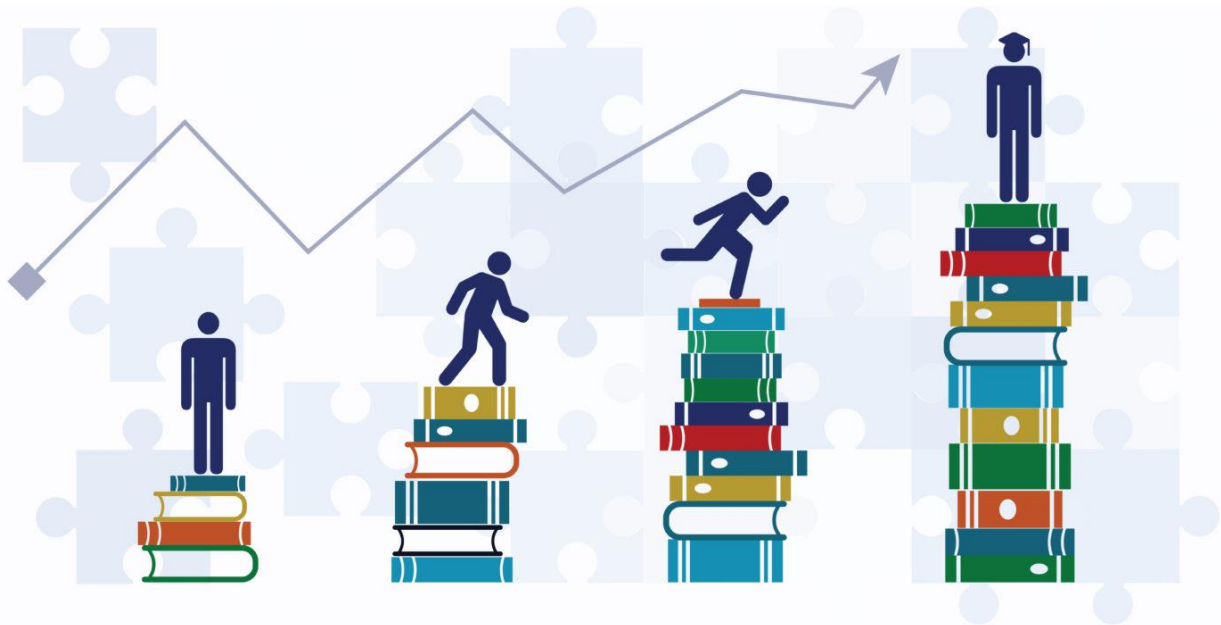


Community College as a Smart, Lower-cost Path for Higher Ed



Jeff Hulett is the Executive Director of [Definitive Social](#). We are a non-profit focused on expanding access to educational programs and tools to help participants make better decisions in today's increasingly complex world. Our vision is to empower under-resourced people, communities, and businesses to achieve their greatest potential through optimal decision-making.

Daniel "Rudy" Ruettiger graduated from the University of Notre Dame. He also traveled a non-traditional higher education path. He started in a local South Bend, Indiana community college and transferred to Notre Dame after two years. Mr. Ruettiger grew up in an American Midwestern family anchored in the steel industry. He was a first-generation college student and had little family financial support. Rudy is also known as one of the only football players ever carried off Notre Dame stadium's field in a post-game celebration. This occurred when Notre Dame defeated Georgia Tech his senior year. As the story goes, Rudy earned the respect of his teammates as a hard-working practice player. He helped his team get better via his sacrifice and grit in practice. He selflessly pushed his teammates in practice so they would perform well on game day. Rudy only first stepped on the game field at the very end of his senior year football season. His story is shared in a movie of the same name, "[Rudy](#)." At one point in the movie, Rudy was discouraged as his dream to step on the game field was in doubt. One particularly poignant quote is from his movie boss, played by actor Charles Dutton:

"You're 5-foot nothin', 100 and nothin', and you have nearly a speck of athletic ability. And you hung in there with the best college football team in the land for 2 years. And you're gonna walk outta here with a degree from the University of Notre Dame. In this life, you don't have to prove nothin' to nobody but yourself."

"Make a better future with better decisions."

It is an inspiring story. Especially Rudy's chosen education path. This article explores the non-traditional community college path. We discuss how this path helps the student build positive recruiting momentum to get hired upon graduation.

First, community college sometimes gets a bad rap. Some may consider it for recent high school graduates that are not "smart enough" for a traditional 4-year college. I do not agree. I consider community college for two kinds of people:

- 1. Students who are plenty smart but need to fine-tune their study habits and study skills.**
- 2. Students who are smart and realize that community college is a savvy path to get a much lower-cost undergraduate education.**

Let's explore each of these.

1. Students who are plenty smart but need to fine-tune their study habits and study skills.

College may not be for everyone. But my assumption is the ability to successfully complete college, for most people, is more related to desire, preparation, and, in particular, study habit discipline.ⁱ It is much less related to some mental capacity associated with "smarts" or "I.Q." We are all born with similar mental capacity. Each of us generally has the power to develop our learning ability, complete a 4-year degree, and earn good grades.ⁱⁱ

The reality is, we do not all come from an environment that prepares us for college **when we are 17 years old**. This is an important point; my operating thesis is that readiness for college is not a "yes or no" question. It is a "now or not yet" determination. If you did not get good grades in high school, you are likely not ready for a 4-year college.ⁱⁱⁱ Even if you did get good grades in high school, you still may not be ready for a 4-year college. Honestly determining your readiness and setting aside the peer pressure associated with the false reasoning "*all my smart friends are going to college; thus my success is defined by attending a 4-year college*" is hard and very important.^{iv}

But what if you are not sure whether you are ready for a 4-year college? Using a finance metaphor, think of community college as a low-cost put option. You can "put" the risk of not being ready on a low-cost substitute for a 4-year college. The good news is, if you finish your low-cost community college, many 4-year colleges will accept junior year transfers and provide transfer credit for your good grades. Importantly, you also transfer with "readiness" confidence, that your study skills are appropriate for a 4-year college. If you do not graduate from community college, the financial impact of finding out you are "not yet" ready is relatively modest. The worst-case scenarios are for those people that start a 4-year college, pay full costs, take out loans, and never finish. In fact, *40% of all high school students who start college, never finish.*^v

2. Students who are smart and realize community college is a savvy path to get a much lower-cost undergraduate education. This is becoming even more important as 4-year college tuition has become very expensive. This occurred after *decades* of tuition and other 4-year college costs outpaced the U.S. inflation rate.^{vi} Financially savvy students see no reason to overpay for general education credits. In interviews with students, some students question:

"Make a better future with better decisions."

"Is there really a meaningful difference in 'Psych 101' classes between colleges? The human brain hardly ever changes!"

or

"I don't know why I have to take 'Psych 101,' I'm not really interested."

They see [general education](#) credits as a step stone to get to their major classes. While some argue gen ed classes are fundamentally important, it is hard to argue in favor of paying 5-10x higher than community college and for similar educational content.^{vii} Financially savvy community college students are able to develop social and other "soft" skills associated with 4-year colleges through lower-cost options. To facilitate the community college to a 4-year college path, most states have a formal transition program. For example, the Commonwealth of Virginia has a guaranteed admissions program from Virginia community colleges to Virginia state 4-year colleges.^{viii}

From a financial standpoint, these savvy students appreciate the difference between paying for a higher cost or a lower-cost college experience. They intuitively understand the massive impact on their long-term financial value creation. As modeled in different college cost scenarios, some higher-cost college choices could reduce your retirement savings by over \$4.6 million!^{ix} In addition, savvy students are wary that the lure of cheap credit and delayed payments may be a trap. For many Americans, student loans may devolve into a *life anchor* → with student loan payments, no degree, poor job prospects, stress, and no relief even from bankruptcy. The college decision has become a high stake, high-risk, high return decision.^x

Warren Buffett, the world's most famous investor, challenges us to make wise choices when comparing cost to value. His quote seems especially relevant to community colleges:

"Price is what you pay, value is what you get."

The "Rudy" football story is great. The "Rudy" transfer from community college to 4-year college story is even greater! Sometimes the community college path is chosen to prove *to yourself* that you are study habit ready. Sometimes the community college path is chosen as a financially savvy option.

I conclude with a recruiting story. Some may believe the path from a community college to 4-year college has a negative perception with company recruiters and student job prospects. **Quite the opposite!** As a former Big 4 recruiting leader, we generally considered students who met recruiting criteria (like grades and major) AND came via a community college path as having a **positive, differentiated resilience signal**. As an example, a frequently asked behavioral interviewing question is: "Tell me about a time you had to overcome a difficult situation?" This question helps recruiters and decision-makers understand the interviewees' ability to adapt and reach goals. This is a critical attribute for success in most organizations. As you can probably anticipate, the community college transfers often have a differentiated, authentic narrative for the challenges they overcame.^{xi} Recruiters appreciate that many community college students are more likely to have Rudy-like resilience.

"Make a better future with better decisions."

Spoiler alert: At the end of the movie, the Notre Dame fans all cheer:

"RU-Dee, RU-Dee, RU-Dee!!!"

[Rudy's Victory](#)

Endnotes:

ⁱ Geitner and Seibert, [Contributions of Study Skills to Academic Competence](#), *School Psychology Review*, 2019

Study skills are commonly cited as critical to academic success. In fact, when searched in Google Scholar, "Importance of study skills" returned about 5 million articles. The following is a quote from Geitner and Seibert's research:

"Study skills are fundamental to academic competence. Effective study skills are associated with positive outcomes across multiple academic content areas and for diverse learners."

ⁱⁱ Hulett, [Our Brain Model](#), *The Curiosity Vine*, 2020

All humans (or the vast majority of us) are born with about 100 billion neurons.

ⁱⁱⁱ Caplan, [The Case Against Education](#), 2018.

Dr. Caplan is an economics professor at George Mason University. The following is a related quote from Caplan's book, pointing out the connection between high school grades and college success:

"Here's the real crisis: every year, over a million students who won't graduate start college. Their failure is foreseeable; high school students with poor grades and low-test scores rarely earn B.A.s. Instead of tempting marginal students with cheap credit, we should bluntly warn them that college is stacked against them."

^{iv} Kelly, [PEERS OR PARENTS? STUDY SHOWS STRONG FRIENDSHIPS SET TEENS UP FOR SUCCESS LATER IN LIFE](#), *UVAToday*, 2021

Friend groups have a significant impact on teens. In fact, based on a recent University of Virginia study, friends are often more important than parents as a predictor of long-term outcomes. Separating helpful teen relationships from peer pressure leading to an inappropriate college decision is a difficult judgment. But, given the high number of students that begin college that do not finish college, this judgment frequently ends with college objectives not being met.

^v Hulett, [Higher Education Reimagined](#), *The Curiosity Vine*, 2020

^{vi} [Trends in College Pricing and Student Aid 2021](#), *The College Board*, 2021

From 1991 to 2021, public 4-year college costs have outpaced inflation by over 150%.

^{vii} National Society of High School Scholars, [Community College v. University: Cost](#)

^{viii} Virginia's Community Colleges, [Transfer Programs](#)

"Make a better future with better decisions."

^{ix} Hulett, [The Stoic's Arbitrage: A survival guide for modern consumer financial services](#), *The Curiosity Vine*, 2020

^x Hulett, [The College Decision: Proceed at your own risk](#), *The Curiosity Vine*, 2020

^{xi} Hulett, [The College Decision - Framework and tools for investing in your future](#), *The Curiosity Vine*, 2020