research covering the period from 1900-1985 concluded that the institutions diverted their curriculum from the goal of transfer to primarily vocational studies (Rosenbaum, 2006). Alternatively, subsequent research determined that community colleges attempted to fulfill both missions of transfer and vocational training and thereby strained their institutional effectiveness by overextending limited resources (Doughtery, 1994). Although both of these research theories similarly suggest that the transfer mission should ultimately be primary, Dougherty’s later research furthered that the dual-pronged mission of transfer and vocation created additional obstacles that students may encounter (Rosenbaum, 2006). Dougherty research revealed that diluted mission creates additional financial aid barriers for students as well as problems transferring credits for particular courses (Doughtery,
The third prevailing theory resulted from research conducted by Norton Grubb assisted by Marvin Lazerson and concluded that the occupational mission of community colleges was valuable (Grubb, 2004). Grubb uses the postsecondary educational demands of the labor market to demonstrate the opportunity that vocational education training provides to disadvantaged students but found that the institutions were hampered with inadequate resources to fund new programs or to properly integrate them into the existing institution (Grubb, 2004). Each of these prevailing theories, singularly and collectively, serves to establish the detrimental consequence of the very broad missions which are an institutional characteristic of community colleges.

Nontraditional students entering community colleges have caused the institutions to respond by adding programs and services that can sometimes be a source of internal conflict (Rosenbaum, 2006). The site used in this study offers more than 50 degree and certificate programs in addition to large enrollment in non-credit courses. The enrollment levels in both exceed other large, urban community colleges further thinning a clearly stated objective of the institution. The phenomenon creates a reactive institution that attempts to be “all things to all people” causing a dilemma for the faculty and administrators who occupy them. The key matter for community colleges is trying to determine how their contradictions affect their students and whether they can successfully operate each component of their complex models effectively (Rosenbaum, 2006). Grubb asserts that not only do the unresolved contradictions strain institutional resources but they may also confuse students who experience unfocused programs and weak linkages to the marketplace ultimately leading to low degrees of completion.
(Grubb, 2004; Rosenbaum, 2006). One aspect of the quandary imposed by community college mission is the student’s perception of the value of being educated at one of these institutions. The broad mission of community colleges may be attractive to a wide-ranging pool of students who are increasingly nontraditional. However the mission contradiction combined with limited resources may inhibit how well these institutions actually serve the intended benefits of the students who have chosen to attend them and undermine institutional reputation.

The Challenge to Create an Effective Learning Environment

The growing influx of nontraditional students entering community colleges has made the issue of information needs a growing concern (Rosenbaum, 2006). Nontraditional students represent racial and ethnic minorities, low-income and low-achieving students as well as part-time and adult learners. Because they also include first-generation college students, many members of these groups lack familiarity with college procedures and the demands of college attendance that are necessary to ensure success (Rosenbaum, 2006). The response of community colleges has been to offer remedial programs as a policy mechanism to provide access to new student groups. Many students arrive at community colleges without adequate planning unlike middle-class students at four-year universities making their aspirations susceptible to the influence of community college staff and faculty whom can either inflate or deflate student aspirations (Rosenbaum, 2006). With limited resources to provide adequate support services for the demands of an increasingly diverse and nontraditional population of students, community college campuses have the opportunity to develop learning
communities and peer mentoring (Levinson, 2005). Institutional structures may create confusion and mistakes on behalf of students (Rosenbaum, 2006) which for students that are largely dependent upon financial aid and increasingly borrowing to attend a community college can be costly. It is necessary to consider the extent to which community college students may be disadvantaged in their access to useful information and how the existence or absence of a learning community affects student choice making at community colleges.

The premise that the entire campus is a learning community suggests that student learning occurs even outside of the classroom. An emphasis on student learning is growing as employers and society expects students to demonstrate competence in what they have been taught (AACC, 2010). The mission of an institution greatly influences the type of programs and activities that count as learning and provides an understanding of what motivates the students and faculty to enhance students’ experiences (Keeling, 2006). The concept of a learning college is useful for understanding how an institution can be organized to center its mission, goals and organizational structure on learning (Levinson, 2005). Community colleges have adapted in different ways to filling the existing information gap of its students, however research has shown that many community colleges found themselves without adequate information to make informed choices about how to proceed through college (Rosenbaum, 2006). While this research does not focus upon the idea of student success while in college but instead emphasizes the factors affecting the choice to attend college, the structural environment in which students find themselves would likely influence their perceptions regarding the benefits
of postsecondary education. The twenty student participants in this study are currently enrolled and experienced varying degrees of institutional barriers that have created their sense of college going. It is important to understand the difference in the community college from traditional universities to explore the student value proposition. Situating the student at the center of the campus system engaging in behavior that makes meaning of experiences, new information and using cognition to engage the environment frames the institutional mission and campus culture (Keeling, 2006).

Like all institutions of higher learning, community colleges are riddled with idiosyncrasies that make them unique and pose different challenges for students who attend them. There are at least seven obstacles that have been identified as key complications facing community college students: bureaucratic hurdles; confusing choices; student-initiated guidance; limited counselor availability; poor advice from staff; slow detection of costly mistakes; and poor handling of conflicting demands (Rosenbaum, 2006). Of these, the two issues that affect the college attending choice and the borrowing decision in this study are student-initiated guidance and slow detection of costly mistakes. Students not only must be aware of what information they are missing and anticipate it in a timely manner, but they must know where to seek the solution and have the moxie to go and get it (Rosenbaum, 2006). Student error is increased by the fact that students don’t know what they don’t know.

In the case of financial aid which is a complex matter for students at all institutional types, student error can be particularly costly for disadvantaged students at community colleges who risk the opportunity to recover from financial mistakes thereby
jeopardizing college attendance altogether. To assuage these difficulties and in light of community college budgetary constraints, structural procedures must be deliberate, transparent and institutions must function as learning campuses. The consequence of failed institutional procedural strategy is students with unrelated credit hours, non-completion of degree with debt burdens or worst of all, failed dreams (Rosenbaum, 2006).

**Underfunded Community Colleges: Doing More for Students With Less**

A common theme throughout this chapter regarding the institutional characteristics of community colleges has been reference to the idea of limited resources, meant primarily to be understood as financial constraints. Constraints on public funds show no signs of abating, as more legislatures predicate budget increases upon performance of specific goals (AACC, 2010). Revenue sources for public community colleges like the institution used in this research are typically derived from the following sources, primarily: tuition and fees; federal, state, and local appropriations; and grants, gifts and contracts with local business and industry (AACC, 2013). The proportion from each source depends on the college’s location. State funding to community colleges has failed to keep pace with increasing costs due to inflation, an expected increase in high school graduation rates, and consequent college enrollment increases (AACC, 2010). Additionally, the majority of states have experienced a structural deficit in funding current services. Because of these factors, community colleges are faced with the tough decisions of cutting services or increasing tuition (AACC, 2010).
The chosen site in this study has experienced a significant shift in its funding since its inception. The funding formula for the site used in this study had originally based its operating budget on a shared computation that anticipated one-third of costs would come from the state and local government with the remaining one third from tuition and fees charged to the students. Internal data reported by the site used for this study shows a dramatic decline in combined state and local funding. Over the past more three decades, the college’s operating budget went from less than one-third being derived from student tuition and fees to nearly 60% of the operating budget expense by the 2011 academic year (Jaschik, 2012). Public support had nearly halved overall with the greatest decline from local sources, while student contribution had almost doubled. By 2009, the national average for student contributions was 32% (AIR, 2010). The impact of cost shifting to students is that the decision to attend college has become less affordable, even at large two-year public institutions like the one used in this study.

The decline in local funding sources and a greater reliance upon state-level support is a funding trend for community colleges that is not likely to reverse into the future (Rosenbaum, 2006). Compared to other sectors of higher education, with regard to instructional costs, community colleges have a distinct advantage, more especially if they embrace the technological revolution to further reduce the cost of the delivery of instruction. Community college instructional costs are about one-fourth of public research universities and half the costs of comprehensive four-year institutions (Rosenbaum, 2006). In the past, community college funding from states has been based upon students enrollments on a FTE (full-time equivalent) basis, however, it is expected
that other factors in the funding formula related to student performance are likely to emerge as criteria for financial support. Most states will require that the institutions develop more specific strategic directions rather than existent broad-based missions, work more collaboratively to identify relevant performance indicators and to avoid replication of programming across state systems (Cavanaugh, 2012). To counteract the long-term effects of declining funding and increasing costs, institutional leadership will need to be entrepreneurial to augment institution budgets (Rosenbaum, 2006). Private-public partnerships with philanthropic foundations, contract training, lease arrangements and developing college foundations are a few innovative activities that will shape the financial viability of these institutions into the future (Rosenbaum, 2006). New institutional measures that offset traditional public sources of funding will need to be enacted. The challenge facing community colleges is to be responsive through new programming that is attractive to nontraditional students without the erosion of student services.

According to findings from the Delta Cost Project at the American Institute for Research in the report titled, “College Spending in a Turbulent Decade” which looked at institutional spending across sectors of higher education, “community colleges suffered the greatest financial hardships in 2010”. The historic enrollment increases that community colleges experienced that should have increased institutional revenue were met with sharp losses in per-student revenues from state appropriations and meager increases in net tuition revenue for most institutions. The result of these simultaneous phenomena was significant cuts to academic spending per full-time equivalent (FTE)
student at the institutional level. Community colleges concluded the decade, from 2000 to 2010, spending less per student than they had ten years earlier (AIR, 2012). Student services are an integral component of student success and shortfalls in institutional funding that decrease funding to student services create additional burdens for students attempting to navigate the college labyrinth.

At the research site, total expenditures for the institution was just slightly below $124 million for the fiscal year 2011-2012 (X Community College, 2011). Of the total expenditures, student services accounted for approximately 4% or $5 million, which is significantly below the national average for community colleges who dedicated 12% of total spending from 2000 to 2010, according to student full-time enrollment (AIR, 2012). The percentage of spending on student services at the site of research represents the direct spending on counseling, advising and student and co-op services (Figure 3 – X Community College Spending per FTE). The community college used in this study like the national figures provided do not include institutional spending on instruction, academic and institutional support⁹, or facilities operations and maintenance. Including the decline in funding to student services draws attention to this issue in the context of the post-recession legislative climate by connecting the institutional challenges created by the external social, economic and political factors that ultimately impact students, especially at community colleges. Community college institutional leaders must strike a balance between making college accessible and affordable while experiencing significant erosion in the resources they have to devote to each student (AIR, 2012).

⁹ Academic support includes activities such as libraries, academic computing, and central academic administration (e.g., deans’ offices). Institutional support includes general administrative services, executive management, legal and fiscal operations, etc.
One student service area that is of particular importance to this research is the role of the financial aid office and its administration of financial aid to community college students. Community colleges accommodate more than 40% of new higher education students—often the most economically or academically disadvantage (AIR, 2012). Funding challenges to community colleges restrict the number of staff that it can dedicate to financial aid increasing the college know-how of its students. Almost half of all undergraduates receive financial aid and the total financial aid per full-time equivalent (FTE) student has increased over 62% over the last decade (NCES, 2012). In fall 2011, 26% of all of the FTE students in the U.S. were enrolled at public two-year institutions and 34% of all Pell Grant funds distributed in the U.S. went to students attending public two-year institutions (NCES, 2012). Despite increasing enrollments, community college students only receive 9% of all campus-based funds including Federal Work Study
(16%), the Federal Supplemental Educational Opportunity Grant (20%), and deferral
Perkins loans (1%) (NCES 2012, AIR, 2010, AACC, 2010).

And while community college students borrow less than other students, the
economic climate is causing increased borrowing among its students (NCES, 2012; AACC, 2010). The underfunding of student services as well as a seismic shift in the
enrollment of underrepresented students that are more often first-generation college
students is occurring at a time in history when the nation’s economic goals are tied to
postsecondary attainment. Different students respond to organizational procedures
differently and both the present future enrollees of community colleges will be comprised
of a demographically different population with a greater need for assistance from
campus-based services (Rosenbaum, 2006). Even by allocating moderate increases to
institutional support services such as financial aid undermine the funding to other student
support services creating a complex quandary for community colleges in delivering
critical information to students navigating the complexities of the financial aid system.

The Evolution and Importance of Financial Aid at the Community College

The role of financial aid for community college students, even in comparison to
other student services, has become vitally important and requires the immediate attention
of institutional leaders and legislators. The report titled, “American Dream 2.0”,
concludes that “the democratization of higher education has been a powerful driver of our
(U.S.) economic growth, social mobility, and individual prosperity”. An important
finding from this report that is explored in this research is the idea that a more effective
financial aid system will provide more Americans with access the “gateway to the
American Dream” and improve completion rates for those who do attend college in order to make the country more competitive globally (HCM Strategists, 2013). The historic evolution of financial aid administration at community colleges provides some necessary insight to the contemporary challenges that institutions face. Financial aid offices support institutional accountability for providing high-quality degrees and manageable debt (Supiano, 2013). By providing key information to students and their families through improvements to the financial aid system, better decisions about the benefits of college, institutional choice and how to pay for it can be achieved (TICAS, 2013).

The growth of federal and state financial aid is staggering and today its reach is broad (HCM Strategies, 2013). The number of recipients of Pell grants for postsecondary education has soared from 173,000 in the academic year 1973-1974 to 9.4 million by 2011-2012 (HCM Strategies, 2013). Because of the perceived low cost of community colleges, these institutions were slow to seek federal funds (Cohen & Brawer, 2008). The Servicemen’s Readjustment Act (GI Bill) was expanded with the National Defense Act in 1958 but it wasn’t until the passage of the Basic Educational Opportunity Grant of 1972 (providing a maximum grant of $452 annually) did community colleges begin to organize financial aid offices. (FinAid, 2013; Cohen & Brawer, 2008). By the 1980s, community colleges had begun to direct grants and loans to students who needed them and by the 1990s student aid increased dramatically due to the availability of state grants which exceeded federal funds (Cohen & Brawer, 2008). However, the majority of the grant aid which discriminated against part-time students and those pursuing non-credit credentials didn’t proportionately go to community colleges because of the eligibility restrictions and
the perception that students who chose to attend community colleges faced affordable costs (Cohen & Brawer, 2008).

According to the Measuring Up 2008 National Report Card, college tuition inflation has increased by 439% in comparison to a 147% increase in median family income. Worse, the percentage of family income required covering the net college cost increased over the period from 2000 to 2008 across all income quintiles but the burden of paying for college increased most for middle- and low-income families (NCPPHE, 2008). By the academic year, 2010-2011, the national total estimated average budget for community college students who did not live with their parents had mushroomed to $14,637 annually (CollegeBoard, 2011). In 2007-08, the average national grant aid distribution for students attending two-year colleges comprised of federal, state and institutional aid totaled $1,700 (CollegeBoard, 2011). The average tuition costs at community colleges nationally was $2,713 and represents slightly less than 20% of the total annual expenses which students typically face (CollegeBoard, 2011). For the spring semester 2013, the tuition for a full-time student ($2,265 per semester) at the site where the research for this study was conducted was slightly less than the maximum Pell grant award ($2,775 per semester) according to documents provided by the institution’s lending officer. The narrowing gap between tuition costs and the grant award (the calculated difference between tuition and the Pell grant award is $510.00) signals an alarming trend as reported by the researched institution’s financial aid officer in this study.

According to the school’s officer based upon the expected family contribution (EFC) calculation that determines financial aid eligibility, “about half of our students
qualify for financial aid in full grants”. The EFC was explained to be determined by household income guidelines allowing for me to conclude that half of the students at this institution were from low-to-moderate income households. The availability of financial aid to community college students, who are more likely to be from low-to-moderate income students as a percentage of the institutional population than at traditional four-year colleges, affect both their enrollment decision and their ability to remain enrolled until completion of their studies (Cohen & Brawer, 2008; HCM Strategies, 2013).

A Tested Future

In the past, community colleges have responded to economic changes and population shifts. In the 1960s, a political climate of optimism led to hundreds of community colleges being built and the idea of educating the masses served as a remedy to social inequities (AACC, 2010). Looking to the future, as the U.S. population increases there will be limited resources available to fund public two-year institutions testing their capacity to absorb the influx of nontraditional students (AACC, 2010). While the problem of access was resolved in the past, the issue of completion is the challenge of the future. Enrollment at community colleges will continue to grow and their importance as an institution of higher learning will grow along with it.

Based upon the changes in funding patterns, the idea of privatization at large urban, non-profit community colleges has already entered the national dialogue amongst institutional leaders (Jaschick, 2012). While faculty and student leaders, typically absent from these proceedings (such as the RC-2020, which is an organization of global community college leaders to create an open exchange of ideas) may differ
philosophically, the funding challenges reflect a different reality. According to D. Bruce Johnstone, a leading scholar of higher education who is former chancellor of the State University of New York, privatization in reference to higher education refers to the process where institutions begin to take on the characteristics or operation norms of private enterprise. Johnstone’s research found that one function of the privatization of public higher education institutions is raising tuition and the adoption of a culture of service to the student as a customer.

Institutional mission, identity and infrastructure will continue to be an influential element in the perception of students who choose to attend college. Technological advances and the ability of these institutions to harness this innovation will test community colleges in the future (AACC, 2010). The competitive environment of higher education means that community colleges are being pushed to consider that the students who choose to attend them are customers that will demand flexibility in the instruction and in the services delivered (AACC, 2010; Rosenbaum, 2006). Their impact upon students are magnified by the mission paradox that these institutions often represent; they are both promoters of individual mobility through education and social services agencies that serve disadvantaged students (Rosenbaum, 2006). As community colleges begin to emulate their wealthier counterparts in the way in which they operate, they risk the abandonment of their primary role of providing an affordable alternative to a high quality education for those seeking higher education.

The common thread that weaves across all colleges and universities is educating students, but the contemporary structure of higher education requires more than just
faculty to educate students successfully (AIR, 2012). Student services (such as admissions, registrar services, and student counseling) and other support functions (including academic and institutional support and operations and maintenance) contribute to the institutional infrastructure that is supportive of student learning (AIR, 2012). In developing the value proposition of community college students, the reformation of public funding and its subsequent effects on institutional infrastructure which is often the key to a successful college experience (AIR, 2012) are essential elements that frame student enrollment and borrowing decisions at these institutions.
Chapter 5 – The Student Narrative: Defining the Value Proposition

I think, for the people I know, most if not all, would have to borrow to go to school. I do not regret going to community college; I’m not ashamed, and in fact, I’m a steward for community college. I advocate for it, and if nothing else, why not go there? Why not go to school? People go to jail for twenty years and come out and see the same thing, and they’re doing the same thing. What’s wrong with the community college? What’s wrong with bettering yourself? And I feel once you feel good about yourself, you have no choice but to feel good about other things and it will show. The trees will grow.

James, X Community College Student, Fall 2012

This chapter will present the qualitative findings of this research from the perspective of twenty community college students whom have borrowed for the purpose of pursuing an Associate’s degree. In constructing the narrative that follows, the obtained results from the interview protocol (Appendix B) used in this research was used to categorize the responses into themes that were used in the formation of the student value proposition (Appendix C). The interview with the institution’s lending officer provided critical insight and a counter-narrative to the student’s interaction with the financial aid process which is reflected as the borrowing decision framework used in the conceptual model (Appendix).

Profile of the Community College Students at the Research Site

The community college and the students in this research are anonymous which is consistent with the research methodology described in Chapter 3. The research site is a large, urban community college with unique characteristics that are described in the preceding chapter. It is necessary to give a profile of the students at the community college under this study. Although these institution types share similar funding, operational and broad mission-based approaches to higher education, they possess an
internal institutional architecture designed to accommodate the specific needs of the students from the region in which they serve.

According to statistics provided by the Dean of Students Office, in the academic year 2011-2012, there were approximately 39,500 students enrolled in credit and non-credit courses equating to 15,769 full-time equivalents (FTEs). Of the total enrolled students, approximately 29,000 students were enrolled in credit courses leading to certificates or two-year postsecondary degrees, known as associate’s degrees. The majority of the students at the community college are over age 25 and the median age at the institution is 26 years of age. There are more women (65%) than men and approximately (74%) are minority students, the largest sub-group being African-American at approximately (57%). The other minority sub-categories include Asian/Pacific Islander (approximately 9%) and Hispanic/Latino (approximately 8%) with a population of Native Americans that total less than one-percent (1%). The remaining student students are categorized as White (approximately 26%). The majority of students (62%) are enrolled in transfer or liberal arts programs that allow students to transfer to bachelor’s degree granting institutions, while (17%) are enrolled in career programs such as Computer Forensics, Nursing or Paralegal Studies which provide students career specific skills leading directly to employment but may also transfer to bachelor’s degree-granting institutions. The remaining students (21%) attending this community college are enrolled in noncredit, continuing education coursework. Approximately 75% of the full-time students and 65% of all students receive some type of financial aid. The student


characteristics at the institution are reflected in the student profile used in this study as provided in Table 3 – Student Participant Profile.

**Table 3: Borrowing the Price of Admission - Student Participant Profile**

<table>
<thead>
<tr>
<th>NAME</th>
<th>GENDER</th>
<th>RACE</th>
<th>AGE</th>
<th>MAJOR</th>
<th>PARTIAL LIST OF AVAILABLE FINANCIAL RESOURCES</th>
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<td>Paralegal</td>
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</tbody>
</table>

Compared to the institutional profile where 65% of students were women, only 55% of the students included in the study were women, which is a negligible difference.

Further, there is near equivalency in the distribution of African-American students when comparing the institution (57.6%) to the study participants (60%). The median age of the students included in this study are more reflective of the national median age for community colleges (aged 29). All of the participants are enrolled in transfer or career credit programs that lead to an associate’s degree. The “partial list of available financial resources” represents the self-reported student responses to the pre-interview survey (Appendix B). All of the students confirmed in their interviews from their description
that they had taken out student loans in the prior year despite three indicating in the survey responses that they did not have Stafford Loans as shown in Figure 3. All of the data shown in Figure 3 reflect data that was self-reported by the students.

**Attending Community College is A Circumstantial Choice**

Cost, financial aid, and academic reputation were the top enrollment factors across all institution types (White, 2013). These three variables appear to play a critical role in influencing students’ enrollment decisions (White, 2013). The students participating in this study were asked if the community college was a first, second, third or other choice. Just less than half (8) of the participants reported that the community college was a first choice. By querying students about how they arrived at the community college, I was able to chronicle their admissions and enrollment narrative. Cost is generally a significant factor in the college choice consideration that along with financial aid and academic reputation collectively defines the *academic value* of a traditional four-year university (White, 2013). However, according to a study conducted by Noel-Levitz, at two-year career schools, cost ranked fifth behind employment opportunities, financial aid, academic reputation, and personalized attention (Bryant, 2012). The findings in this study corroborate the lower ranking of cost as an enrollment factor for community college students.

When considering the choice to attend a community college, eight (8) students included in this study reported that attending the community college was a first choice with seven students indicating in their survey instrument that attending the institution was a second choice. They told stories during their interviews that subordinated cost as an
institutional choice criterion to other circumstances. The interviews determined that the
decision to attend a community college was a situational default choice. For example,
two of the students were recent immigrants who originally came to the college for the
purpose of taking English as a Second Language (ESL) courses but subsequently enrolled
at the institution to degree programs. For ESL students, the decision to choose a
community college may be unintentional and circumstantial.

Ebony, of African descent (Guinea) and Angela, from the Dominican Republic
are recent immigrants to the United States. Both are adult students with children of their
own and were referred by someone whom they knew personally to attend the community
college in order to learn English. While taking ESL classes at the college, they were
encouraged to apply to the college to pursue a postsecondary degree and were admitted.
Their actual enrollment was predicated upon their ability to receive financial aid, a
process neither was familiar with since the educational system in their country of origin
was quite dissimilar to the United States. A third international student who spoke
English, Trevor, was compelled to apply by a community college employee through a
fortuitous conversation at a bus stop within one city block of a regional campus. He
applied, and after some difficulty was finally accepted to the college’s art and design
degree program. Like the other international students, Trevor was shepherded through
the financial aid process by college employees allowing him to enroll. Trevor considered
the opportunity to enroll in college as a “gift from God”.

Other students who reported that the community college was their first choice in
the survey provided a conflicting narrative during the interview process. One student, an
acknowledged high school dropout, who made application to two different four-year state universities, reported with a sense of reflective understanding, “that didn’t work well”. While his applications to the state universities were declined, his application to the community college, where remedial and G.E.D. courses are offered through its open admissions policy was accepted. The design of the open admissions policy is to bridge the gap for students in need of college preparatory work. Another student, James, who benefitted from the open admissions policy, was a returning adult student who decided to leave the workforce from his well-paying job as a laborer to pursue a degree which is “something I wanted to do anyway”. James provided several considerations in his choice to attend community college. James responded to the question of what brought him to a community college in the following way:

To be honest – I thought it was my only option…because I didn’t do that well in high school…I didn’t seek any other options so it was something I wanted to do. I thought if anything it had the best scheduling offers around. So I think that’s why I guess I came. And it’s close by. And of course, the money side is always good.

The open admissions policy of community colleges provides a pathway to postsecondary education for many students who are not college ready for a variety of reasons. While much of the literature focuses on the cost factor in the choice to attend college, academically unprepared students may benefit, or more controversially be handicapped by the open admissions policy.

The remaining three students who reported the community college as an institution of first choice verified the accuracy of their survey responses in the interview process. In these three cases these students weighed affordability as the predominant
criteria in the selection of the institution. The first of the three students stated that the community college was “the only one I could afford” suggesting that the choice was less of an option and more the consequence of an economic reality. The second student was an employee of the college, eligible for tuition remission for both herself and her teenage daughter who was also a student. In this adult student’s case, the decision to attend the community college was a practical and wise choice that eliminated tuition from the cost of attendance. The third student was quite familiar with the role of the community college and clearly articulated that the affordability of the institution was a motivating factor in his enrollment with the goal of preparing for employment in a new field. In his late forties he already completed a graduate. Effectively, only three of the 20 students interviewed said that cost as the principal factor in the selection of a community college.

This study reveals that in many instances, the community college enrollment decision was a consequence of the participants lacking the necessary financial resources to attend more expensive traditional colleges. Peter, who arrived at community college after unsuccessful attempts at two universities and a total student loan debt of around $40,000 without a degree suggested that “kids applying to college really have to weigh in the financial decision…because I was a kid who just didn’t think”. Seven of the students selected in their survey responses that the community college was a secondary choice. Only one participant selected community college as a third choice with the remaining identifying the college as “less than third choice”. Beyond cost alone, these community college borrowers consider personal situational factors including the availability of financial aid and as well as geographical convenience as compelling factors influencing
their college enrollment decision. Considering the rising cost of tuition, the students in the research were less inclined to interpret their enrollment decision as a matter of affordability, although it most certainly was. However, the open admissions policy removes barriers which these students may have unwittingly encountered if they had chosen to pursue enrollment at traditional four-year institutions with selective admissions criteria.

**Ready or Not, Here I Come: Enrollment**

In finding a good fit, the College Board Advocacy suggests that counselors share that community colleges offer students a cost-savings opportunity to experiment with the idea of attending college, to prepare for transfer to a four-year college, get ready for a career with the advantages of a flexible schedule (College Board, 2013). The students included in this study had to overcome obstacles that included juggling family, work and school, the availability of financial resources, and in some cases a lack of academic preparedness. These factors along with the expressed aspiration of the students help to develop the stated demand for higher education in the student’s value proposition.

The ways in which students shared their views about the decision to attend college often centered on their career aspirations which in many instances stemmed from their chosen majors. One third of the participants chose majors related to business and technology and had intentions to transfer to four-year schools to complete their bachelor’s degree. These students stated that they had either researched, or knew prior to choosing their major that the labor market called for a bachelor’s degree in a business discipline. Only one student in the study actually associated salary with the choice of
their college major. Linda stated that, “I saw that accountants, even a junior accountant…can make up to $70,000.00 a year starting. So I was like, oh let’s go there”. But this choice was not predicated alone on potential income. Three of the business majors stated that they had hoped to gain skills that would allow them to own their own restaurant, automotive repair shop and daycare. The students majoring in business seemed to associate their educational endeavors with skills that would increase their income in the job market or as entrepreneurs.

Interestingly, six of the participants in the study chose Behavioral Health as their intended major. These students had more altruistic reasons for choosing their majors and expressed a sense of finding purpose in their work by sharing with others who were disadvantaged. For example, Mary is a twenty-year old mother who lives independently, is a work study student and enrolled in classes on a part-time basis. Mary described herself as a “troubled teen” influenced to attend college by the therapist that she saw during her high school years. She described the alternative to not having a degree as being “stuck” and likely resulting in getting a job that she would hate. Her purpose in majoring in behavioral health was to apply her own personal experiences to relate and support other youth who may have had behavioral challenges. While Mary was inspired to social services from her experiences as a student, Steve a former high school music teacher figured that, “after working with kids for nineteen years, the closest thing that I could do is go into behavioral health, which is a helping field”. Steve, in his mid-forties had worked long enough to be eligible for a pension from the local school district but lacked the age requirement and saw the opportunity to attend community college as a
career-change. Steve’s goal was to become a family therapist in order to address the behavioral problems that students exhibit before they attend school. Unlike their peers who majored in business, these students seemed to choose their majors based upon a sense of community and a desire to help others.

Today, the majority of students in college are women as was the case at the community college under study. More than half of the 11 female participants and early half of the nine male participants indicated that they had children of their own. Maturity, parental responsibilities and the promise of stable income are important influences in the decision for community college students. The following reported data categorize the student aspiration findings according to gender, parental influence, race and experience as immigrants.

For instance, Cynthia is a returning adult student over the age of 40 and majoring in paralegal studies. A decade earlier, after an unsuccessful application to a private suburban university, Cynthia attended a vocational program and borrowed to attend the school with the intent of entering the fashion industry. Shortly thereafter she got married and began to have children prompting her to enter the workforce to help support her young family. Following divorce years later, as a single mother she decided that, “the only way I’m going to be able to support myself and now my daughter…and have some stability is to go back to school and get a degree”. For her the decision to go back to college represented an opportunity to get back skills to re-enter the workforce and, “make some real money”, as she put it. Despite her intention of increasing income, she wanted to pursue an interest in law to “help out those that are in need and less fortunate”.

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For traditional aged students who are first-generation students, the educational background of parents will often influence the decision to attend college. Conversely, for nontraditional students who are parents themselves, their parental responsibility appeared to be an influencing factor in their decision to attend college. For students who are also parents, the enrollment decision may be for the purpose of pursuing stable employment or to function as role models within their home. James, an adult student in his 30s stated that his college attendance started as “a little dare” because his children were complaining that school was hard and he used the good grades he earned at community college to prove to his children that, “hey I can do it”. As it turned out James really liked being in college and meeting people with different perspectives helped him to accomplish his ultimate goal: “financial independence…is what I’m looking for”. James excelled in his studies and is scheduled to graduate in the spring semester and is optimistic about his prospects to open a chain of auto garages.

For Mark, the influences came from both above and below. Following in his father’s footsteps who is a community college graduate and football coach, Mark who is in his twenties saw the influence that he had over the teenage athletes as a football coach. In describing his relationship to the players on his team he took pride in the fact that the teenagers, “look at me like an older brother”. Mark aspires to get a doctorate degree in behavioral health not only for the pecuniary benefits but because “I want my own desk”. Referring to the at-risk youths he coaches, he aspires “to be a counselor to them” and envisions that counseling role from behind the desk as a behavior professional instead of from the sidelines where he currently coaches. Mark’s college attendance decision was
even more personal because he has two daughters and believed that he wouldn’t be able to “tell my two little girls to go to college and get their degree”, without a college education of his own. Mark is married and his wife is also enrolled at school so they manage their class schedules around raising their family.

Only three students in this study had parents who had themselves attended college. The majority of the study participants represent first-generation college students. For these students the stakes are generally higher. Trevor, a legal immigrant, lost his mother to deportation. He also discovered that his own immigration status over a decade ago posed additional challenges that could have easily derailed his enrollment. Trevor had not signed up for selective service and if accepted by the college would not be qualified for financial aid. After overcoming that obstacle, upon admittance, he was falsely accused of a crime that he didn’t commit and spent time incarcerated until he was cleared in his trial hearing. A deeply religious man, he spoke with great reverence for the opportunity to attend community college after surviving a volatile marriage and the short time in prison. As evidence of his journey, after our interview Trevor returned to show me the marked-up bible riddled with notes he read while he was in jail awaiting his trial. He had read the entire book. Once Trevor was enrolled, he proved himself to be a gifted artist and plans to transfer to a prestigious design school following the advice of his art professor. Trevor attended college in his native land and was a teacher before arriving to the U.S. Trevor believes that even with his “God-given talent… without a degree, you are not looked upon as a true professional” and so the opportunity to attend college for the immigrant student was more a privilege than a choice.
Two of the study participants came to the community college for the purpose of taking English as a Second Language (ESL) courses. Both women, Ebony stated that her reason for attending college was based upon the fact that she was, “born in the time where everybody needs education, especially women. Things are changing for us and, I see my mom with paper (college degree) works”. A firm believer that the knowledge and learning that can be derived from an education is more valuable than the earning potential she seeks to help others which is why she is pursuing a degree in nursing. Ebony put it this way, “you can be a billionaire but sometimes if you have knowledge, you can make a difference”. Like Ebony, Angela is a mother who arrived here in the United States just a few years back and started at the community college taking ESL courses. In both cases, someone from their native country was familiar with the course offerings and helped them through the admissions and enrollment process. In Angela’s case, she was already a trained attorney in her former country but was re-directed towards GED courses because of her low placement test scores. Ebony was able to find an administrator in the financial aid office who spoke her native dialect but Angela was frustrated and mislead due to her language barrier. Immigrant students are inclined to view postsecondary education as the opportunity to fully participate as citizens within American society and therefore have a heightened incentive to achieve.

The community college where this study took place has a large African-American population and the topic of race was brought up by students who perceived that the decision to pursue a college education was more a necessity than a choice that could remedy social inequities. Two black males, spoke about the historical and contemporary
challenges facing African-Americans as inspiration to attend college. James grew up in a household where college was never discussed and nobody checked homework – nobody cared. Both he and his older brother worked in his father’s business as laborers. His younger brother chose a different path and wound up in and out of the penal system. His sisters all started families when they were young so there was no family influence to attend college. He described his decision to attend college as “breaking the slave tradition” as if were a matter of legacy. In a similar fashion, Charles saw going to college as an act of defiance. The choice to attend college was simultaneously the choice not to go to jail. This harsh reality is a factor in doing research at a large, urban community college in a city where the statistics regarding black male incarceration, death and dropout rates are daunting. Both students stated that they greatly benefitted from an on-campus program directed at the retention and persistence of black males towards completion. This finding highlights the importance of institutional spending allocations towards student services that are supportive of nontraditional students. According to the Dean of Students, there are hidden populations at the institution such as homeless students, transgender and LGBT that may go under-served and are at risk for non-completion due to inequities in institutional support resources.

The Perceived Benefits of a College Education

In defining the value proposition of community college students, the perceived benefits of students whom have already enrolled and experienced a college education is an important component to this study. Students whom have already had some experience with college have an opportunity to reflect upon the initial known experience of enrolling
and yet have to grapple with the unknown outcomes of their education. The perspective of enrolled students may differ from those yet to enroll or those who may have already complete their education. Further, since they are already invested through time and effort towards the completion of their studies, and indebted from the use of student loans, the value of a postsecondary education has heightened significance. The majority of student participants in this study report that they had limited financial support for the college enrollment decision thereby increasing the financial risk of their decision-making. Upon completion of their studies they will have incurred an additional burden that could have long-term financial consequences. The basic premise for public support of a college education is to provide upward social mobility but in an era of cost-shifting where students are required to borrow to access that education, whether college is still worth it remains a worthwhile inquiry. This is true especially when the value of a college education is assessed by the students themselves.

More promising employment opportunities were an anticipated benefit of attending college pervasive throughout the interviews. Many of the students had already experienced the financial constraints and labor intensity of entry-level employment. Of the twenty participants in the study, sixteen explicitly responded to the question of what a college education means by making reference to the private, financial benefits. However, the pecuniary aspects of a college education were diluted by references to some non-financial benefits of higher learning. These expanded opportunities would prevent them from being “stuck” in “minimum wage” jobs. One participant stated that someone pursuing a college education shouldn’t, “plan to struggle, you should just plan to succeed
and do better”, insinuating that college would bring a sense of financial comfort. Although the student’s expectations of a college degree were tied to earning a higher salary, stability or providing a foundation, on more than one occasion this expectation was qualified. The more mature students readily expressed that the college education or the credential earned upon completion was “no guarantee” that they would get a better job. But the idea of increasing their prospects for a “higher ranking job” made the promise of a college education a worthwhile endeavor. Mark, influenced by the competitive environment formed during his military training, described a college degree as “something to compete with other people”. The vast majority of the study’s participants associated the value of a college degree with the individual, private benefit of the possibilities for greater earnings in the labor market.

The difference between college and vocational training can be a matter of discovery for first-generation college students that don’t receive counseling or come from homes where their parents are college-educated. The community college included in this study offers an Associates of Arts (AA) degree that allows students to transfer, in many cases, all of the credits to baccalaureate institutions. Additionally, the institution offers Associate of Arts in Science (AAS) degrees, which provides students career specific skills leading directly to employment. Students with an AAS degree may also transfer to bachelor’s degree-granting institutions. Some community colleges offer academic and proficiency certificates that are short-term, focused course offerings that are primarily developed to prepare students for employment. These programs differ for trade school which may offer short-term vocational certificates or training that leads to occupational
licenses such as cosmetology, auto-repair or welding. The primary difference between the courses offered at the community college and the trade schools is the accreditation standards. The courses taken at community college are transferable to baccalaureate degree programs while those taken trade schools are not. For first-generation students who have not received adequate counseling in high school, the consequence of this information deficiency is the unfortunate need to back track in order to acquire a college degree.

Betty, who arrived at her interview with intricate, multi-colored nail polish that was which I found both interesting and distracting, went straight to cosmetology school unintentionally. At her high school graduation it was announced in front of family and friends that she was the recipient of a fully paid scholarship to a local cosmetology school. As she put it, “I was not looking to go into hair school…someone must have put my name in for a scholarship”. After completing cosmetology school and working for four-years in the industry, family obligations became Betty’s primary focus. Her prior experience with vocational school led her back to a medical office management training program where she received a certificate and worked in the hospital of a major university. Betty lasted in that job for two years and wound up at a pizza chain working and trying to support a growing young family with her husband before later working at a suburban bank. Talking amongst friends facing similar obstacles she realized, “if you don’t have a degree these days, you barely have a chance of getting any type of job…it’s like more of a better chance if you have a degree…but I just didn’t think I was the college material”. Betty has set her goal to get a finance degree from a four-year school after completing the
first two years of study at community college. She was heavily influenced, by what she perceived to be a successful young female customer of the bank where she worked who was studying for an MBA. Betty was always a good student who “loves school” and believes that “education is important…because it’s the one thing no one can take away from you”. For Betty, frustrating life circumstances and a role model helped to shape the confidence that she needed to attend college and the promise of the employment benefits provided by a business professional’s career motivated her quest for intractable learning.

Two of the in-college participants described the chance to network and the opportunity to observe and learn from diverse perspectives as an unanticipated benefit of their education at the community college. Education means “expanding your mind” professed one student, while other students interchangeably used the terms learning and knowledge in their sense-making of the meaning of a postsecondary education. James’ original intent in coming to the community college was “just to come here, pick up a few books and something to help me better my writing and my reading comprehension” was “able to reset” his goals and is now an economics major with the intent of better understanding social behavior so that he can dedicate his efforts to addressing societal inequality. Carlos, who shyly admitted that his original intentions in attending college were shallowly constructed to win the favor of a love interest whose educated parents would consider him unworthy of their daughter’s attention, came to the conclusion that “college makes you a better person” after enrolling and experiencing college for himself. Juggling a part-time job off campus, work study and a full course load, Carols has found that in addition to providing you with a certain lifestyle, college “provides a good work
ethic, a good vocabulary…and allows you to be a role model for others”. These changing perceptions related to the unintended societal benefits of learning that the college environment is designed to foster. The intrinsic value of the teaching-learning environment amongst diverse participants on a community college campus underlies the premise of its mission that an additional benefit of a postsecondary education is the creation of intellectual awareness of its constituents.

Self-awareness was a finding among the participants enjoined in the study.

Randall referred to college as the opportunity to understand,

The curve of new technology… you’re seeing how the world is changing and how you can benefit yourself and your family with these changes if you’re ahead of these changes or on the cusp of these changes. That’s a short-term goal. And there’s nothing wrong with just learning. You know, specialized education to better your field whatever it may be.

Michael, fresh out of high school and intrigued by the college experience of taking different courses amongst different expressed that the interactions with the coursework and the people helped to “make connections that you might not realize that you have made otherwise”. These learning reflections were summed up by the sentiments of Michael who stated simply that the “experience itself” of going to college was a valued privilege. These examples of student growth, the influence of the campus environment and the interaction with the members of the college community are important findings that offer some balance to the human capital theory which emphasizes the individual financial benefits of postsecondary education while subjugating the societal implications that are understood by the students themselves.
This study was done at a large, urban community college with the main campus situated adjacent to the central business district of a large metropolitan city. The geographical location, readily accessible by public transportation requires travel in some form to the non-residential campus. The participants reported that many traveled less than five miles while most commuted from their adjoining neighbors only six to ten miles. This indicates that students, despite the relatively short distances, often traveled from their immediate neighborhoods putting them in contact with different segments of a modern major U.S. city. Like most large cities where this institution is located, there are changes in the cultural composition, socioeconomic characteristics and demographics of neighborhoods. The students in this study benefitted from the changing external environment within the city and especially within the campus life created by the community college in this study. One student described crossing the major street that buttresses the campus as, “it feels like a whole new world. It’s like a different world. It feels like everything’s so positive down there. It gets you out of the negative side of…the ‘hood”. This environmental influence speaks to the institutional characteristics and the importance of providing a positive campus life through student services for those commuting students who may be coming from less than ideal circumstances to pursue a college education.

The students in this study are already currently enrolled and therefore are situated within-college as opposed to offering post-completion reflection. As a consequence, their perceptions may have changed since their enrollment. This was expressed by a student who described the benefits of attending the community college as having access
to “the resources that help you get the growth. I have grown a lot since I been here…you know a lot more about things that you wouldn’t know if you were just at home”. Upon my own indirect personal observation of the students milling about the community college campus, I realized that the campus was a virtual melting pot of students representing all ages, races, ethnicities and socioeconomic backgrounds. While eating lunch outside on an unseasonably warm day in the fall while conducting the research, I witnessed a gathering of students in the urban concrete courtyard under one of just a few trees. One of these students was a talented guitarist and none of the other six students seemed to share the same ethnicity. Yet, this kaleidoscope of students were assembled in a chorus of songs to which they all knew the words, crossing musical genres and filling the air with live entertainment that represented the hope and the promise of a future generation. In spite of their notable racial differences, they were unified in their frivolity and in their purpose for being there. A supportive, academic environment that creates diverse human connections further underscores the construction of the student value proposition.

This study also includes the perspectives of adult learners who have often acquired considerable life experience and in some cases, prior college education. These students were able to construct deeper philosophical meanings for the perceived value of a college education. Steve, whose enunciation and diction were atypical of the other students included in this study, had come to community college to establish the foundation for a career change following a career as a high school schoolteacher, this retired educator. Instead of describing the benefit of a college education, he articulated
the consequence of the alternative. He shared a Marcus Garvey quote that he often told to his former students, “Without an education you have been defeated twice in the race of life. With an education you have won before you have even started.” Michael’s value proposition focused upon the consequences of not having a college degree subjecting the person making that choice to being “confined to menial jobs…you won’t have a career”.

Angela, an ESL immigrant who had practice law as an attorney in her former country shared sentiments regarding the value of education that were just as provocative. Angela’s value proposition for education was tied to the establishment of personal values and the recognition that the altruistic purpose of education was to “benefit others” through service. Michael and Angela shared the common theme of possessing advanced degrees and laudable careers prior to attending the community college. Both students were also the parents of college graduates. Because of these unique attributes, they had a longitudinal perspective on the value of education that could not be shared by the other students.

Returning adult students framed the benefits of a college education from their lived experiences including the social equality that they hoped to realize from their education pursuits (Bloom et al., 2006). Rose, also an adult and a parent going to community college at the same time as her daughter believed that a college educated person engendered “respect” from others and self-worth that would provide reciprocal benefits in the job market, and in society-at-large. Trevor, also an adult student beyond the age of forty in community college, gave a spiritual meaning to a college education. He believed that his college education was leading him to “living his dream” of pursuing
a degree in art instead of just getting a job. Trevor, when probed for one word to that would describe what education means found four, “the future. Prosperity…could be redemption. It means everything”. Trevor, also an immigrant, believes that “education is the existence in my life. I have to be here. It’s the hope that I don’t see. That I hope that I can reach”. Trevor’s emotional response was a testament to the importance of the opportunity which attending college would afford him.

Earnings potential was nuanced by the social benefits that students included as a part of their value proposition for postsecondary education. As the burden of paying for college has shifted to students, the proposition for the purpose and benefit of a college education has increasingly become correlated with the financial rewards of the job market and less with the notion of creating an educated citizenry. According to the American Association of Community Colleges, most community college mission statements include a basic commitment to serving its community as a community-based institution of higher education that promotes lifelong learning (AACC, 2012). The influence of the institution helps to play a role in formulating the value proposition of its students and was reflected in how the study participants described the social benefits of a college education and in certain cases the participants had developed a philosophical meaning. While degree completion is a significant challenge to higher education professionals, access and affordability concerns are paramount in the social reconstruction of a demographic sea change. To bridge the gap between the perceived benefits of a college education as the gateway to the American Dream, in the midst of dwindling public resources and increasing tuition, student borrowing has become a growing necessity.
The Borrowing Decision – Uses and Needs

Comparatively, across the higher education sectors, borrowing occurs least at public community colleges and in some cases, the argument is that it is not occurring enough (Baum et al., 2011). The issue of affordability in higher education, characterized by pricing competition, has segregated students according to their socioeconomic status. In the aftermath of the Great recession which was characterized by high unemployment along with declining or stagnant incomes, many turned to a college education as a means to increase training or skills in order to improve their chances in a competitive labor market. Given that economic climate, many returning students were more likely to consider a community college as a cost-savings educational option. A surge in enrollment at community college occurred during this same period. Increasingly, a new nontraditional student is entering community college and finding that the expense of postsecondary, even at a community college, presents a financial hardship (Fry, 2010). Community college students may be borrowing less than at other institutions, but these students are more likely less prepared for navigating the complexity of financial aid or the tools for good decision-making (Whitsett, 2012a; Perna, 2007). This phenomenon formed the basis for my inquiry into the stated needs and uses of borrowed funds amongst community colleges. Money Matters on Campus is a survey of 40,000 freshman students that explores how early behaviors and attitudes affect financial behaviors, found seven factors which may be predictive of the financial outcomes for students (EverFi, 2013). In the report, the authors used a hierarchal regression analysis to categorize the
study participants by: (1) cautious financial attitudes, (2) debt as a necessity, and (3) spending compulsion.

The line of questioning was a part of the interview protocol (Appendix B). Although each of the students was queried, each individual interview posed the same questions at different points to make the investigation more conversational and to allow for greater exploration of meaning. To ensure that the responses had undergone adequate rigor that would substantiate the qualitative inquiry, the students were also provided similar questions in the pre-survey instrument and asked for written responses (Yin, 2009). The access point to the development of the borrowing decision revolved around trying to get the subject in each case to provide a self-reported explanation of the factors that influenced them to borrow for college. The open-ended questions permitted self-expression and therefore produced variations in the data. To synthesize the data, the responses were evaluated for key words or common ideas that would form the basis for the development of themes (Yin, 2009). Data derived from the aggregate analysis is presented first to reflect the common themes and is followed by findings that reflect derivations from the themes, or that elucidate the aggregate findings.

From the survey, 16 of the 18 respondents (two students did not respond) in the study stated that borrowing was an informed decision. As one student wrote in their explanation, “I knew what I was getting into”. Most frequently, those who believed that they had made an informed decision wrote in their survey response that a representative from the financial aid office explained to them that the money that they were receiving was a loan. However, two students reported that the borrowing was not an informed
decision. In one case, the student seemed to be confused about the application of the loan proceeds to the tuition charged for classes that she assumed were dropped since she couldn’t afford to pay for them. Instead of the student receiving a check, the student loan funds were directly applied to the tuition. In her interview explanation, she admitted that, “I didn’t pay attention” and didn’t show up for classes which she assumed that she couldn’t cover financially. It wasn’t until the following semester that she discovered when she finally checked her school email after months of not logging in, that her classes weren’t dropped because the tuition charges were covered by student loans that she applied for. The second student that stated that borrowing was not an informed decision didn’t realize that the borrowing was an option for him. Randall had been taking classes, “for two and a half years paying out of pocket” until he realized that he was eligible for student loans. In both cases, the students knew that they borrowed but their responses indicate a lack of understanding about how student loans work, whether through application process or the eligibility for loans.

There were two students who responded with “somewhat” and “unsure” did not fully understand all of the costs associated with attending college. Both students were immigrant students. Ebony, unfamiliar with the litany of paperwork involved in applying for financial aid, relied heavily upon someone in the financial aid office to assist her with her application. During her interview Ebony stated that, I wanted to come to school so I didn’t think twice about it…and financial aid didn’t cover everything. Her self-reported written response in the survey instrument, despite saying that she was only “somewhat” familiar that she was making a borrowing decision, stated that her reason for doing so
was for “personal reasons and finances”. In Ebony’s case, where she didn’t even think twice about borrowing because of how high she valued a college education, the risk of the amount of debt that she assumes could outweigh the benefits of her college degree. In the other case, Angela’s interview and survey responses were virtually the same…she needed money for a computer. In the interview she indicated that she also needed money for books. As reported by the financial aid officer of this institution, there is a gap (approximately $500) between the tuition and the maximum Pell Grant awarded to eligible students. The officer stated that many students don’t realize the total cost of college attendance also includes books. According to the financial aid administrator, students who come from a public high school may have “free” books throughout their prior schooling and their only other experience with books may be in a bookstore where prices are a mere fraction of textbooks.

The issue of book expense is an important finding in the study. A question in the interview protocol queries about the most unexpected expense that a student incurred once they enrolled. In each and every interview, the student participant replied that the cost of books was an unanticipated expense of attending college which they were unprepared for. Michael stated that, “I remember the first time you didn’t know about things like…a textbook is $300”. The unanticipated cost of textbooks was the primary reason for why students borrowed in seven of the twenty interviews. The financial aid officer stated that when students realize that they don’t have enough money to cover their textbooks, “they’re making a decision between borrowing and enrolling”. The use of a bookstore credit was also a source of controversy amongst some of the students. A
bookstore credit is the equivalent of a credit card given to students whose subsidy exceeds the tuition costs and can be used at the campus bookstore. Because the bookstore credit can be used to purchase any item in the bookstore, reported Michael, “when kids get their financial aid, they go buy Dre Beats (popular designer headphones). You could’ve got another book, but you’re buying Beats”. When asked how he would remedy the quandary, his rather anemic solution was to “put the Dre beats or other stuff in the back…so kids get their books, not a hoodie (hooded sweatshirt that is popular apparel amongst college students)”.

Students who are arriving at campus without the benefit of parents who have already attended college are unfamiliar with the expenses that represent the total cost of attendance. According to Mary K. Johnson, director of financial literacy and student-aid policy for Higher One, “students are not necessarily financially irresponsible but they are usually financially experienced” which is a source of the pressing concern about student loan borrowing (Supiano, 2013). The remaining 12 students in the study each faced a financial deficit that was related to the cost of attendance, which is the total amount that it will cost a student to go to college as defined by the U.S. Department of Education. For those who had attended school, this was an expected expense that many attempted to mitigate by working on a part-time basis. Although the students did not apply the term, their explanations often fit the definition of the term. The U.S. Department of Education’s Office of Federal Aid includes, the cost of books, supplies, transportation, loan fees, and miscellaneous expenses (including a reasonable amount for the documented cost of a personal computer), in addition to tuition and fees. Seemingly,
many of the students in the study were inadequately prepared for these costs. Even if they were aware of their existence, they lacked the financial means to absorb the costs without the use of student loans. The cause-effect of the borrowing decision is based upon the determination of the need. The financial shortfalls associated with the total cost of attendance experienced by the students in this study are representative of the causes for the student borrowing decision. The necessity to access student loans is a consequence of the perceived value of a college education that leads to the enrollment decision.

The students, in their interviews, who borrowed for the purpose of funding the cost of attendance beyond their tuition costs, used the expression “living expenses” to explain why they had borrowed. While this seems ordinary and rather innocuous, the shared stories indicate that there may have been excessive borrowing or disregard for the consequences of the assumed indebtedness (EverFi, 2013). Charles, like Ebony, wrote in his survey that that he had borrowed for “personal reasons and finances”, reported in his interview that “I live off of my financial aid and loans”. Nick had attended a private four-year institution previously and had reverse-transferred to the community college to reduce his college-going costs. Nick’s borrowing decision hinged upon the realization that by choosing a more expensive university, “he couldn’t afford it on my own and I needed my education”. The effects of the aftermath of the recession, parental responsibilities and housing costs surfaced as other uses of the funds that the students had borrowed. Three of the enrolled students, including James, talked about receiving unemployment compensation. James found out that he was qualified for financial aid and students loans and used the student loan refund proceeds for “rent and stuff like that to
get by”. Cynthia, Theresa and Linda cited their role as single parents as a factor in using the loan to support their households as they juggled the demands of school, work and parenting.

Considering that student loans charge interest which increases the overall cost of college to those who are required to borrow, some responses were troubling. While Trevor was overcoming a divorce and had child support payments, Theresa said the loan proceeds helped her “live a little better”. Sheila describing the lax attitude of many borrowers whom she knew on campus forecast that many students would borrow more than they actually need because, “Christmas is coming”. This information is not intended to castigate the students as abusive or borrowing with malicious intent. The misuse of the financial aid system among disadvantaged students is documented, was reported by the financial aid administrator included in this research but is not a focus for this study (Cohen & Brawer, 2008). The purpose in reporting the behavior is to highlight the vulnerability of students who borrow without a proper understanding of the consequences that they create for themselves (Whitsett, 2012b).

Both Rose and her daughter are enrolled at the college and travel to school by car. Rose used the refund to replace the engine in her vehicle which represented the transportation mode for the two students. Was using a student loan for car repairs a wise borrowing decision, in retrospect? Did Rose have any other means or options available to her at the time that her car repairs needed to be made? Often, the borrowing decision is situational. When students are unfamiliar with the unexpected costs of college-going, or decide to attend college because they have become unemployed and are even more
vulnerable financially, they are more likely to make financial mistakes. For Cynthia, already in debt (self-reported at $60,000) from attending two prior vocational schools, on public assistance with a daughter, student loans were “the only option” because she was “desperate and broke”. For Cynthia, “who always wanted to get a degree”, the decision meant she would be riddle with significant debt that raised the stakes in her decision to enroll.

For many nontraditional students who are attempting to obtain a college degree and may have pre-existing obligations, the borrowing decision becomes even more complicated. According to the Higher One and Ever Fi study, a strong correlation between indebtedness early in life and not being associated with a financial institution exists (EverFi, 2013). Returning adult students enrolling in community college may have made prior life decisions involving debt which is therefore compounded with additional financial burdens by the decision to use student loans. Borrowed funds may help to overcome hurdles that are associated not only with attending college but with being successful in college. Mary is a single mother whose home life was not ideal. She used her refund for an apartment and reported,

> I definitely can focus more. I was going through living arrangement problems for the longest and I was moving from this place to that place. It was really affecting my grades. It wasn’t good for me and then I just had a daughter last year and I had to get somewhere stable.

Students, like Mary, use student loans for a variety of reasons that can be troubling. However, making financial decisions is emotional and financial literacy plays a role. Without adequate institutional support, students may rely upon information received from peers according to the financial aid administrator. And for the others, an inability to
understand the financial aid process, even with support, added anxiety and confusion to the process.

**An Insider’s Perspective: Administering Aid**

With over nineteen years working in financial aid, the lending officer at the community college included in this research was replete with examples of how financial aid regulations could potentially pose a negative impact upon student enrollment. Additionally, from the perspective of the provider of the service (financial aid administration), the officer gave a counter-narrative to the student’s consumer perspective. In preparing for an interview which lasted well in excess of one hour, the officer was provided with some preliminary questions concerning financial aid and student loan eligibility, students in the financial aid process, and concerns about borrowing at the research site. Finally, the officer was asked to contemplate if there were any recommendations which are presented as Implications in this study. To better compare the financial aid at this institution with other community colleges, during the interview, an effort was made to establish additional institutional statistical data that would highlight occurring trends in student financial aid affecting community college students.

During the interview with the school’s financial aid officer which took place near the start of the spring 2013 semester, it was reported that approximately 11,330 students received Pell grants totaling $20 million and 9,864 students were the recipients of student loans totaling $18 million. The interviewee thought it important to point out the aggregate grant and loan dollar amounts because “it’s very close”, referring to the nearly
equivalent distribution of grant and loan support in the form of financial aid. According to the financial aid administrator, “a full-time student, even though they’re a zero EFC…if they don’t have any other resources may have to borrow, maybe a $1,000”. The primary catalyst for the borrowing was the Pell grant awards which “really hasn’t changed the much” barely covered the tuition increases charged by the institution and left scant remaining resources for students to cover the cost of books and transportation.

In the fall semester of 2009, of the 18,534 students enrolled at the community college, 61.6% received some form of financial aid in the form (X Community College, 2009). Females were more likely to receive Pell grants (29.7%) or a combination of grants and loans (24.1%) to their male counterparts (X Community College, 2009). Across race distribution, Whites were less likely to receive no aid at all but most likely to finance their education solely with student loans (16.4%) compared to Blacks who were more likely to have both Pell grants and loans (30.7) than any other racial classification. Asian and Hispanic students were most likely to rely solely upon Pell grants (44.4% and 43.3%, respectively), and least likely to finance their education solely with loans (4.6% and 9.0% respectively) (X Community College, 2009).

In a survey of 13,000 currently enrolled or graduated students -- conducted by NERA consulting in partnership with Young Invincibles – that delved into the role that the financial aid process had on loan literacy and the college enrollment decision, the results showed that respondents expected their grant awards to be greater than they actually were (Whitsett, 2012a). At the research site for this study, the administrator observed that “different nationalities take things in different ways…some (ethnic groups)
don’t want to borrow”. Providing an example of a Hispanic male recently married, when informed at the financial aid counter that that he had enough money to cover tuition but not enough to cover the expected costs of books, he put off his enrollment decision and stated, “I’ll probably just come…in the summer”. In triangulating the data, the availability of financial aid is interpreted differently by a student’s cultural background, regardless of ethnicity.

**Summary of Findings**

The students in this study provided an interview narrative that helped to define the student value proposition of community college borrowers. The value proposition that emerged was comprised of the factors that that influenced their enrollment in a community college and their demand for postsecondary education combined with their perceived benefits (private and social). Macroeconomic factors such as unemployment and the limited labor market opportunities that are available to those without postsecondary credentials which affect enrollment demand. For the population which the researched institution serves, which is predominantly minority and reliant upon financial aid to finance their postsecondary education, public policy in the form of sustained Pell grant funding is critical. For these students especially, the support of public funding to and the allocation of those resources within, community colleges affect higher education accessibility and the student’s perceived value of the education.

The students attending this community college chose this type of institution, in some cases unintentionally, and in the vast majority of instances as a matter of circumstantial choice that was based upon the student qualifying for financial aid due to
the student’s limited financial resources and the open admissions policy which did not
curtail enrollment due to academic unpreparedness. The non-traditional demographics of
the population under study, which in this case had a median age of (29 years old),
exceeded the national average. These older, non-traditional students most often
overcame obstacles in their personal lives which ironically inspired their aspirations.
Their aspirational expectations included better employment opportunities as well as the
social status derived from being college graduates. An institutional factor which emerged
in the enrollment and aspirations of students was the availability of student services that
supported their enrollment such as the open admissions policy and services that support
nontraditional students. Nuances in the student responses regarding their aspirations and
enrollment decision became known according to gender, age, citizenship and race
classification.

The expected benefits component of the value proposition included the private,
individual benefits from higher earnings post-completion reported by the majority of
students. Despite the reported interest in higher earnings, the student aspirations included
an altruistic approach to serving others reflected by their chosen majors and their post-
completion objectives. Since most of these students lacked parental influence in their
choice to attend college they were devoid of college-going experience and this emerged
as a finding that threatened their success in securing their expected benefits. The issue of
self-awareness was an unexpected benefit that accrued from enrollment and was a finding
that benefitted from choosing currently enrolled college students. The higher-aged
demographics of this population meant that many had children of their own and saw role
modeling for their children as an expected benefit of obtaining a college education. The more experienced students who had previous college-going experience through reverse-transfer or by prior degree attainment (whether obtained domestically or abroad) developed a meaningful philosophy for the value of a college education.

The study also considered that as college costs are shifting from a public supported resource to a private choice, borrowing needs will become normalized. Many of the students believed that they had made informed borrowing decisions but their narratives revealed a knowledge gap between what they perceived to understand and what they actually understood. The total cost of attendance, including the issue of book expense, was a matter of discovery versus expectation in terms of costs. Students were not adequately prepared at the borrowing decision point to make informed choices. This lack of understanding and preparation makes these students particularly vulnerable to making unwise decisions about the use of student loans. Further, the financial knowledge gaps as reported by the students and the institution’s lending officer creates anxiety for the students. The financial aid process was found to be cumbersome and mysterious for most community college students who were found to rely more heavily upon the advice of peers to help them with their decision-making than the staff at the institution who are more likely a better source of information.

By creating a framework that considers the student choice in attending a community college, the enrollment factors and the perceived benefits, the value proposition of community college students emerged from the study. The results of this qualitative research inquiry should be replicated at other community colleges. Because
there multiple types of community colleges, to declare a definitive value proposition for these students, this study should be replicated at community colleges of different size, comprised of different student populations and within different regions of the country. The findings cannot be uniformly applied to all community college students however, as shown in the following chapter; they are consistent with national polling and other research around student perceptions of postsecondary value. This study benefitted from inquiry into borrowing and the financial aid process. The findings from these efforts helped to contextualize the student definition of the value proposition. The conceptual model (Appendix C) was used to analyze these findings and to determine the implications of the research in this study which are presented in the next chapter.
Chapter 6 – Analysis & Implications

Introduction

The purpose of this chapter is to analyze the findings of the qualitative research conducted. The analysis will be presented in three parts to address the central research questions: (1) the student enrollment decision, (2) an exploration of the borrowing phenomenon at the institution and (3) the research implications. The analysis relies upon an expanded and adapted version of the conceptual model adopted from Perna’s enrollment decision framework to analyze how the community college participants perceive the economic and social benefits of a college education along their path to enrollment (Perna, 2007) and the interpretation of the perceived benefits of the college education subsequent to admission. Analysis of the interviews conducted at the community college provided the data used to gauge the student’s understanding of the costs to attend college, the financial aid process, and their borrowing perceptions and attitudes. Following the provided analysis, the implications presented here aim to illuminate the opportunities and challenges encountered by this sample population of community colleges students in their quest to pursue the American Dream.

Exploring the Demand for Higher Education

The analytical lens used to explore the value proposition of currently enrolled was their demand for higher education and their expected benefits which led to their enrollment (Appendix C). Using this conceptual framework to define the student’s value

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10 The American Dream is defined as the lifestyle of preceding generations of Americans: “a good job, own a home, and give their children a better life than they had. But there’s a new wrinkle to achieving that dream. These days, the first step is to get some kind of postsecondary credential”. Taken from American Dream 2.0 (2013), HCM Strategists.
proposition, the interview questions were designed to: 1) probe the influences that caused the student to attend college; 2) reflect on the deciding factors regarding their enrollment; 3) describe the perceived benefits of going to college; and 4) discuss their post-study expectations. The demand for higher education could be comprised of factors, such as academic readiness, available financial resources and aspirations (Bryant, 2012). Student’s private and social benefits could be comprised of what they believe could be engendered from a college education, as well their expectations upon graduation (Bloom et al., 2006).

The Cooperative Institutional Research Program (CIRP) 40 Year Trends Report indicates found that students ranked their reason for attending college in the order of importance as being financially well off, raising a family and helping others who are in difficulty (Pryor, 2007). Similarly, the students in this research reflect these ideas in the formation of their value proposition and the findings suggest that their aspirations in postsecondary education combine private and public benefits (Bloom et al., 2006). The defined demand for postsecondary education of the students who participated in this study was tied to a desire to achieve higher paying job opportunities in order to better provide for themselves and their families. Many of the students included in this study already had families of their own and perceived their success in college as a vehicle towards financial stability as well as role-modeling for their children. The study participants, like those surveyed in the CIRP Forty Year Trends, reported that the opportunity to serve others was framed by their own personal experiences prior to enrollment and the subsequent college going experience that they had encountered by
attending a community college with a broad-based mission and citizenship as a core value (Cohen & Brawer, 2008).

**Factors of Enrollment: Choice, Admissions and Financial Aid**

Of those who reported the college as their first choice of institution, only two mentioned that the cost was the predominant factor in their choice. A student that applies to a traditional institution, whether public or private, will weigh the affordability of attendance heavily in their decision to attend the college. As a result, institutions compete for enrollment around tuition-setting policies and financial aid packages offered to prospective students (White, 2013). Only five of the twenty students included in this study reported (see Table 5 – Partial List of Available Financial Resources) that they had any personal savings at all prior to enrolling in the community college however none of these students reported that their personal savings exceeded $1,000.00. The reported savings amount and the reported borrowing needs indicate that these students lacked the financial means to afford the cost of college attendance. While cost was not a stated concern for the participants in this study, the higher price tags and more stringent admissions criteria associated with other traditional institutions were likely beyond their financial and academic reach. The literature states that students and their parents make decisions about college affordability without accurate or complete information (CBASG, 2010a). The research findings verify that students are indeed devoid of information that would be helpful in making an informed decision about the affordability of various institutions. The College Scorecard released by the White House is indicative of government efforts to address the existence of this problem (White House, 2013). For
many attending community colleges the choice to attend these institutions are more likely a matter of practicality and circumstance, rather than a deliberate choice. Given the availability of financial resources, and thereby the choice of institution, it remains unclear whether the students participating in this study would have enrolled in a community college. The availability of financial aid to students without the financial means, as well as the admissions policies of community colleges combined, are both vital factors in the enrollment decision.

Community colleges, amongst the various institutional types, have the unique characteristic of an open admissions policy. Open admissions sometimes referred to as open enrollment is in an unrestrictive policy that encourages and welcomes student enrollment (Levinson, 2005). Outside the realm of those who inhabit academia, the concept of open admissions is likely lesser known and most probably misunderstood even by those who attend the open enrolled institutions. Student applications are used as screening criteria, not for admission to the institution, but for the student’s course registration (X Community College, 2011). Applications generate a required placement test that is used by the institution to guide the student’s course registration at the appropriate level. The result of this unselective open admissions policy is the broad and diverse population reflected by the students in this research which are represented by nine traditional college-aged students (age 18-24), 11 returning adult students including one completely online student. In the interviews, the students provided a narrative which suggests that they had in fact chosen a community college because of its accessibility.
For most first-year college students, their experience begins prior to the first day of class (X Community College, 2011). After the application and admission processes are complete there is often a period of time before classes actually start during which students are expected to navigate through and finalize many details that are key to a successful first-year (X Community College, 2011). To capitalize upon the transition period of time between a student’s application and the start of the semester, the college has recently implemented new student orientation to help them understand and evaluate financial aid opportunities and to increase student completion outcomes (X Community College, 2011). It is purported that college financial aid offices have a unique opportunity, and responsibility, to help students and families make informed decisions about how best to pay for college and how much to borrow (Whitsett, H, 2012b).

However, the design of the admissions process provides institutional obstacles even for the administrators. At the institution studied, the application lists five steps to admissions in the following sequential order: (1) apply, (2) complete financial aid application, (3) get a student email account, (4) take the placement exam, and (5) register and pay for classes (X Community College, 2013). The fifth step in the enrollment process for students involves the requirement of payment which represents the decision point where the borrowing takes place. Given that only two students in this study had financial support from family and friends, and only one of those reported that the financial support exceeded $1,000.00, the decision to borrow was born of necessity.

The student responses reported in this chapter require the need to establish a purposeful distinction from this study between the terms open admissions and open
Commonly, throughout the literature these terms are interchangeably defined in their description of the process which guarantees admissions of students into community colleges without regard to academic preparedness. In truth, this study reveals that community colleges are open enrollment institutions that are bereft of admissions barriers imposed at traditional four-year institutions. Absent barriers to enrollment, some community college are students given a pathway to pursue postsecondary without addressing the requisite norms that ensure persistence, retention and ultimately completion. Pictorially, in the modified framework (Appendix C) produced from the findings in this study, the institution allows for unrestricted entry but ultimately becomes an “institutional labyrinth” that may fail to signal to students prior to the enrollment decision of the need to possess adequate financial resources or academic preparation as essential ingredients for successful attendance and completion.

In the design of the admission process in which the financial aid office is the last step prior to enrollment, the personnel in “(the) financial aid (office) know a lot about some of the other departments that affect registration like advising and counseling (departments)”, reported the financial aid administrator. Once students have navigated the admissions process and arrive at the Bursar’s office, they are confronted with a decision between borrowing and the decision not to enroll. When asked how informed students were when they arrived to the financial aid office, the administrator stated that it was “based on the student’s background; not necessarily their socioeconomic background but (that) does play a part. How they got to a community college…plays a part on how well they are prepared when they get to the financial aid office”. Often because of their
eligibility, they are re-directed to the financial aid office where according to the institution’s lending officer, “they only ask the right questions based on what they have researched or learned themselves or somebody has told them”. It was suggested by the institution’s lending officer that because of the confusion which students experience, they could be more influenced by peers than the system that they’re supposed rely upon to guide them through the admissions and financial process. A recent student survey of high debt borrowers concluded that a crucial component of limiting the price that students pay for a college education is to provide them with better information (Whitsett, 2012a).

According to Whitsett’s survey, “many students with financial aid desperately need a better information “roadmap’ to help them navigate the process”. Given the limited institutional resources that are available to provide better support to the students in the admissions and financial aid process, I asked the administrator what tools would best aid students in the process, or whether the process itself should be redesigned. It was suggested that cross-training amongst personnel involved in registration, advising and financial aid that would create a “one-stop shop model” could better funnel students toward the support that they need to make better decisions. But the observed reality of the enrollment process is long lines and limited engagement with college personnel at critical points in the admissions process for students. The majority of the students (65%) attending the researched institution receive financial aid. The financial aid process and the student’s ability to make sense of the complexities of the forms, processes and terminology are important considerations because it is the point in which the financial
decision-making that forms the student value proposition occurs. Accordingly, the literature recommends that in order to protect students from unmanageable debt, policies that promote better information to students and encourage responsible borrowing be pursued (Baum & Steele, 2010).

**Financial Literacy and Institutional Support**

Interview questions related to the use of student loan instruments were designed to assess the financial literacy of the participants, all of whom had borrowed. This research took place in fall of 2012, near a presidential election. Student loan interest had been a controversial topic in the national press and was often used as a campaigning issue for the incumbent President Obama. In July 2012, student loan interest rates were set to double which would increase the borrowing costs to borrowers. An article was covered in the campus newspaper about the issue so I asked the participants in the study if they knew the stated interest rate on their existing student loans. Many just guessed. When others said that they knew, I asked them, “What is the rate?” Some retracted the assertion that they knew while other confidently stated various percentages, “4.2%” with confidence, or “3.8%” with trepidation, for example. Mark, an accounting major was the exception. Mark stated that he had taken an accounting course prior to military service which preceded his attendance at the community college. Referring to the level of support at the institution, he reported that “the financial department, they actually do a fairly decent job here”. Mark said he only borrowed to buy books while he wasn’t working until his G.I. Bill paperwork got processed. He had “meticulously laid out” all of his expenses related to his degree in a spreadsheet. He was one of only two students
in the study that used the accounting term “accrues interest” to describe the difference between subsidized and unsubsidized debt. Both Mark’s life experiences and the financial education associated with his accounting studies helped him to make better decisions about the use of debt.

Although the majority of students believed that they had made informed decisions, they failed to prove their understanding when asked about the loan instruments themselves. Higher education leaders and institutions have an obligation to recognize the presence of the financial literacy and the absence of systemic support students who rely upon this information (EverFi, 2012; Whitsett, 2012a). At community colleges, which are generally under-resourced with regard to student services and administrative support staff, students are especially susceptible to long-term negative financial decisions. The need for more personnel in the Financial Aid Office which increases the operating expense of the institution, and the need to reduce costs to maintain lower tuition rates to students make providing an adequate supply of resources to meet the student demand a challenge in resolving the financial literacy dilemma. One student participant in the study is also an employee of the campus Financial Aid Office. He found from his experience working in the financial aid office that, “the majority of students don’t know the questions to ask, and it’s not volunteered. No.” The lending office also reported that students often don’t know what question to ask. Student financial problems not only impact individual student outcomes but also the institutional mission (EverFi, 2013).

The students understood that they needed more help. Cynthia knows that there are financial aid workshops but has never attended any. She thinks that the financial aid
department should “reach out to students and set up an appointment”. Ebony replied, “I needed somebody from financial aid”. Peter, an adult returning student relied on the advice of other students to learn about borrowing. Even though Peter received the information from the Financial Aid Office which gave the directions “step by step”, Peter didn’t know how to use a computer so he opted to ask around. “It turned out that the student worker that I asked, she had student loans…you can get information just simply from other students”. Unfortunately Peter, who seemed only to realize how much he had borrowed when he was asked in the interview process replied, “Wow, maybe 40,000?” He may have gotten the information that he needed to get a student loan but did he borrow excessively, and was it good advice? The institution’s lending officer used in this study concerned about excessive borrowing (Everfi, 2013; Whitsett, 2012b), or alternatively students not borrowing enough (Baum et al., 2011) and recommended that instead of students being offered voluntarily entrance counseling before they assume student loan debt, they be required to attend mandatory annual counseling.

**Borrower Attitude and Repayment**

According to the National Consumer Law Center, students who attend two-year institutions may borrow less but are more than twice as likely than students attending public four-year institutions (11.9% compared to 5.2%) to default on their student loans. Some reasons include student non-completion, excessive or misunderstood borrowing, and lack of understanding about salary expectations. One aspect of inquiry into the borrowing phenomenon that is occurring nationwide was to explore how currently enrolled students perceived their future debt obligations. Questions about the repayment
of their student loans generated rich data as the students reflected upon their loan decision and the implications of the borrowing in the future.

In shaping the borrower’s attitude, I asked whether they were concerned or worried about their indebtedness. Betty believed that, “you’re not borrowing for frivolous reasons…so borrowing for your education is a great investment”. She had prior experience with student debt and when her husband lost his job, “we just stopped paying it”. Betty’s decision to re-enroll also meant that the loan payments were deferred until graduation but there would be even more debt to contend with this time. Although the students had signed consent forms that allowed me to report on their statements, students were themselves cynical about the student borrowing that they observed taking place and requested that I keep their responses confidential. Because the study was designed to maintain the participant’s financial aid confidentiality and rely upon self-reporting, access to the actual borrowing amounts were unknown. To further ensure that the confidentiality of the student’s identity, the data is reported without any identifying factors since the responses suggest misuse of the funds (Cohen & Brawer, 2008). A student reported that he knew that other students often used the loans for “dumb stuff…to buy a car”, for instance. Another reported that, “I do understand that people come to school, get their loans and get their refund check and leave. Why do you care? I have to pay it back regardless. How do you determine how much I get to have?” In this case the student used the proceeds of the student loan to supplement his lifestyle while enrolled in college and thought that it was intrusive for policy to dictate borrowing limits since he/she believed the consequence of his decision was his/hers individually. In
constructing the position, this student failed to realize that the default on a federal loan would become the collective burden of all taxpayers. Another student who thought, “college should be free” also thought that “when a government gives you money, it’s a treat because you need it”. These responses reveal the deficiency in understanding about the lending process and the implications of making the borrowing decision as it relates to postsecondary education (Whitsett, 2012b).

Many students were concerned about their indebtedness and knew that getting a job after graduation wasn’t “guaranteed”, as one participant put it. The students who were concerned had given the repayment process some forethought. Mark intended to “chip away” at his debt using the earnings from working while his G.I. Bill continued to fund his tuition. Angela, realizing that she had no current income and was accruing debt admitted that she does in fact “worry about how I gonna pay back but I hope to get a job before I have to start to pay because I want to pay my student loan”. The idea of gainful employment upon graduation was clearly an expectation that supported the value proposition, and the decision to borrow simultaneously. “Worried? No.” Michael’s expectations hinged upon the belief that, “once I finally get out of school I will have set myself up for either already having a job or at an internship to get a job”. The overconfidence of the respondents seemed to be in opposition to the success of college graduates in the aftermath of the Great Recession. Also unbeknown to these students was the fact that the majority of future new job creation growth would require a certificate or an associate’s degree (BLS, 2012). But, these job opportunities would be for certain
majors and would not serve well the majority of these students in this study whose career aspirations were altruistic and likely to have lower earnings (Snyder, 2012).

The impact of a system that provides either too little information, or provides information at the wrong time or ineffectively, is the development of repayment attitudes that undermine the intention of the shared costs burdens of college costs. Some strategies for repayment included in this study were misinformed. Planning to apply for loan forgiveness, one participant found out about the program by overhearing a conversation between students pursuing careers in allied health. His understanding of the forgiveness plan was limited by the understanding that if he only went into teaching following graduation, “you can have up to 80% of your loan forgiven”. Of course, there are many additional rules that must be considered before loan forgiveness applies which he was able to retrieve from the campus financial aid office. Rather than seeking information from campus officials, this student was basing his decision-making upon eavesdropped information. According to the campus lending officer, students should rely upon the information from financial aid staff because other students may have different academic aspirations. Students require customized solutions that are consistent with their own established goals. The reality is that a secondary market of information amongst students and their families exists within the context of the institutional resources, more especially on community college campuses where first-generations students represent the majority population of students (Cohen & Brawer, 2008).

Before borrowing, others had discovered by talking to friends and family that many of them also had student loans and were convinced of the borrowing decision by
these conversation. A student was counseled that “you know your loan means nothing compared to mine. So it’s just something I have to deal with”, the student reflected. Unfortunately, in the majority of the interviews, the students shared that were “not worried” about having to pay the student loans back. Their expectations that they would increase their earnings from employment after graduation justified their decision to borrow. Furthermore, the repayment wouldn’t occur until sometime into the future which also eased their anxiety levels (EverFi, 2013). Understanding attitudes for borrowers early in their experience is important for predicting how they will approach the obligation to fulfill their repayment obligations (EverFi, 2013).

Implications

The implications of this study are presented through the lens of the multi-level contextual framework which considers the policy, institution and financial aid office as external layers of consideration to the student in the formation of the value proposition. The modified framework (Appendix C) used in this study expands upon the Perna framework (Perna, 2006) by suggesting that there is a distinct decision-making process, the student value proposition, which occurs prior to the enrollment decision or before their willingness to borrow to support that decision is established. Like Perna’s model, the value proposition considers the environmental factors in a student’s eco-system but this study reveals that economic conditions, the unique institutional characteristics of community colleges and the role of the financial aid office are unique filters for the diverse population of students within this research. Unlike the Perna model which situates the borrowing decision prior to enrollment, community college students may
make the decision to borrow concurrent to their enrollment decision or as a consequence of the enrollment decision. The decision to borrow is thereby a by-product, or secondary consideration, of their demand for higher education and its anticipated benefits. Notably, in the case of community college students, the framework designed for this study includes student’s aspirations as a component of higher education demand. These aspirations are comprised of age, gender, race and parental influences which are all factors deemed more relevant to the diverse, non-traditional students included in this study in comparison to the traditional high school students surveyed in the Perna study (Perna, 2006).

On February 12, 2013, President Obama in his State of the Union Address recognizing the contribution of higher education to the macro-economy, asked for institutions to minimize costs to address the affordability issue. Specifically, he called upon Congress to require accreditors to consider take college prices and educational value or to create an alternative system to measure institutional performance and results (Nelson, 2013). A re-distribution of financial aid to institutions based upon performance (Nelson, 2013) has significant implications for community colleges that grapple with challenges associated with student completion. The launch of the College Scorecard on the White House website will have unforeseen enrollment implications for community colleges. The purpose of this study was to provide students with the chance to define the metrics which define the “value” of a college education. As the concept of value has been entered into the national dialogue, there is a risk that given the existing college affordability concerns, only the pecuniary and not the broader societal benefits will be
addressed in determining the value of a college education. The students attending public community colleges require the most institutional support because of their non-traditional college student backgrounds, yet as was determined by this study, students may often find this support too little, or too late.

The capacity issue is an institutional symptom of the problem, which is the student need for support with understanding the financial aid process, especially the implications of borrowing (Whitsett, 2012a). Like the “Lost Without a Map” survey results, the majority of the students in this had misunderstandings about financial aid, borrowing which led to poor decision-making. In the current political climate where the emphasis is on deficit reduction, increases in federal Pell Grant funds are not likely. This study found that the admissions process of community colleges may currently be designed to serve the funding needs of the institution which relies upon enrollment to access state funds. Alternatively, the existent requisite level of counseling that is required for community college students to make informed decisions about career planning, balancing work, school and family obligations as well as borrowing was inadequate at the institutional level. It is recommended that state funding formulas which may reward community colleges for increasing the number of FTEs (full-time enrollments) be revised. The allocation of state funds based solely upon enrollments, creates an ethical dilemma for institutions who may design institutional structures which are more supportive of the enrollment function than to architecture that supports student success. Prior research (Whitsett 2012a), as well as the institutional officers and the students included in this study have an aligned understanding that there is a knowledge
gap among students that must be resolved to support the on-going enrollment and completion of the nontraditional students that comprise the current demographic sea change on community college campuses throughout the nation.

The complexity of financial aid requires better information, personal contact and simple explanations (Whitsett, 2012a). The lending officer suggesting mandatory annual counseling for borrowers but this approach would be costly and may not serve students who are increasingly opting for online coursework or those who may work in addition to attending college. The lack of financial literacy and the inability of students to attend mandatory counseling sessions can only be overcome by the institutional recognition of the knowledge gap that exists among college students. A curriculum that requires financial literacy (Supiano, 2013; EverFi, 2013) is a cost-effective approach that takes into the account lack of institutional resources, the needs of students while supporting the nation’s completion agenda. Further, the students included in this research are interested in acquiring additional knowledge to assist them in making decisions related to paying for college. A pragmatic liberal arts education can no longer consider financial education in competition for coveted credit hours within a curriculum that is designed to inspire citizenship in students and supports the institutional mission (EverFi, 2013).

The implications of the lack of understanding about student loan repayment pose a threat, not only to the students themselves who risk losing their credit worthiness but to the institution whose Title IV funding is tied to the default cohort rate of its students. Although not a part of the inquiry made to the lending officer, throughout the nearly two-hour interview, several references to the institution’s cohort default rate surfaced. An
institution’s cohort default rate is the percentage of federal student loan borrowers who enter repayment within the cohort fiscal year and default (DOE, 2005). Misinformed and excessive borrowers lead to higher institutional default rates. Recently, sixteen California community colleges have opted out of student loan programs to avoid the risk of losing their to offer financial aid, including Pell grants, to their students (Devarics, 2012). The cohort default rate was extended from two years to three years according to the lending officer and will adversely affect the institution if the formula reverts to the original formula. Further, according to the financial aid administrator, students who begin their student loan borrowing at community colleges jeopardize the cohort default rate of the community college where the borrowing began even if the student successfully matriculates to a bachelor’s degree granting institution and later defaults.

Mounting evidence supports the existence of a knowledge gap between what students are expected to know and what they actually understand about financial decision-making. Hopefully, as attention is increasingly drawn to this issue, faculty and institutional leaders will realize that their collective fate is inextricably tied to addressing this problem. The fact that academic side (faculty who oppose recognizing personal finance as a course that should be included in the core curriculum) of higher education has chosen to remain tone deaf to student financial illiteracy is a quizzical paradox. If students continue to borrow without completing college, the country will fall short of the national goal of degree attainment as set by the Obama administration. The borrowing and non-completion also undermines the institutional cohort default rate and leaves students in the worst of both worlds…debt without a degree (Gladieux et al., 2005). All
of these factors have long-term national economic consequences. These misgivings suggest that addressing the student financial literacy dilemma is relevant in improving the borrowing decisions of community college students.

As the number of immigrants increases due to changes in federal policy, colleges will need to create a campus climate that functions beyond the lip-sync chorus of promoting and supporting diversity. Language barriers create an additional obstacle for immigrant students who, unlike native students, not only are unaware of what they need to know but also face the challenge of trying to explain their needs in English. Institutional resources must be directed towards practices that can accommodate an expanded definition of diverse students that includes multi-lingual personnel that can interpret the processes to international students. As federal immigration policy is changed, the specter that the composition of community college students will continue to become demographically different requires that campuses recognize the need for support to ESL students. The ESL students in this study were misdirected and misunderstood resulting in extended study time, increased costs and unnecessary borrowing.

The economic opportunity cost decision of pursuing college is an increasingly complex decision that requires that higher education consider the timing, approach and systemic infrastructure necessary to assist students. Students who are now reliant upon their aspirations and expected benefits in constructing their value proposition may begin to construct a cost-benefit analysis (Perna, 2007) that quantifies whether college continues to be worth it. The completion rate for the community college used in this study was approximately ten (10%), which is abysmal as a stand-alone figure but does
not include students who transfer prior to graduation or students who during registration indicate that they are pursuing degrees but were actually guest students not pursuing a credential or degree. The report, “Time is the Enemy” suggests that students who are misadvised take unnecessary coursework, increasing their overall costs. The consequence to these students, who are increasingly part-time students working excessively and managing family responsibilities that include children, is that the longer that it takes for them to move towards degree completion, the less likely they are to complete their studies successfully (CCA, 2011). Consequently, while non-majority students are the new majority, current graduation rates at community colleges are unacceptable in light of the increasing number of students that these institutions enroll.

Conclusion

The tension between the public and private benefits of education and the problem of college affordability has become a powerful political issue (Labaree, 1997; Zumeta & Hunt, 2012). The need to better understand the tension between the perceived value of a college education and the consequences of the debt burden associated with attaining will increasingly become a central issue in higher education policy formation. This is especially true as it relates to students who attend community colleges, which is the higher education where more than half of Americans begin their college journey (AACC, 2013). As higher education enters a new period of reconstruction, the perception of students will continue to serve as an invaluable resource to policy makers, legislators and institutional leaders. While this research acknowledges affordability as an important issue facing the community college student, it also provides a basis for the need to make
available public resources to an increasing population in need of financial support. The public continues to perceive postsecondary education as a necessity in pursuit of a middle-class American lifestyle and this is true of the community college students who participated in this study. This qualitative research provides a perspective that gives voice to a small number of the many students who enroll in these institutions of higher learning, the majority of whom rely upon financial aid and increasingly upon student loans to support their educational endeavors (NCES, 2012).

The community college institutional architecture creates a labyrinth in the sense that there are complex choices and various formal and non-formal cues that exist for students as determined by data provided in the student interviews. The data suggests that most often, community college students lack the necessary social capital prior to enrollment that would properly equip them to make wise financial decisions or have the necessary understanding of college-going to structure a beneficial plan of study that aligns their demand for higher education to their expected benefits of their college experience as defined by their value proposition. The most unfortunate consequence of this dilemma is that the academic and financial planning obstacles are discovered post-enrollment and with the meter running (while post-debt costs are being incurred).

The modified framework (Appendix C) accounts for the reported non-monetary benefits of postsecondary education provided by the study’s participants. These diverse, nontraditional students, by and large, described their encounter with college as confidence building and reaffirming. For these students, many of whom lacked the social capital to encourage their decision to attend, the decision to college provided them with
an unexpected rich set of experiences and intrinsic outcomes which could have only been accrued by the choice to enroll in postsecondary education. It is suggested that future studies that examine the borrowing phenomenon underscore the additional benefits that help to define the student value proposition beyond the economic considerations of higher education benefits. While these benefits cannot be easily quantified, they provide a broader basis for the determination of increasing enrollment that accounts for the broader external economic conditions when these decisions are made.

The current economic climate and cost-shifting has resulted in an increased burden in the form of financial decision making about higher education to students and their families. The potential changes in federal aid policies, including those governing Pell Grants and subsidized loans, could have a dampening effect on enrollment trends at community colleges as an affordable alternative to more expensive traditional four-year universities institutions which are increasingly beyond the financial reach of many American families. Continued support of federal aid may represent the only source of funds available to a changing demographic with limited resources as state funding to higher education continues to dwindle. As students make the decision to enroll in community colleges, the value proposition of these students will continue to be closely linked related to their perceived benefits of a postsecondary education. While community colleges provide access and the most affordable option available for students requiring financial aid support, increasingly the students who are enrolling in them are non-traditional and a myriad of challenges in the admissions and financial aid process.
More importantly, some 41% of these students have at least one student loan (NCES, 2012a).

As borrowing becomes normalized, even at the most affordable U.S. institutions of higher education where students may be academically unprepared for the rigors of college work, financial literacy emerges as a vital area of concern for the increasing number of first generation students pursuing a college education in the United States. A student loan is a peculiar financial instrument. It is a non-collateralized debt instrument that does not take into account net worth or current income in the underwriting process. Instead, the lending formula considers that the correlation between higher levels of education and increased earnings. For those reasons, the record student loan borrowing is often compared to the sub-prime mortgage crisis that precipitated the near collapse of the U.S. economy. The Consumer Financial Protection Board, established in response to the global economic meltdown has established a “Paying for College” web site to assist students in finding financial resources, choosing an institution and repaying their loans after graduation.

This study makes the following recommendations for future research:

- **Evaluate the effects of open admissions/access policy in the enrollment decision** – as determined by this study, there are both benefits and pitfalls associated with the open architecture of community colleges that leave financial and course planning unaddressed. The research should address how the absence of this critical information in the formation of the students’ value proposition threatens to undermine college completion in support of college access.
• **Explore the benefits of credit-bearing college orientation courses** – to assuage the lack of college-going knowledge and financial acumen amongst first-generation and non-traditional returning students who may lack the social capital, an orientation course that extends beyond the placement test upon admissions could fill the knowledge gap found in this study while improving completion rates among this population.

• **Determine the feasibility of using online tools in the community college admissions process** – a cost-effective approach to providing the prescribed learning for students seeking admission to community colleges is the use of a massive open online course (MOOC) to provide orientation for financial aid beyond what is required for lending by the Department of Educations’ financial aid requirements. An additional benefit is that the implementation of this recommended approach (MOOC) would limit institutional cost increases to the cost of technology without causing capacity strain on the production function of these institutions whose resources are limited in the current college cost-cutting environment.

As students continue to be considered consumers in the college marketplace, the belief that postsecondary education is being pursued in order to provide a more meaningful philosophy in life, has over time, been replaced by the idea of going to college as a means to increased earnings as the derived benefit. This shift in student values along with public policy changes that have shifted the cost burdens to families has resulted in increased borrowing needs, even for those who make the choice to
attend community colleges in pursuit of the American Dream. By channeling institutional resources towards improving the college-going knowledge and financial literacy of community college students, the long-term adverse socio-economic implications associated with poor financial decision-making of these aspirational students can be avoided.
Appendix A – Pre Interview Survey Questionnaire
University of Pennsylvania Research - Student Survey

<table>
<thead>
<tr>
<th>Student Anonymous ID #</th>
<th>0001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name of College/University</td>
<td></td>
</tr>
</tbody>
</table>

Thank you for agreeing to participate in this study. This pre-interview survey is a part of the study. The answers will remain anonymous and will help to inform the research used in the student in which you have agreed to voluntarily participate. Please complete this survey and bring it to your scheduled interview appointment. Should you have any questions, please email them to wwayne@gse.upenn.edu. Thank you!

<table>
<thead>
<tr>
<th>Your Sex:</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is English your native language?</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How old will you be on December 31 of this year?</th>
<th>18</th>
<th>19</th>
<th>20</th>
<th>21 - 24</th>
<th>25 - 29</th>
<th>30 – 39</th>
<th>40 and above</th>
</tr>
</thead>
<tbody>
<tr>
<td>In what year did you graduate from high school?</td>
<td>2012</td>
<td>2011</td>
<td>2010</td>
<td>2009 or earlier</td>
<td>Did not graduate but passed GED test</td>
<td>Never completed high school</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>How many miles is this college from your main home?</th>
<th>5 miles or less</th>
<th>6 – 10 miles</th>
<th>11 – 50 miles</th>
<th>51 – 100 miles</th>
<th>101 – 500 miles</th>
<th>Over 500 miles</th>
</tr>
</thead>
<tbody>
<tr>
<td>Where do you live while attending school?</td>
<td>With my family or other relatives</td>
<td>Other private home, apartment or room</td>
<td>College residence hall</td>
<td>Fraternity or sorority house</td>
<td>Other campus student housing</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Is this college your:</th>
<th>First choice</th>
<th>Second choice</th>
<th>Third choice</th>
<th>Less than third choice</th>
</tr>
</thead>
<tbody>
<tr>
<td>Since leaving high school, have you ever taken courses, whether for credit or not for credit, at any other institution (university, 4- or 2-year college, technical, vocational, or business school)?</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Which statement comes closer to your view?</td>
<td>Getting a college education is more important than it was ten years ago?</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school graduates should take any decent job offer because there are so many unemployed people already.</td>
<td>Agree</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>High school graduates should go on to college because in the long run, they’ll have better prospects.</td>
<td>Disagree</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Which statement comes closer to your view?</th>
<th>In general, would you say colleges and universities:</th>
</tr>
</thead>
<tbody>
<tr>
<td>This state (PA) already has too many college graduates who are competing for scarce jobs</td>
<td>Are teaching students the important things they need to know?</td>
</tr>
<tr>
<td>This state needs more college-educated workers so that the state (PA) can attract high-tech jobs and businesses.</td>
<td>Are failing to teach students the important things they need to know?</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Many young people are just wasting their time and money in college because they don’t know what else to do with their lives.</th>
<th>Students appreciate the value of a college education only when they have some personal responsibility for paying for what it costs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>I don’t agree with that statement.</td>
<td>Strongly/somewhat agree</td>
</tr>
<tr>
<td>It is a somewhat serious problem.</td>
<td>Strongly/somewhat disagree</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>State and federal government should more often:</th>
<th>Paying for college has become increasingly more expensive. Rank, according to which group you think should sacrifice?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide students with opportunities to work for the financial aid they get.</td>
<td>___ Students and families by paying higher fees</td>
</tr>
<tr>
<td>Give tax breaks to help students and their families for college.</td>
<td>___ Faculty and administrators by teaching more classes and cutting costs</td>
</tr>
<tr>
<td>Make money available for student loans.</td>
<td>___ Taxpayers and state government by devoting more dollars to solving the problem</td>
</tr>
<tr>
<td>Grant money directly to students.</td>
<td></td>
</tr>
</tbody>
</table>
**University of Pennsylvania Research - Student Survey**

This part of the pre-interview survey is designed to get your opinion about how the financial aid office can better serve students. Please check one box per statement.

<table>
<thead>
<tr>
<th>Statement</th>
<th>Strongly Agree</th>
<th>Agree</th>
<th>Neutral</th>
<th>Disagree</th>
<th>Strongly Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td>The financial aid office is conveniently located on campus.</td>
<td></td>
<td></td>
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<tr>
<td>The process to see a financial aid representative is customer-friendly.</td>
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<tr>
<td>The staff members in the financial aid office are sensitive to student issues concerning financial aid.</td>
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<tr>
<td>I am comfortable discussing my financial issues with the staff members in the financial aid office.</td>
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<tr>
<td>The financial aid office made me aware of the tuition costs at my college prior to attending</td>
<td></td>
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<tr>
<td>The staff members in the financial aid office are knowledgeable.</td>
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<tr>
<td>The financial aid office made me aware of the additional expenses that I incurred at my college prior to attending</td>
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<tr>
<td>The financial aid office at my college clearly explained the financial rules and important dates thoroughly.</td>
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<tr>
<td>I attended a financial aid counseling session at my college.</td>
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<tr>
<td>I feel confident that information provided to me by the financial aid office is accurate.</td>
<td></td>
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<tr>
<td>I was given information about scholarships and grants that I may be eligible for by the financial aid office.</td>
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<tr>
<td>The financial aid office is accessible if I have questions.</td>
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<tr>
<td>My overall satisfaction with the financial aid process at my college is high. I would recommend the school to friends.</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

Please share any suggestions that you think would assist the financial aid office in better assisting students:
University of Pennsylvania Research - Student Survey

How much of your first year’s educational expenses (room, board, tuition and fees) do you expect to cover from each of the sources listed below?

<table>
<thead>
<tr>
<th>My own or family resources:</th>
<th>None</th>
<th>Less than $1,000</th>
<th>$1,000 to $5,000</th>
<th>$5,000 to $9,999</th>
<th>Over $10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Parents, other relatives or friends</td>
<td></td>
<td></td>
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<tr>
<td>Spouse.</td>
<td></td>
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<tr>
<td>Savings from summer work.</td>
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<tr>
<td>Other savings.</td>
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</tr>
<tr>
<td>Part-time job on campus.</td>
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<tr>
<td>Part-time job off campus.</td>
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</tr>
<tr>
<td>Full-time job while in college.</td>
<td></td>
<td></td>
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<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Aid Which Need Not Be Repaid:</th>
<th>None</th>
<th>Less than $1,000</th>
<th>$1,000 to $5,000</th>
<th>$5,000 to $9,999</th>
<th>Over $10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pell Grant</td>
<td></td>
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<tr>
<td>State Scholarship or Grant</td>
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<tr>
<td>College Work-Study Grant</td>
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<tr>
<td>Private Grant</td>
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<tr>
<td>Government Aid</td>
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<tr>
<td>Part-time job off campus.</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Full-time job while in college.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aid Which Must Be Repaid:</td>
<td>None</td>
<td>Less than $1,000</td>
<td>$1,000 to $5,000</td>
<td>$5,000 to $9,999</td>
<td>Over $10,000</td>
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<td>Stafford Loan (GSL)</td>
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<td>Perkins Loan</td>
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<td>Other College Loan</td>
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<td>Other Loan</td>
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Appendix B – Interview Protocol
Borrowing the Price of Admission – Interview Protocol

The following question will be asked during the student interviews following the review of the student responses to the pre-survey questionnaire. The answers will remain anonymous.

**Value Proposition**
Why did you enroll at the community college?
What is your major? How did you select that major?
What do you intend on doing when you graduate?
What were the primary reasons for going to college?
What benefits are there from attending college? Economically? Socially?

**Institutional Choice & Costs Considerations**
Were you accepted by the college of your choice?
Was the cost to attend a consideration in choosing the institution that you attend? How so?

**Financial Planning for College**
To what extent did you or your family members receive any financial aid counseling before you attended college?
Did you save any money for college prior to your application? What was the most surprising unexpected expense that you have incurred during your first year of school?
How did you cope with meeting this expense?
To what extent do you think that colleges do an adequate job of providing instruction in personal finance?
Do you have any suggestions about how students could make better decisions about paying for a college education?

**Loan Perceptions** – [Since you have taken out student loans to help finance your education, the next set of questions will ask about your perceptions about borrowing for college.]
Have you borrowed to attend college? If so, what types of loans did you take out? How did you learn about them? What are your obligations for repayment of these loans?
Do you think that borrowing for college is a good investment? If so, why do you believe that borrowing to finance your college education is a good investment?
What sources provide you with the most information about student loans?
Have you pre-determined a maximum amount that you would be willing to borrow?
Do you know the difference between subsidized and unsubsidized loans?
Do you know the interest rate on your student loans?
Did you receive a refund check? If so, what did you use the refund check for?
Are you concerned about repayment of the loans? Do you feel confident that you will have enough earnings to repay your loan once you graduate?
What information do you have that leads you to believe you can repay the loans?
Are there any additional concerns about borrowing for college that you would like to share?
Appendix C – Multi-Level Conceptual Framework of Community College Value Proposition of Enrollment & Borrowing Decision Framework
Multi-Level Conceptual Framework of Community College Student Value Proposition for Enrollment & Borrowing Decision Criteria

Source: Adapted from Multi-Level Conceptual Model of College Student Enrollment (Perna, 2006, 2007)


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