Career education is a critical part of public higher education in California

- Career education trains people for middle-skill jobs requiring more than a high school diploma but less than a bachelor’s degree
  - Helps meet the state’s workforce needs
  - Helps improve students’ economic outcomes

- Community colleges are the primary provider of career education credentials in California
  - Offer a wide range of programs
  - Serve a diverse group of students
California has invested heavily in expanding career education programs

- Legislature has allocated $1.5 billion since 2014
- Different pathways have major implications for students’ wage gains
- Students, colleges, and policymakers need a better understanding of the economic gains for various pathways
Students see wage gains after earning career education credentials

Wage returns by credential length

- **Overall**
  - First award: 20%
  - Second award: 6%
  - Third award: 6%

- **Associate first**
  - First award: 32%
  - Second award: 6%
  - Third award: 7%

- **Long-term certificate first**
  - First award: 21%
  - Second award: 4%
  - Third award: 4%

- **Short-term certificate first**
  - First award: 7%
  - Second award: 6%
  - Third award: 6%
Most students earn middle-income wages within a year of completing their first credential.
Female, Asian, and white students see larger returns from career education credentials

Wage returns across demographic groups

- Female
- Male
- African American
- Asian/PI
- Latino
- White

Individual wage return:
- First award
- Second award
- Third award
Economic returns are driven largely by differences across program areas

- Health programs, on average, provide the largest returns
  - Business and IT programs offer the smallest returns
- Some student groups are more likely to earn low-return credentials
- Returns to credentials may not tell the whole story
  - Individuals’ initial earnings could be very low
  - Family and consumer sciences is a case in point
Future workforce needs do not always align with well-paying jobs
Regional workforce demand is also a key consideration.

Projected new jobs for middle-skill workers by region:

- Northern
- Sacramento
- Central Valley
- Inland Empire
- Central Coast
- San Diego region
- Los Angeles
- Orange County
- SF Bay Area
- San Jose region

Low skill
Middle skill
High skill
Looking forward

- Provide guidance to students so they have the necessary information before selecting programs
- Expand access to and completion rates for high-return programs through increased financial aid and student services
- Assess and implement ways to shorten the time it takes to complete career pathways
- Engage with employers and industries to support career development and advancement
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:

Shannon McConville (mcconville@ppic.org; 415-291-4481)

Thank you for your interest in this work.