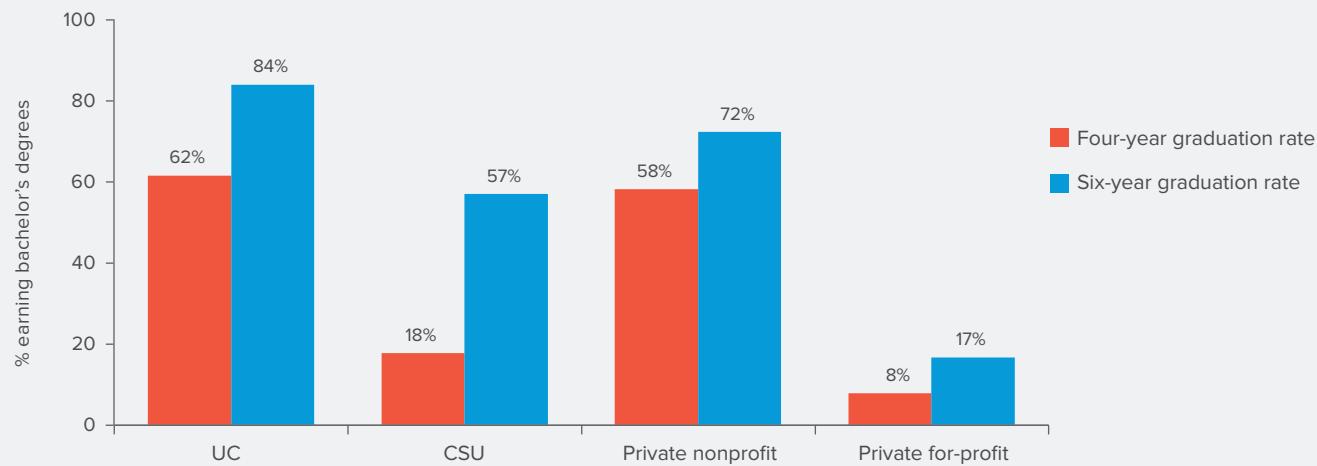


California needs more college graduates

California is projected to fall 1.1 million bachelor's degrees short of economic demand by 2030. Expanding access to higher education could help shrink the gap, but California also needs to boost the likelihood that students who enroll will stay on track to earn degrees.

Bachelor's degree holders are much less likely to be unemployed and more likely to have higher incomes than those who do not obtain a four-year degree. Many career technical education (CTE) certificates and two-year degrees offered by community colleges also offer good employment prospects. But California can benefit from more students transferring to and graduating from four-year schools. Policies that focus on preparing students for college-level courses are key to increasing transfer and completion rates—and shortening the amount of time needed to graduate.

MANY STUDENTS TAKE LONGER THAN FOUR YEARS TO EARN BACHELOR'S DEGREES



SOURCE: Integrated Postsecondary Education Data System (IPEDS).

NOTES: 2009 IPEDS-defined adjusted entering cohort. All University of California (UC) and California State University (CSU) campuses reported graduation rates, 64 percent of private nonprofit colleges reported graduation rates, and 39 percent of private for-profit colleges reported graduation rates.

Graduation rates vary across institutions and demographic groups

California has a slightly higher share of adults with bachelor's degrees than the United States does as a whole—but the state and its higher education institutions need to do more to encourage college completion. Students often take longer than four years to graduate; this increases individual costs, delays entry into the workforce, and reduces the number of slots for new students.

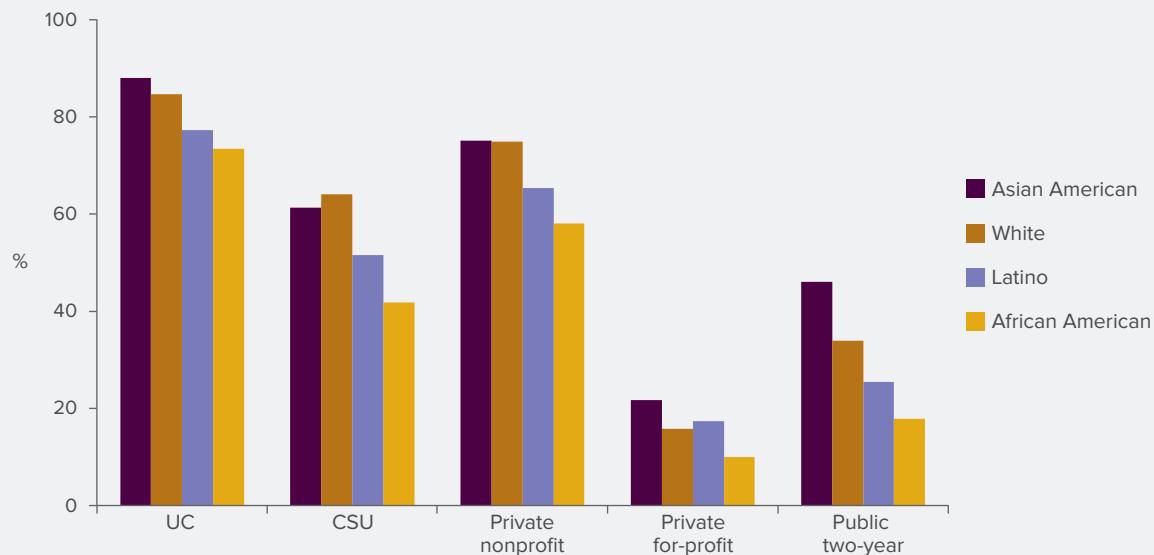
- Graduation rates are improving at California's public universities, but few graduate in four years.**

Over the past decade, both the California State University (CSU) and the University of California (UC) have increased graduation rates and shortened the amount of time it takes students to earn degrees. But there is still room for improvement. A high share (84%) of UC students who start as freshmen graduate in six years, but only 62 percent of students graduate on time (within four years). Graduation rates at private nonprofits are slightly lower. CSU's graduation rates are much lower: about 57 percent of students graduate within six years and only 18 percent graduate in four years. Private for-profit universities fare even worse. A variety of factors can lengthen the time to degree for a particular student: academic issues such as course availability and college preparedness, as well as economic issues such as working to cover expenses and insufficient financial aid.

- Graduation rates vary across demographic groups.**

Women are more likely to graduate than men, as are students from wealthier families compared to students from low-income families. White and Asian American students have higher completion rates than African American and Latino students across all types of postsecondary institutions. Recent improvements in graduation rates have been similar across all groups, so long-standing graduation gaps are still a problem. CSU launched a follow-up to its recently completed Graduation Initiative in January 2017; the new program aims to close these graduation gaps while substantially increasing both four- and six-year graduation rates by 2025.

GRADUATION RATES FOR RACIAL/ETHNIC GROUPS VARY ACROSS SYSTEMS



SOURCE: Integrated Postsecondary Education Data System (IPEDS).

NOTES: 2009 IPEDS-defined adjusted entering cohort graduation rates within three years of entering community colleges, and within six years of entering four-year colleges. Graduation rates are available for all UC and CSU campuses, but for only about 64 percent of private nonprofits and about 39 percent of private for-profits.

Many enroll in—but few complete—community college

California is more reliant on its community colleges as a point of entry to postsecondary education than almost any other state. Community colleges serve a diverse population with diverse goals. Not all students intend to obtain associate degrees or transfer to four-year programs—many are nontraditional students interested in technical training or learning new skills. But large numbers of students do enter community colleges with the hope of eventually transferring and earning a bachelor's degree.

- Completion rates are low at community colleges.**

Only 13 percent of community college freshmen receive an associate degree after two years, and 31 percent do so within three years. However, about 47 percent of community college students receive an associate degree or certificate, transfer to a four-year school, or complete at least 60 transferrable units within six years. There are completion gaps among racial/ethnic groups, with Asian American and white students more likely than their African American and Latino classmates to finish.

- The transfer process can be complicated.**

Fewer than half of students who enter a community college intending to transfer do so within six years. Transfer pathways to a four-year university can vary greatly. Varying requirements can deter students from transferring or keep them at community colleges longer. Articulation agreements between schools (which specify the courses and grades required to transfer) are often campus-specific—so credits that are accepted at one four-year school might not be accepted at another. Transfer pathways are improving: the number of degrees awarded through the Associate Degree for Transfer—a program that prepares students for transfer to any CSU campus—increased from about 11,000 in 2013–14 to nearly 31,000 in 2015–16.

- **Students who transfer are likely to earn degrees.**

Students who end up transferring from a community college to a UC campus have graduation rates that are similar to those of first-time freshmen, and transfers to CSU have better graduation rates than first-time CSU freshmen (but lower rates than CSU freshmen who make it to junior year). In 2015–16, transfers from community colleges made up 45 percent of entering students at CSU and received 52 percent of all CSU diplomas. At UC, transfers made up 27 percent of entering students and 29 percent of graduates.

Remedial education can be an obstacle to completion

Many factors influence completion rates at two-year and four-year colleges, but preparedness plays a major role. Entering students who are ready to take college-level courses can graduate more quickly.

- **College readiness has improved in recent years ...**

The share of high school seniors who have completed the coursework required for admission to UC or CSU is at a historic high, and enrollment in advanced placement courses and participation in the SAT are on the rise. Also, California now has K–12 standards and assessments that are designed to better prepare students for college and careers. State testing indicates that about 60 percent of 11th graders are at least conditionally ready for college-level courses in English at CSU and most community colleges, and almost a third are ready for college-level math courses.

- **... but many college freshmen are still placed in remedial courses.**

Most community college freshmen and more than a third of freshmen at CSU are deemed unprepared for college-level coursework in reading, writing, and/or math and are required to enroll in at least one remedial education course. Remedial courses lengthen the time to degree at a cost to both students and the university. This is especially true at the state’s community colleges, where students can be required to take up to four levels of remediation in a subject before taking a college-level course.

- **Students in remediation are less likely to graduate—and those who do graduate need more time.**

Students who start college in remedial courses are less likely to earn a degree or to transfer, and they tend to take longer if they do finish. For example, at the state’s community colleges only 24 percent of students who ever took a remedial English or math course transfer within six years, compared to 65 percent of college-ready students. Research shows that many students placed in remediation could have been successful if they had enrolled in transfer-level courses. Better remediation and placement policies can help students take college-level courses sooner, raising graduation rates and improving time to degree.

Looking ahead

The state can boost the number of college graduates by helping students who enroll in its public and private institutions make timely progress toward their degrees.

Adopt more strategies to shorten the time it takes to graduate. Both UC and CSU have made progress in expediting graduation, and many campuses are making efforts to inform students that they need to take 30 units a year to graduate on time. Complementing these efforts is the federal government’s revival of the year-round Pell Grant—allowing low-income students to use Pell awards for summer courses could help them stay on track. The state could also consider increasing aid to students attending private nonprofit colleges, given their high four-year completion rates.

Increase the number of transfers from community college. A continued focus on removing barriers can help increase the number of students who transfer and obtain bachelor’s degrees. Specifically, improving placement policies and redesigning developmental course sequences can increase the number of community college students taking college-level courses and eventually transferring.

Link funding to student outcomes. Currently, state funding is not tied to measures of student outcomes, such as dropout, transfer, and completion rates. As the state increases its investment in higher education, it has an opportunity to link funding to specific goals.

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