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## College Retention Rates Improving at Two-Year Schools, Declining at Four-Year Schools

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Iowa City, IOWA—The first-to-second-year retention rate at U.S. two-year public colleges has risen to its highest level in 27 years of research, while the retention rate at four-year private colleges has dropped to its lowest level in that time, according to data from ACT, Inc.

Overall [college retention rates](#)—the percentage of first-year, full-time students who return to the same institution for their second year of college—remain relatively stable. Just two-thirds (67 percent) of all first-year students at U.S. two- and four-year colleges returned their second year of school, compared to 68 percent in 2005 and 66 percent last year. The data were gathered in ACT's annual survey of more than 2,500 two-year and baccalaureate colleges and universities across the country.

"College retention is a very challenging problem facing our nation," said Jon Whitmore, ACT's chief executive officer and former president of San Jose State University and Texas Tech University. "If we are to meet the goal set forth by President Obama to increase the number of young adults who earn a college degree, we must not only ensure that more students have access to college, but also make certain that they are well prepared to succeed once they get there."

Retention rates continue to be substantially lower at two-year than at four-year institutions overall. The gap, however, has narrowed in recent years.

The percentage of students at two-year colleges who returned to the same institution for their second year of school has been trending up, from 53 percent in 2005 to a record high of 56 percent currently. The retention rate at four-year private colleges, in contrast, has been trending down, from 75 percent in 2005 to 72 percent currently.

The reasons for this shift may be related to problems in the economy, according to Wes Habley, ACT's principal associate, who has been conducting analyses of retention data for the not-for-profit organization since 1985.

"With many jobs gone and fewer new jobs available, high school graduates and newly unemployed workers may be seeking the fastest, least expensive route to gainful employment," said Habley. "Two-year colleges tend to be less costly than four-year schools and offer programs that provide entry into specific jobs. Those factors may increase students' motivation and incentive to come back for their second year."

Two-year public colleges, according to Habley, also tend to be more responsive to the marketplace than four-year institutions.

"Community colleges are typically more driven by local economic factors and employment needs than are four-year colleges and universities," he said. "As a result, students can often see a more direct link from the program to a job."

The decline in retention at four-year private colleges was also evident in another finding of the research. This year, retention rates at four-year private colleges (72 percent) fell behind those at four-year public colleges (74 percent) for the first time ever. This outcome may also be related to the economy, suggested Habley.

"Students are better able to afford to return to public colleges than to private schools due to their lower costs," said Habley. "That can play a huge role in a poor economy."

The most recent (2010) version of ACT's periodic research report, [What Works in Student Retention](#), suggested that retention practices have changed in the U.S. over the past several years. Colleges are increasingly using learning assistance measures (such as remedial courses, study groups and tutoring) to help students stay in school. Those measures have moved ahead of academic advising and first-year transition programs to become the top-ranked cluster of retention practices used at four- and two-year colleges.

It was the fourth study of its kind conducted by ACT since 1980. The project surveyed college officials across the U.S. regarding their institution's efforts to retain first-year students.

"Unfortunately, the themes of this periodic study haven't changed much since 1980," said Habley. "Many students still enter college unprepared to succeed, and retention and completion rates haven't changed a lot over the years."



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