

Closing the Education Skills Gap in California

Hans Johnson



California's Future Skills Gap

- California economy will demand more college educated workers
- Population will not supply enough college graduates to meet projected needs
- How can California produce more college graduates?



Outline

- College graduates: supply and demand
- Increasing the number of college graduates
 - Pathways
 - Scenarios
- Policy issues



Our Economic Demand Projections Show Recent Trends Will Continue

College-educated workers in California

	Share of workers with a college degree (%)
1990	28
2006	34
2025	41



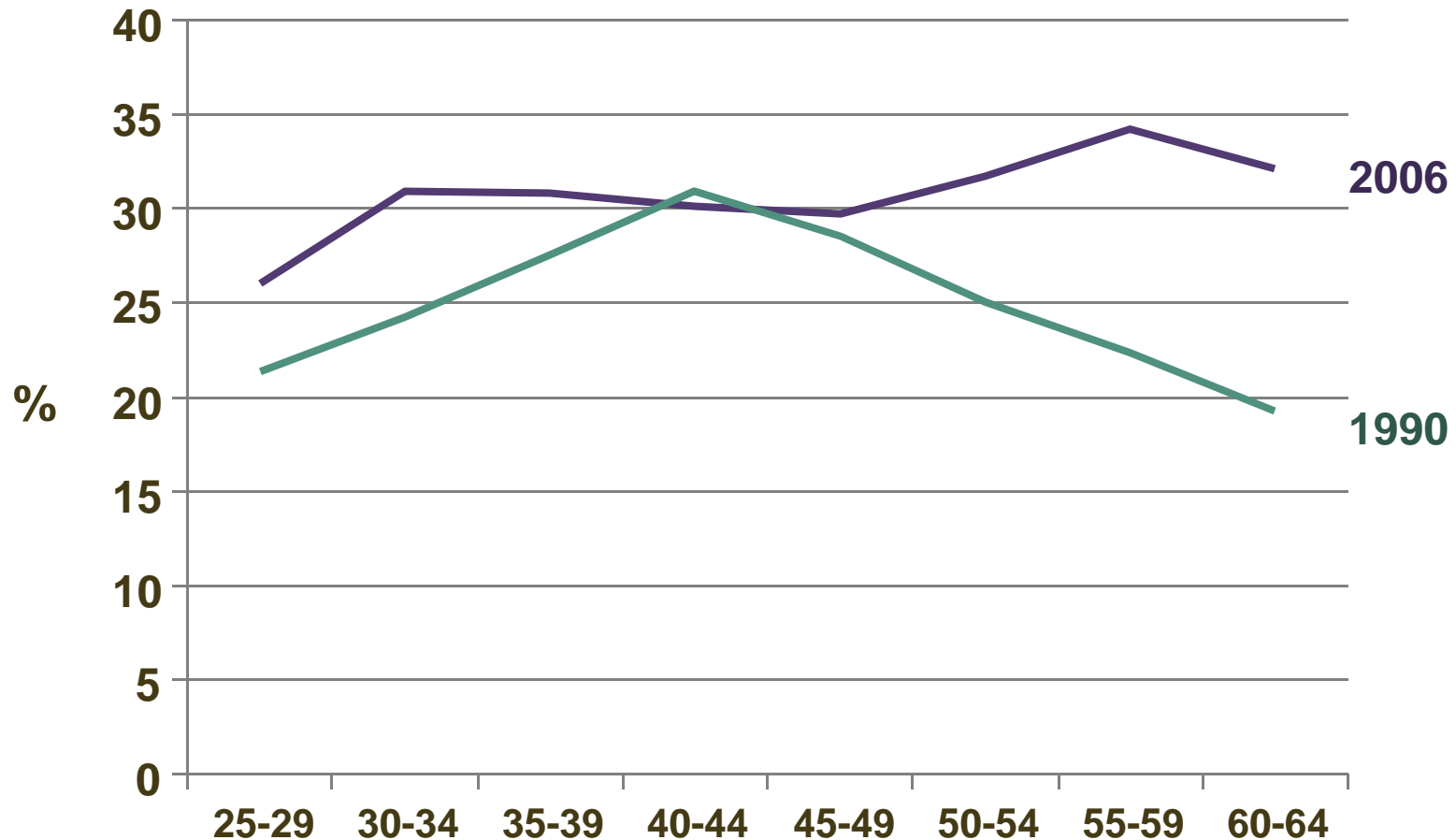
Two Strong Forces Constrain Future Share of Graduates in Workforce

- Retirement of large and relatively well-educated baby boom cohort
- Demographic shift toward groups with low rates of college graduation



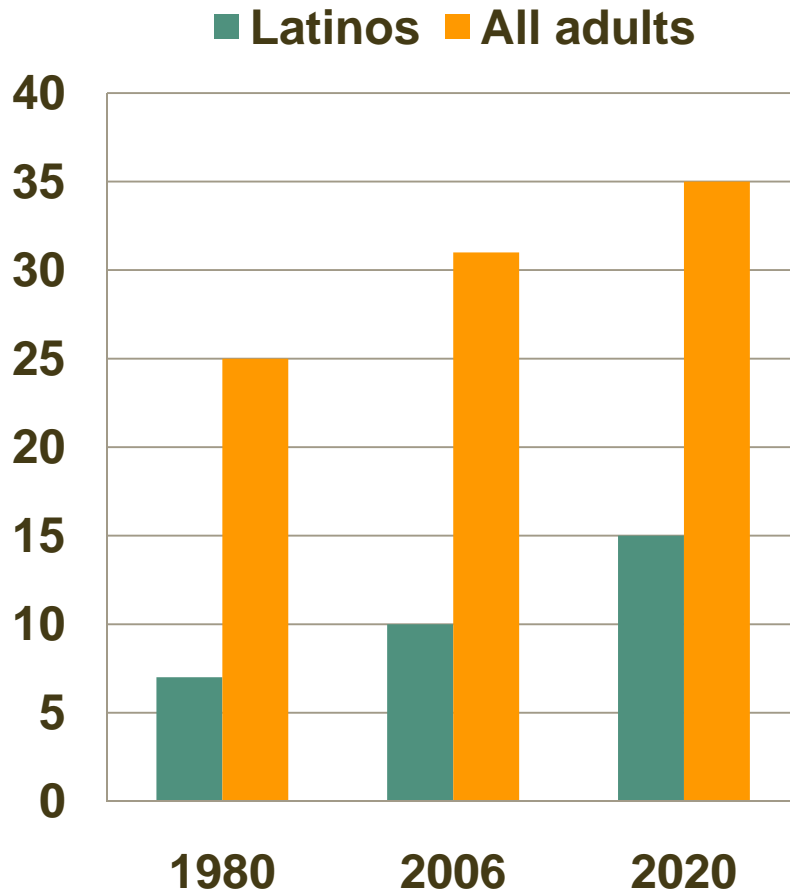
College Education Is Highest Among Adults Reaching Retirement Age

Share of Californian adults with a bachelor's degree, by age

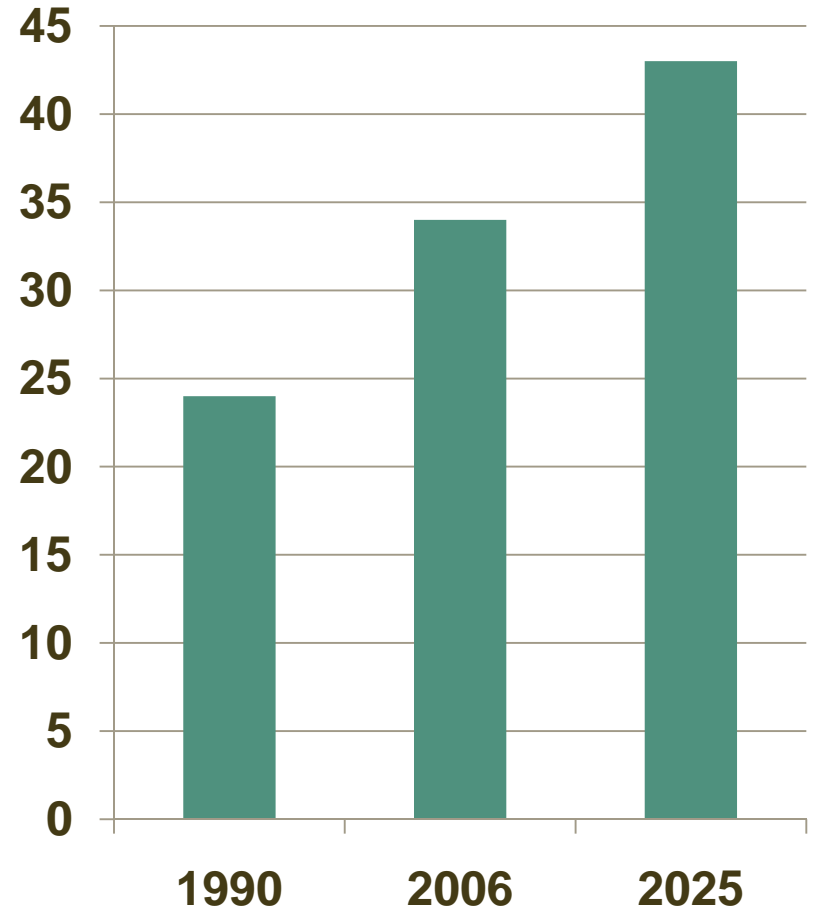


College Education Is Low Among Fast-Growing Latino Population

Percentage of adults with a college degree

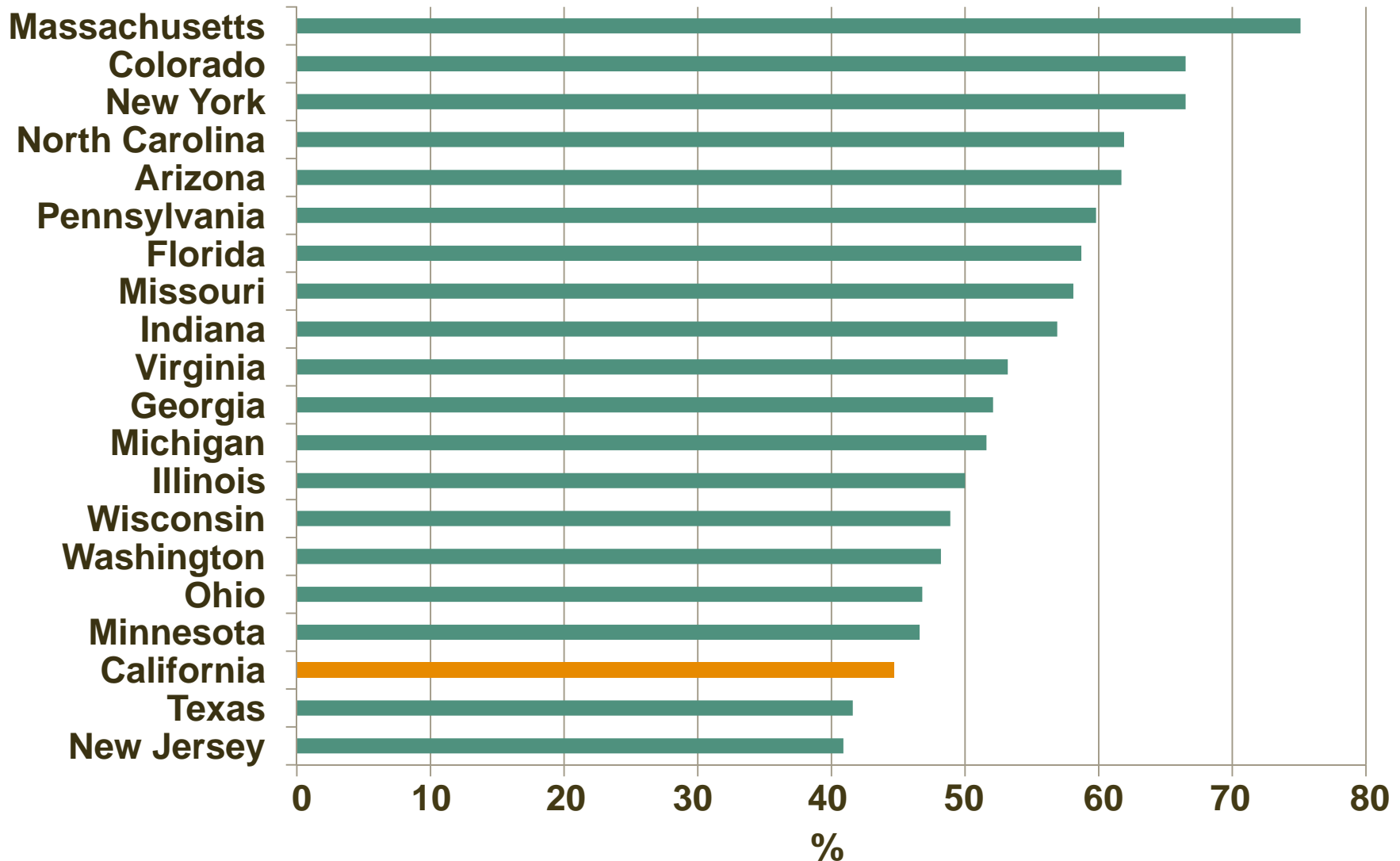


Latinos as a share of all working-age adults



California's College Completion Rate Among Lowest in the Nation

Bachelor's degrees awarded in 2006, as a percentage of high school diploma's 5 years earlier



If Current Trends Persist ...

- Projections for 2025
 - 35% of adults will have a college degree
 - 41% of jobs will require a college degree
- Shortfall of **1 million** college graduates



Outline

- College graduates: supply and demand
- Increasing the number of college graduates
 - Pathways
 - Scenarios
- Conclusions



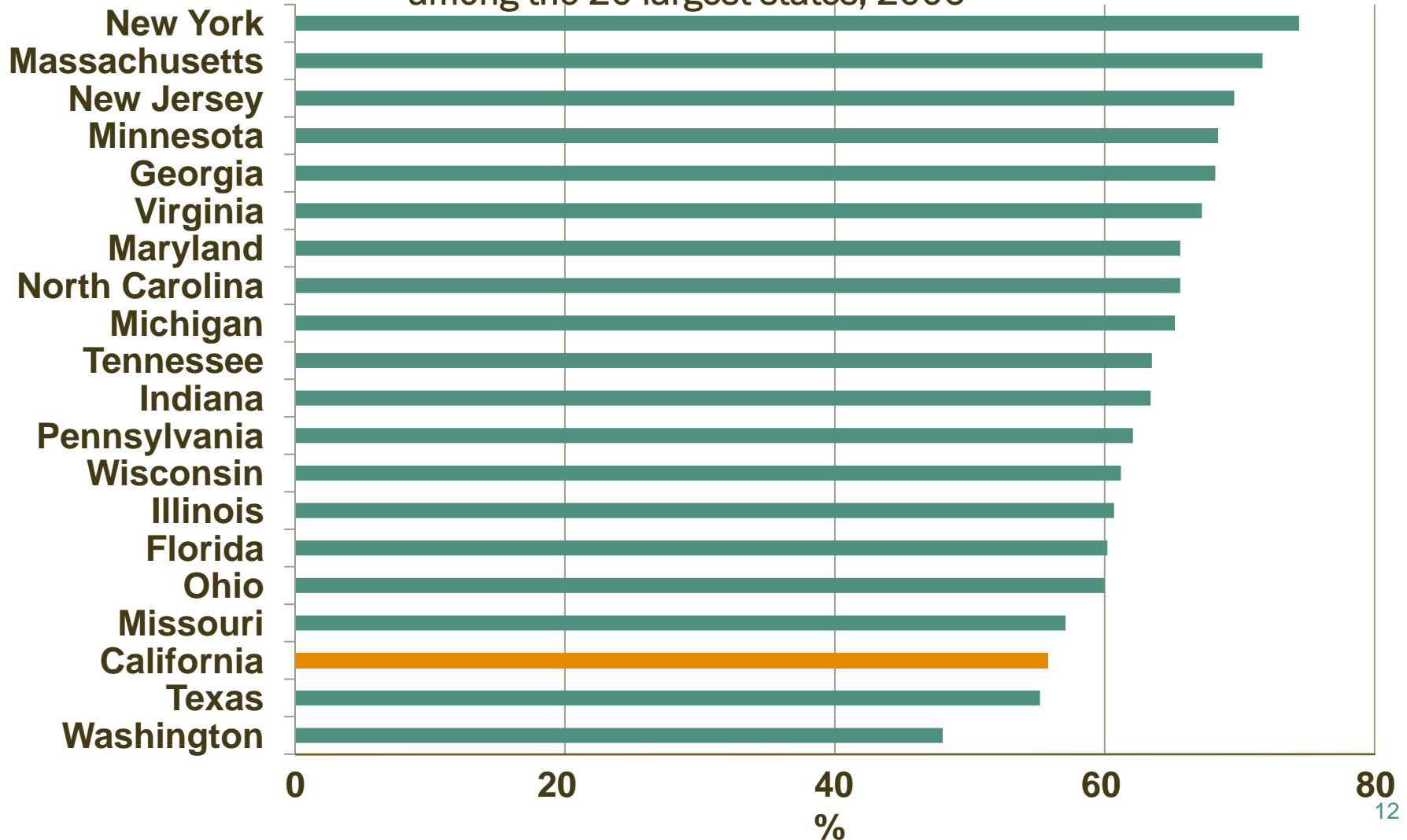
Three Pathways for Increasing Number of College Graduates

- Increase enrollment rates
- Increase transfer rates
- Increase graduation rates



Enrollment Rates Are Low

Percent age of high school graduates enrolling directly in college among the 20 largest states, 2006



Transfer Rates from CCs Are Low

- Only 10–12% of students successfully transfer
- CCs have multiple missions
- CCs enroll many poorly-prepared students
- Part-time enrollment and work impede transfer
- Lack of alignment of courses and systems



Graduation Rates at CSU Are Low

- CSU has lower graduation rates than UC
 - About 50% of CSU freshmen graduate in 6 years
 - About 80% at UC do so
- Fewer resources, less-prepared students at CSU

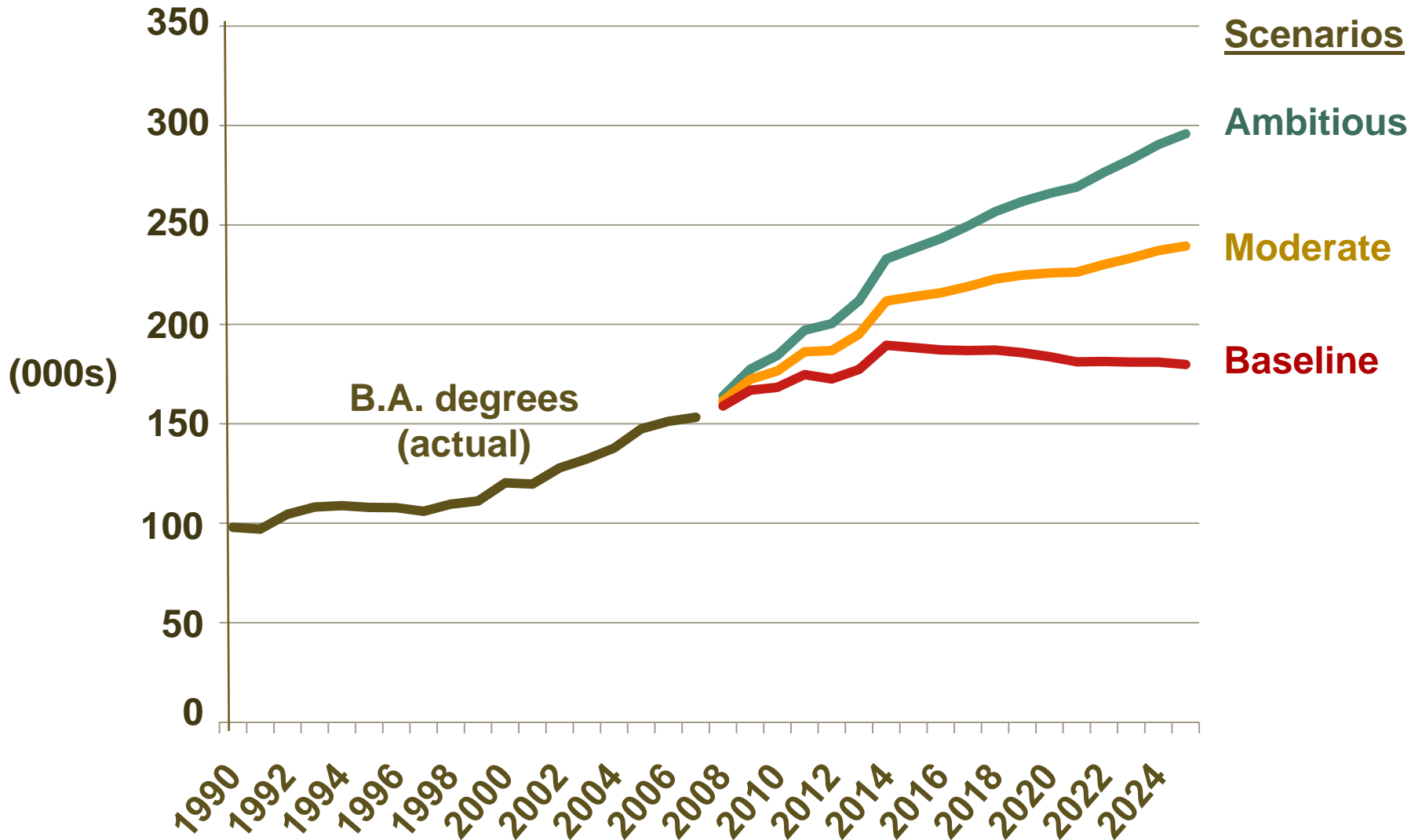


Outline

- College graduates: supply and demand
- Increasing the number of college graduates
 - Pathways
 - Scenarios
- Policy issues



Trajectory of Three Scenarios: 2009-2025



Baseline Scenario Leads to a Large Skills Gap

- College enrollment, transfer, and graduation rates continue along current trends
- Total increase of 5.4 million college graduates
 - 2.1 million due to migration
 - 3.3 million new college graduates from California universities
- **1 million** short of projected demand increase of 6.4 million college graduates



Ambitious Scenario Would Completely Close Skills Gap

- Produce **1 million** additional (above baseline) college graduates by 2025
- College enrollment rates increase from 55% to 65%
- Community college transfer rates increase 33%
- CSU graduation rates increase from 48% to 69%



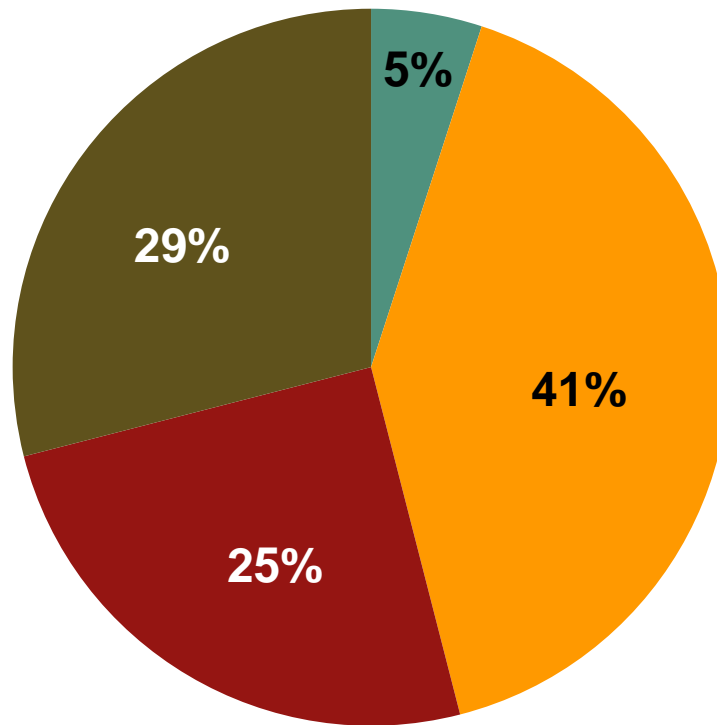
Moderate Scenario Would Partially Close Skills Gap

- Produce **500k** additional (above baseline) college graduates by 2025
- College attendance rates increase from 55% to 61% (vs. 65%)
- Community college transfer rates increase 22% (vs. 33%)
- CSU graduation rates increase from 48% to 62% (vs. 69%)



Relative Contributions of Three Pathways in Meeting Goals

Moderate scenario



- Improvement in UC graduation rates
- Improvement in CSU graduation rates
- Improvement in transfer rates
- Improvement in enrollment rates



Outline

- College graduates: supply and demand
- Increasing the number of college graduates
 - Pathways
 - Scenarios
- Conclusions



Policy Issues

- Modest improvements can result in substantial gains
- Action must be undertaken soon
- Reductions in higher education funding will make situation worse
- Alternative forms of post-secondary training needed



Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

Hans Johnson: 415-291-4460, johnson@ppic.org

Thank you for your interest in this work.

June 2009

Closing the Education Skills Gap in California

Hans Johnson

