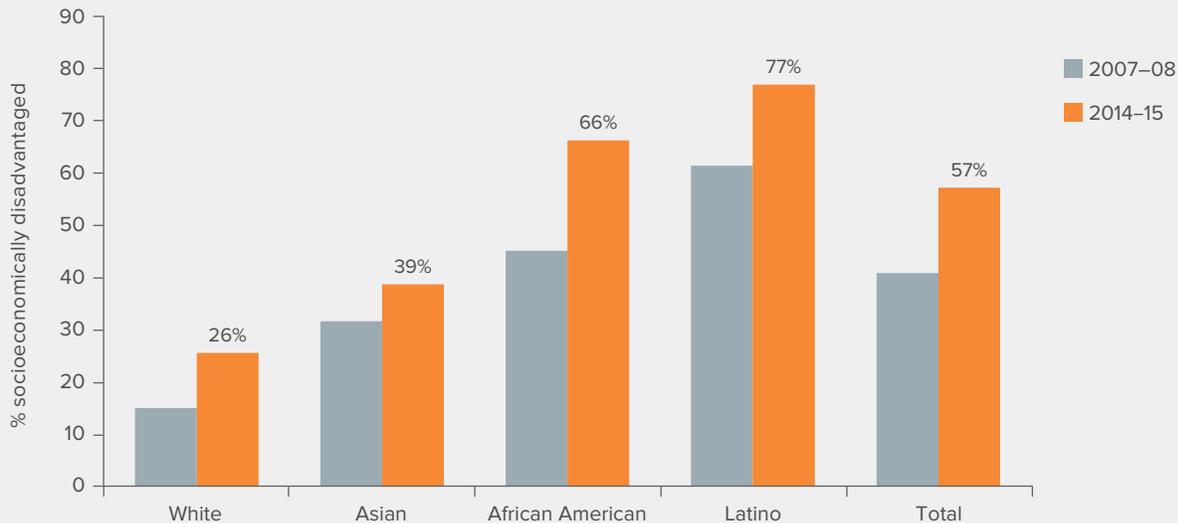


California needs more underrepresented students to graduate from college

A solid majority of California’s future college-age population will come from groups that have been traditionally underrepresented in higher education—primarily Californians who are low income or who would be the first in their families to go to college, and racial/ethnic groups including Latinos, African Americans, and American Indians. PPIC research has shown that this demographic shift could be a major contributor to the state’s future workforce skills gap. To avoid or at least narrow this skills gap, California needs to increase the number of underrepresented students who graduate from college.

It has been well documented that increasing college opportunity can promote upward social and economic mobility among underrepresented groups. According to polling data, students are increasingly aware of this potential—a November 2011 PPIC Statewide Survey found that 73 percent of Latinos believe that a college education is necessary for success. In recent years, the number of bachelor’s degrees awarded to underrepresented students has been increasing, but it remains low—and these students continue to have lower odds of obtaining a college degree than their wealthier, well-represented peers. Policymakers need to increase these odds by creating meaningful opportunities for college access and success.

MOST OF CALIFORNIA’S HIGH SCHOOL STUDENTS ARE DISADVANTAGED



SOURCE: California Department of Education, California Basic Educational Data System (CBEDS).

NOTE: Socioeconomically disadvantaged students are defined as those in public schools who are eligible for free or reduced-price lunch or whose parents did not graduate from high school.

Many underrepresented students enroll in college—but access remains uneven

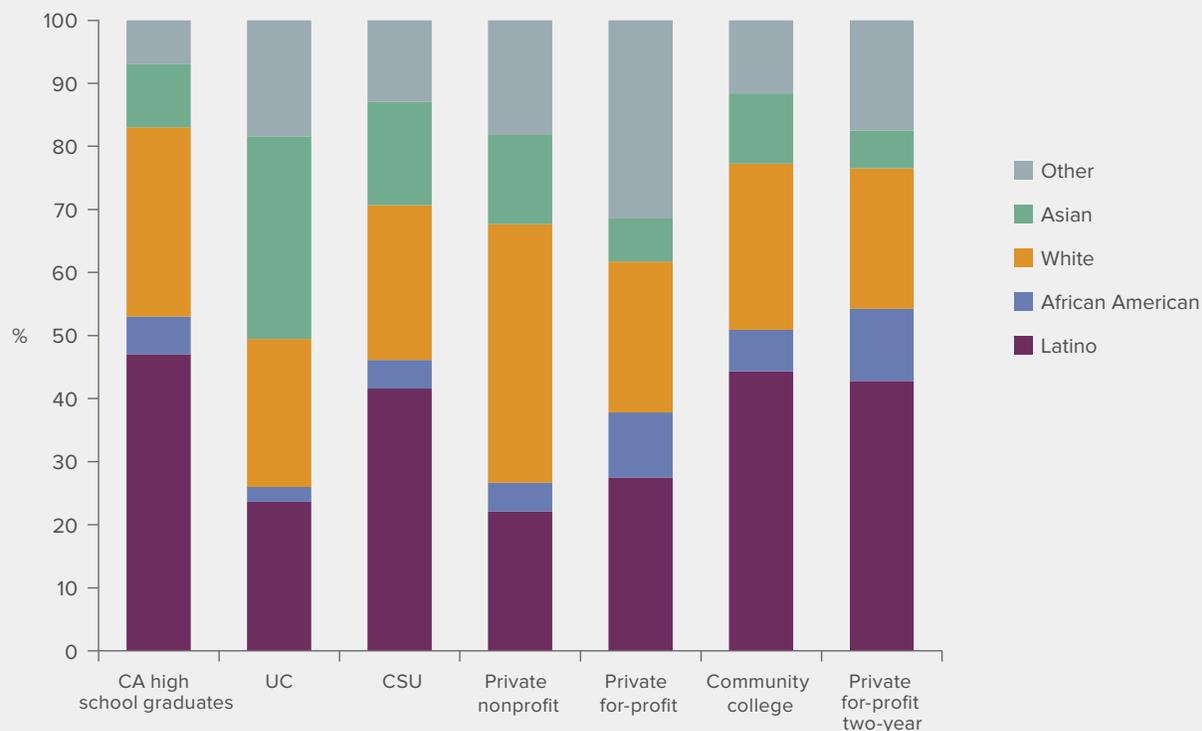
Financial aid makes college possible for many low-income students. However, there are still large differences in the enrollment of underrepresented students across institutions.

- **Two-year colleges are an important access point for underrepresented students.**

Overall increases in enrollment have been driven primarily by two-year colleges. Latinos and African Americans comprise about half of the student population at community colleges and for-profit two-year colleges, but their numbers are lower at public four-year colleges. Low-income student enrollment is similarly distributed. About half

of students at California’s community colleges and private for-profit two-year schools are from the lowest-income families (incomes less than \$30,000 a year). By contrast, only about one in four students at the University of California (UC) and the California State University (CSU)—and one in seven students at private nonprofits—come from the state’s lowest-income families.

TWO-YEAR COLLEGES ENROLL THE HIGHEST SHARES OF UNDERREPRESENTED GROUPS



SOURCE: California Department of Education, Integrated Postsecondary Education Data System (IPEDS).

NOTES: High school graduates are from 2014. College enrollment is for fall 2014 first-time degree/certificate-seeking undergraduate students. Students in the other category include Pacific Islanders, American Indians, Alaskan Natives, students who mark two or more races, students with unknown race, and students who are not citizens or nationals of the United States.

- **Grant aid makes college possible for many low-income Californians.**

A 2014 PPIC Statewide Survey found that 86 percent of Californians see college affordability as a problem. For students from all low-income and many middle-income families, tuition at public colleges and universities can be fully covered by a combination of federal, state, and institutional grants. Community college tuition for low-income residents is fully covered by fee waivers from the state’s Board of Governors. However, many low-income students and their families struggle to cover other expenses, such as housing, health care, and child care.

- **Federal and state policy changes have facilitated college access for undocumented Californians.**

A recent PPIC report estimates that more than 300,000 immigrants in California are eligible for the federal Deferred Action for Childhood Arrivals (DACA). Together with California’s Dream Act, DACA offers undocumented students access to benefits such as in-state tuition, state financial aid, work permits, and driver’s licenses. Increasing the educational attainment of undocumented Californians is especially important in light of the proposed Federal Dream Act, under which undocumented youth could be eligible for permanent legal status if they obtain at least an associate degree or complete at least two years of a bachelor’s degree program.

Completion gaps persist

Graduation rates are slowly increasing among underrepresented students, but these rates are still relatively low. Where these students go to college is a major factor in whether they obtain a degree.

- **The share of bachelor’s degrees awarded to underrepresented students is slowly increasing.**
The proportion of bachelor’s degrees awarded to Latinos, African Americans, and American Indians at public universities has been rising slowly since 2010—from 25 percent to 35 percent at CSU and from 17 percent to 24 percent at UC. Still, there are substantial gaps. The increase in degrees awarded to underrepresented students has coincided with increased spending on student services at public universities—this suggests that additional programs and services for underrepresented students could help narrow these attainment gaps.
- **Graduation rates for underrepresented students vary across the systems.**
The lowest graduation rates are at community colleges and private for-profit institutions. The system with the highest graduation rates for African American and Latino students is UC, followed by private nonprofits. UC and many private nonprofit colleges have highly selective admission processes and provide students with more student support, which may play a major role in student success.
- **Community colleges can offer students a cost-effective way to begin work on a bachelor’s degree.**
Students who complete enough units at a community college are eligible to transfer to a four-year university. Each year, transfers from community colleges earn about half of the bachelor’s degrees awarded by CSU and more than a quarter of those awarded by UC. Historically, however, students who begin at two-year institutions are much less likely to earn bachelor’s degrees than if they had started at four-year universities. One major barrier is that not all community college credits are transferrable to a four-year university; as a result, many students spend time and money “re-earning” credits after they have transferred. The new Associate Degree for Transfer takes a step in the right direction—it guarantees that 60 community college credits can transfer to a CSU campus and requires students to complete 60 additional credits in order to earn a bachelor’s degree.

Remediation policies and limited college prep resources are major barriers

Lower-income students often go to K–12 schools with limited resources and a relatively low focus on college readiness. These students are more likely to be declared unprepared for college-level course work.

- **Remediation rates are especially high among underrepresented students.**
Overall, 75 percent of students entering community college and 43 percent of those entering CSU are deemed in need of remediation in one or more subjects. Remediation rates for Latinos and African Americans are more than 10 percentage points higher. Emerging research suggests that the use of standardized tests for placement has contributed to these gaps. At the community college level, placement policies that include academic measures such as high school transcripts alongside or in place of test scores have begun to reduce remediation rates among underrepresented students.
- **Underrepresented students need greater access to college preparatory resources.**
Underrepresented students often grow up in families with no firsthand experience of college. These students are also more likely to attend schools with weak college-preparatory resources, such as advising, mentoring, and test preparation. Federal, state, and local initiatives can fill an important gap by informing students and their families about college preparation, enrollment, and success. Outreach efforts should begin in middle school so that these students have the opportunity to become prepared for college.

Looking ahead

As the share of California’s population with historically low educational attainment is increasing, the state’s economy increasingly demands skilled workers. If current trends continue, California will face a large skills gap—and economic inequality will continue to rise. But the state can take steps to increase access to and graduation from college among traditionally underrepresented groups.

Reform remediation policies. As community colleges seek to improve student outcomes and address equity gaps, they are rethinking their approach to remedial placement and programming. In addition to placement policies that look at prior academic achievement alongside or in place of standardized test scores, community colleges are considering programmatic changes. For example, accelerating the remediation process and aligning it more closely with college-level requirements have been found to improve success rates.

Increase transfer rates from community colleges to four-year universities. Given that African American and Latino students enter community colleges at relatively high rates, efforts to improve college access and completion among underrepresented groups need to address the challenges faced by students in this sector. The new Associate Degree for Transfer is a step in the right direction for community college students who intend to transfer to CSU; UC is developing a similar program and has committed to increasing transfers from about a quarter to a third of all new students by 2017. A continued focus on removing the barriers to transfer should be a top priority for the state.

Address the cost of college beyond tuition and fees. California policymakers are responding to the rising cost of tuition and fees, but students also face costs such as room and board, books, and other educational and living expenses. Helping low-income students with these costs would allow them to focus more fully on academic achievement. Federal, state, and institutional financial aid should aim to cover the full cost of attendance so that low-income students can graduate from college and gain access to fulfilling, well-paying jobs and careers.

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