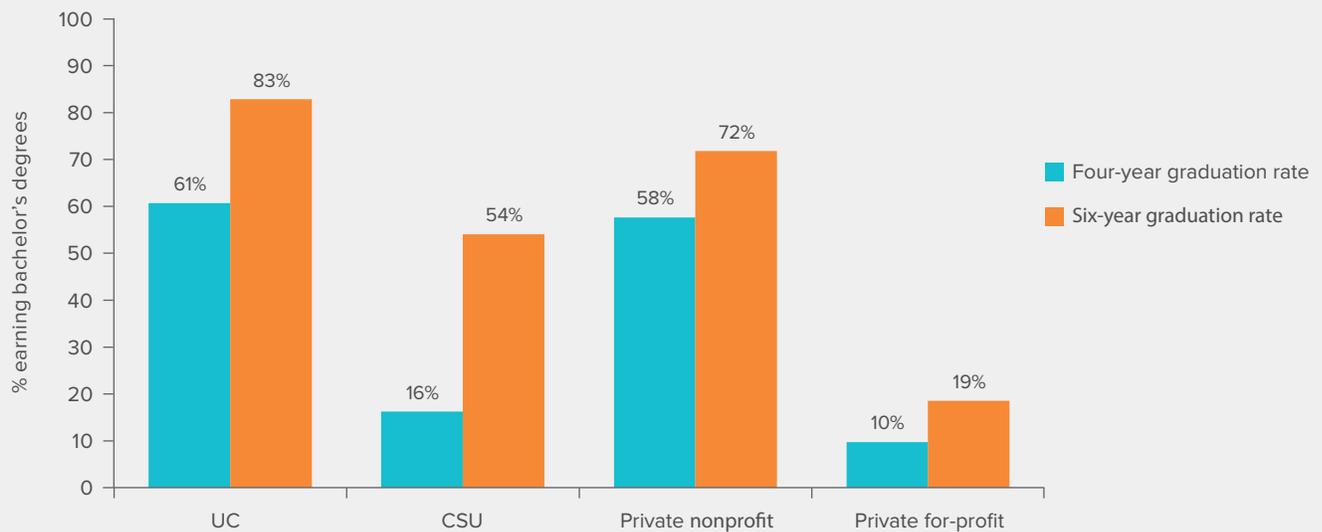


California needs more college graduates

California is projected to be 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 in school and earn college 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. There are also some financial benefits to the two-year degrees offered by community colleges, and many students who transfer to four-year universities do eventually earn bachelor’s degrees. California needs to focus on helping more college students get their degrees. Policies that focus on preparing students for college are also 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: 2008 IPEDS-defined adjusted entering cohort. All UC and CSU campuses reported graduation rates, 70 percent of private nonprofit colleges reported graduation rates, and 40 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 in order to meet projected economic demand, the state needs 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.

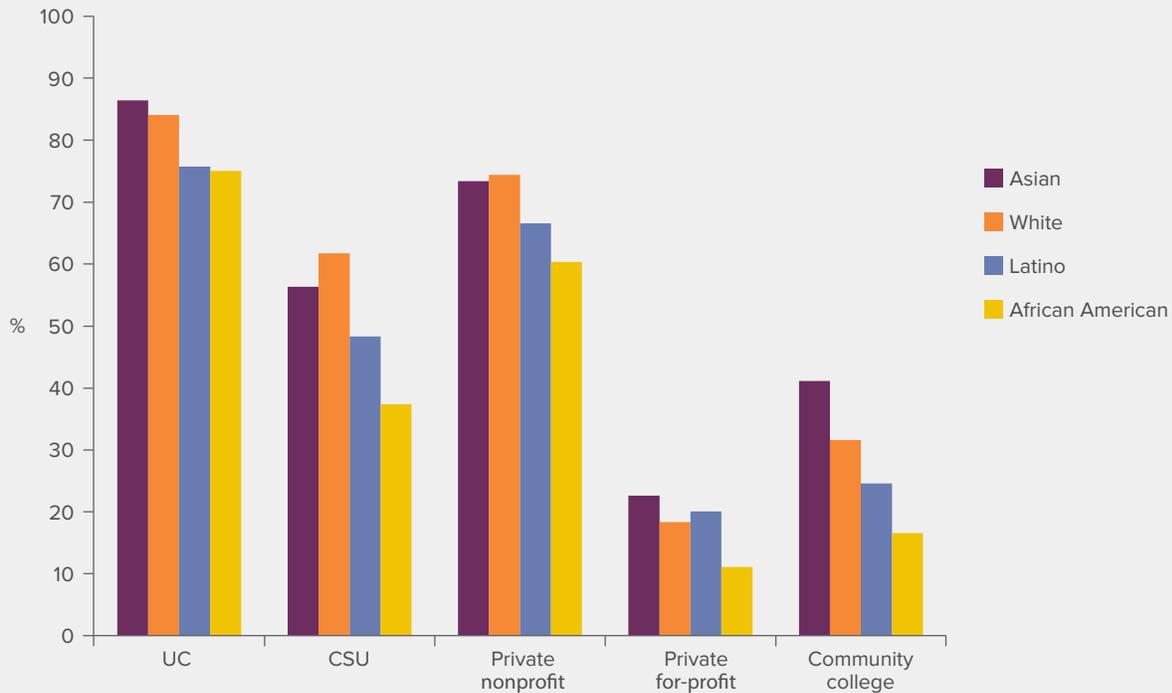
- **Few Californians graduate in four years.**

The University of California (UC) has a high six-year graduation rate, but only 61 percent of students graduate on time (within four years). Graduation rates at private nonprofits are similar. At the California State University (CSU), graduation rates are much lower: slightly more than half of students graduate within six years and only 16 percent graduate in four years. Private for-profit universities fare even worse. Many factors may contribute to the slow time-to-degree for a particular student: academic issues such as course availability and college preparedness, and other issues, such as working to cover expenses and the availability of 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 students have higher completion rates than African American and Latino students across all types of postsecondary institutions. The Latino-white gap is noticeably smaller at private for-profit institutions, though these institutions generally have the lowest overall completion rates.

GRADUATION RATES FOR RACIAL/ETHNIC GROUPS VARY ACROSS SYSTEMS



SOURCE: Integrated Postsecondary Education Data System (IPEDS).

NOTES: 2008 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 70 percent of private nonprofits and about 40 percent for private for-profits.

Many students 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 interested in getting technical training or simply learning new skills. But large numbers of students do enter community colleges with the hope of eventually transferring and earning a bachelor’s degree.

- **Success rates are low at community colleges.**

Only 12 percent of community college students receive associate degrees after two years, and only 29 percent graduate within three years. About half receive an associate degree or certificate, transfer, or complete 60 transferrable units within six years of enrolling at a community college. There are completion gaps among racial/ethnic groups at community colleges, with Asian and white students more likely to finish than their African American and Latino classmates.

- **Most community college students who start out intending to transfer to four-year schools do not do so . . .**

Less than half of students who enter a community college intending to transfer eventually do so. Students who do end up transferring often take longer than two years. Only 4 percent of students transfer within two years, and just 13 percent transfer within three years.

- . . . **but those who do transfer are about as likely to graduate as students who start out at a four-year school.** Transfer students from community college to CSU and UC have similar graduation rates when compared to first-time freshmen at those universities. Transfers from community colleges make up about 44 percent of entering students at CSU and receive more than half of all CSU diplomas. At UC, transfers make up 29 percent of entering students and about 31 percent of graduates.
- **The transfer process can be complicated and difficult.** Transfer pathways from community college to a four-year university can vary greatly, depending on the schools involved. Articulation agreements, 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. Varying requirements can deter students from transferring or keep them in community colleges longer. The new Associate Degree for Transfer is a step in the right direction, but it offers only a limited number of pathways.

College success depends on K–12 preparation

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.

- **Academically prepared students are much more likely to graduate.** Entering students who are prepared for college-level work are 50 percent more likely to graduate at CSU and 75 percent more likely to graduate from a community college. Information about academic preparation and completion among students at UC and private nonprofit colleges is limited.
- **Students who enter college unprepared often need to take remedial courses.** In 2014, about 75 percent of first-time community college students were designated as unprepared for college-level coursework, and 42 percent of first-time freshmen at CSU required remediation in at least one subject. Remedial courses lengthen the time to degree, at a cost to both students and the university.
- **Efforts to prepare high school students for college may increase the supply of college-ready students.** 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 recently implemented new K–12 standards and assessments that are designed to better prepare students for college and careers. Early testing indicates that about half of 11th grade students are at least conditionally ready for college-level courses in English, and almost a third are ready for college-level math courses.

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 are adopting practices to expedite graduation, such as CSU’s graduation initiative, and the state legislature has considered creating a grant for students who are willing to enroll in more courses per semester, so that they can graduate on time. The legislature should reject planned cuts to grant aid for low-income students enrolling in nonprofit private colleges and consider increasing aid to students attending these schools given their high four-year completion rates.

Increase the number of transfers from community college. The Associate Degree for Transfer is becoming a popular option for students wishing to transfer to CSU from a two-year college. UC is considering a similar initiative and has committed to increasing the share of transfers to a third of all new student enrollments by 2017. A continued focus on removing barriers can help increase the number of students who transfer and obtain bachelor’s degrees.

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 contributions to higher education, it has an opportunity to link funding to positive student outcomes.

CONTACT A PPIC EXPERT



Jacob Jackson
jackson@ppic.org



Kevin Cook
kcook@ppic.org



Hans Johnson
johnson@ppic.org

READ MORE

-  CALIFORNIA'S HIGHER EDUCATION SYSTEM
-  ADDRESSING CALIFORNIA'S SKILLS GAP
-  EXPANDING COLLEGE ACCESS
-  IMPROVING COLLEGE COMPLETION
-  INCREASING EQUITY AND DIVERSITY
-  INVESTING IN PUBLIC HIGHER EDUCATION
-  MAKING COLLEGE AFFORDABLE

This series is funded by The Sutton Family Fund.

The PPIC Higher Education Center advances practical solutions that enhance educational opportunities for all of California's students—improving lives and expanding economic growth across the state.

The Public Policy Institute of California is dedicated to informing and improving public policy in California through independent, objective, nonpartisan research. We are a public charity. We do not take or support positions on any ballot measure or on any local, state, or federal legislation, nor do we endorse, support, or oppose any political parties or candidates for public office. Research publications reflect the views of the authors and do not necessarily reflect the views of the staff, officers, or Board of Directors of the Public Policy Institute of California.

Public Policy Institute of California
500 Washington Street, Suite 600
San Francisco, CA 94111
T 415.291.4400 F 415.291.4401
PPIC.ORG/HIGHER-EDUCATION

PPIC Sacramento Center
Senator Office Building
1121 L Street, Suite 801
Sacramento, CA 95814
T 916.440.1120 F 916.440.1121



PPIC

PUBLIC POLICY
INSTITUTE OF CALIFORNIA