

Higher Education as a Driver of Economic Mobility

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Hans Johnson, Marisol Cuellar Mejia, Sarah Bohn

Supported with funding from the College Futures Foundation
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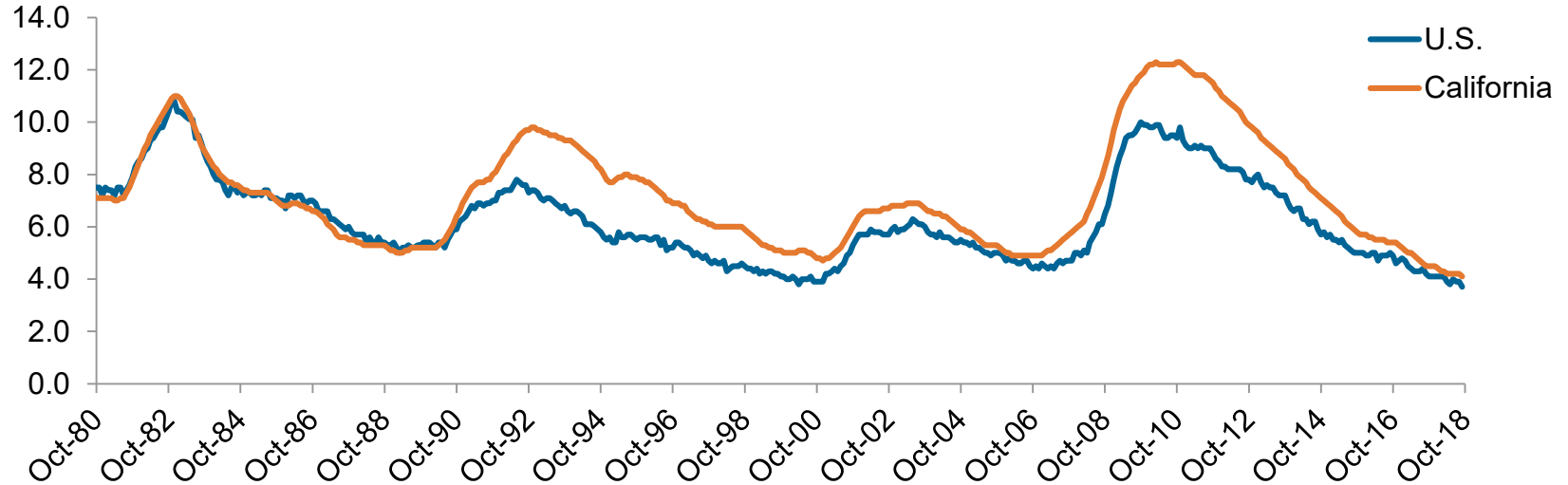


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California's economy is strong

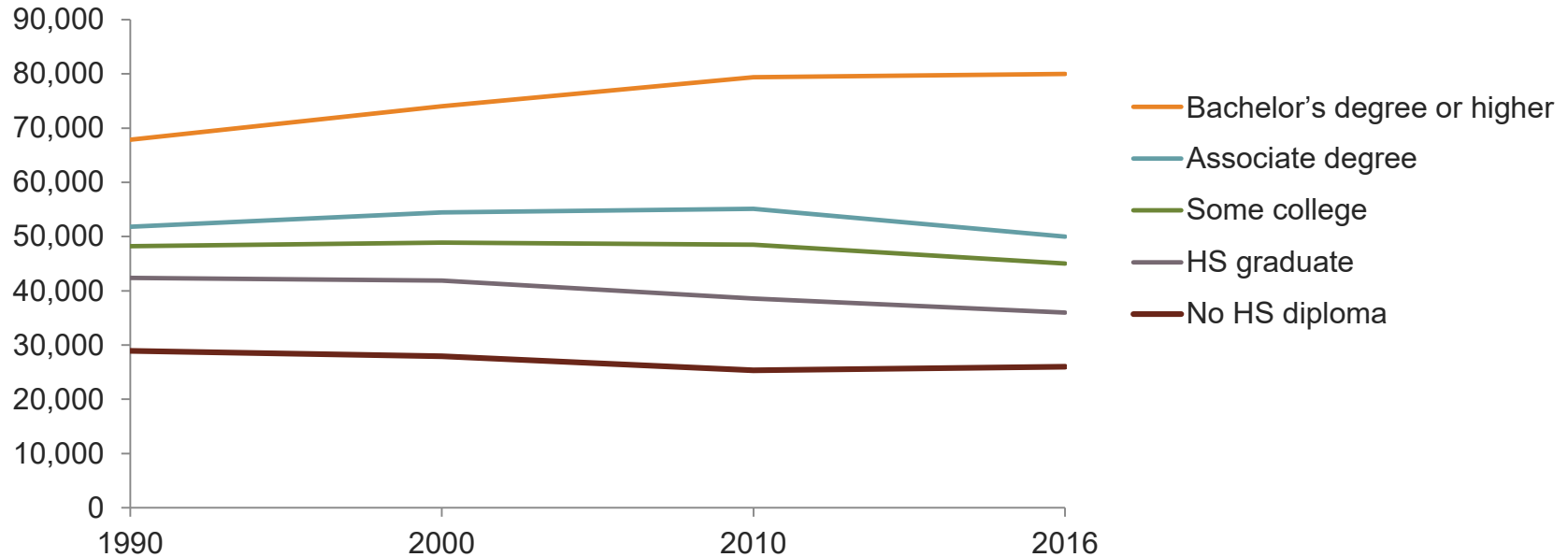
Unemployment rate (%)



Source: Bureau of Labor Statistics.

Economic success is tied to educational attainment

Median annual salary and wage income (\$)



Higher education confers multiple benefits

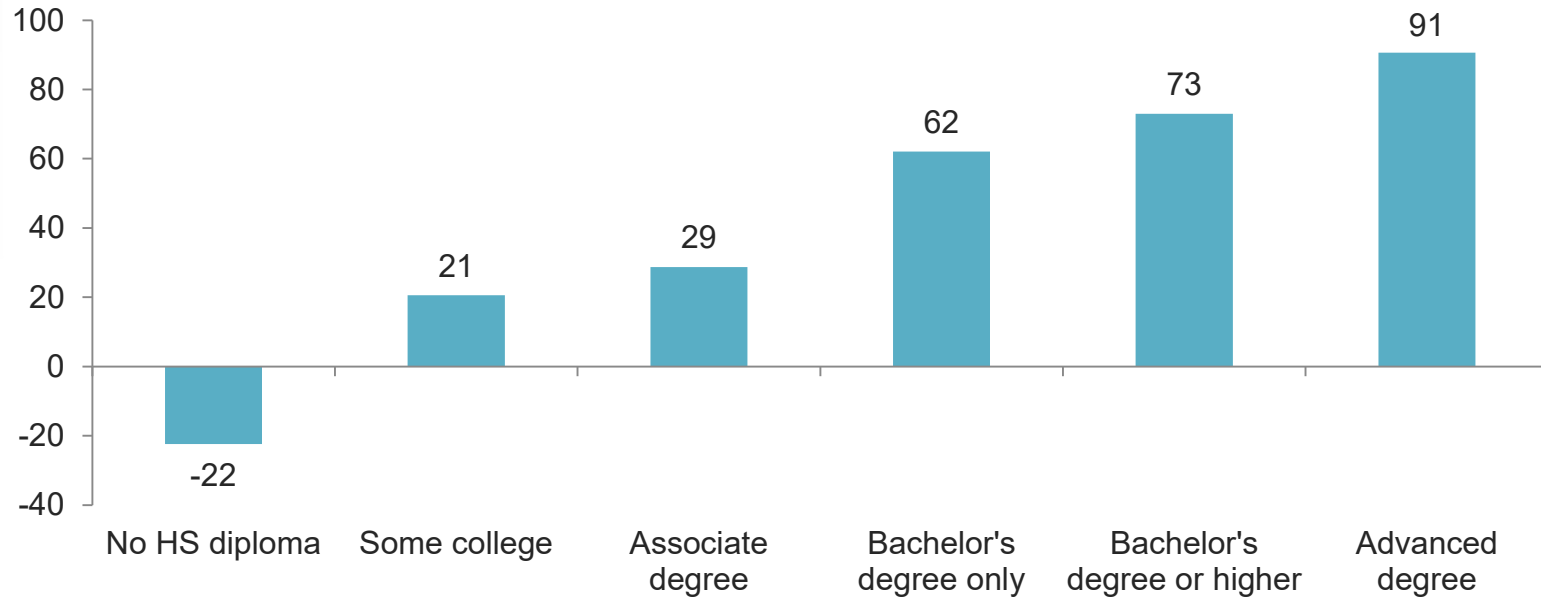
- A college degree helps people access a host of economic and social benefits—including upward mobility
- But too few Californians are earning college degrees
- California must build on recent progress and become a global leader, once again, in broad-based college graduation

Outline

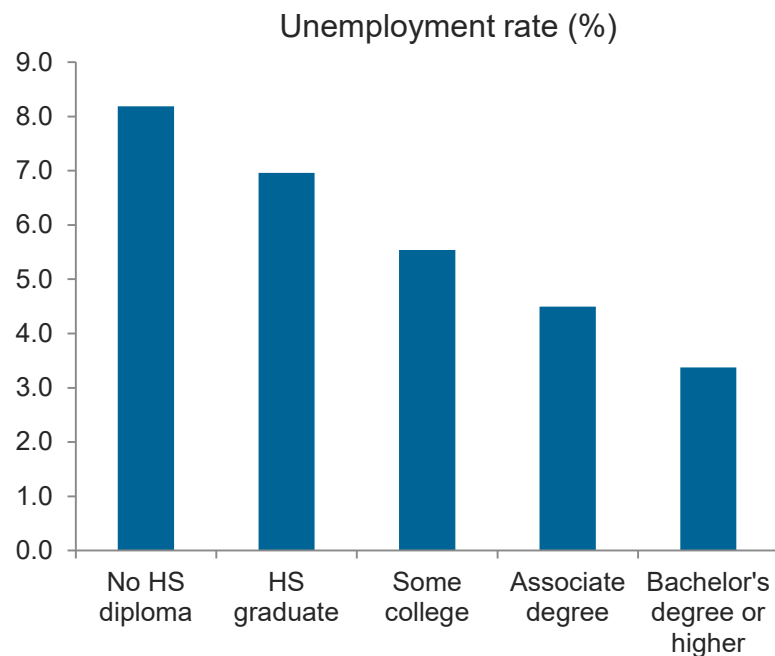
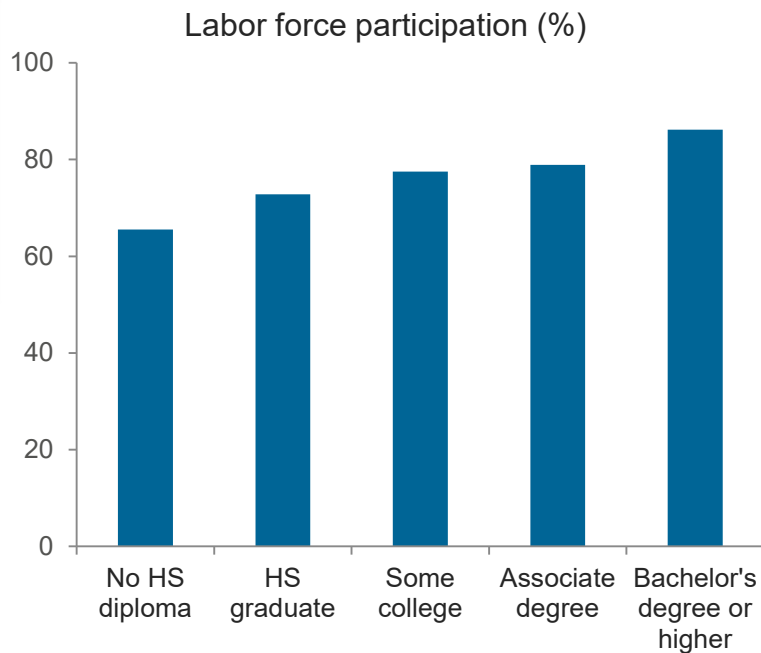
- Value of a college degree
- Falling short in college attainment
- Progress and next steps

Higher levels of educational attainment confer higher wage premiums

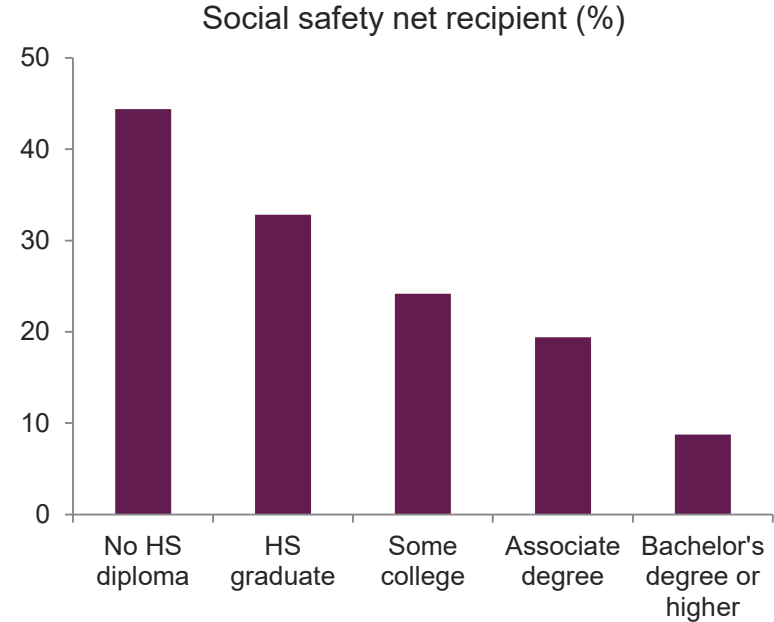
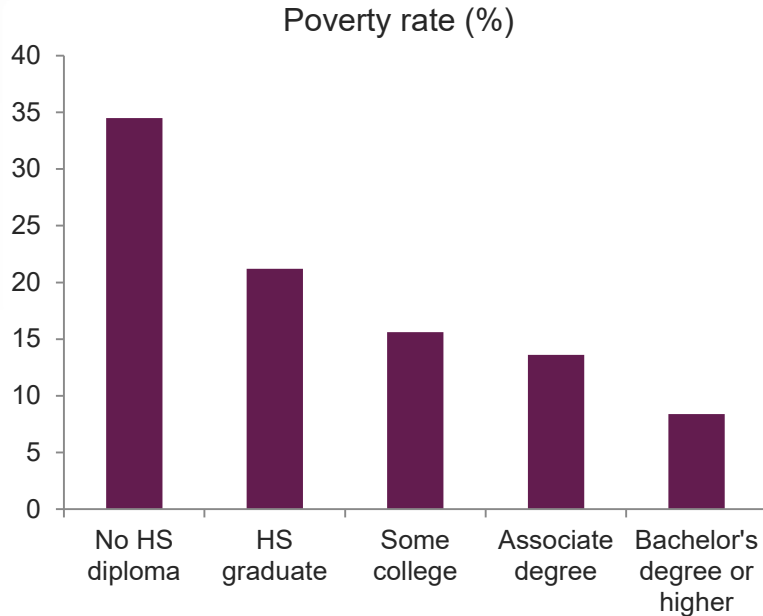
Wage premium relative to HS graduates (%)



College-educated Californians are much more likely to be employed...



...and are less likely to be in poverty or reliant on government safety net benefits



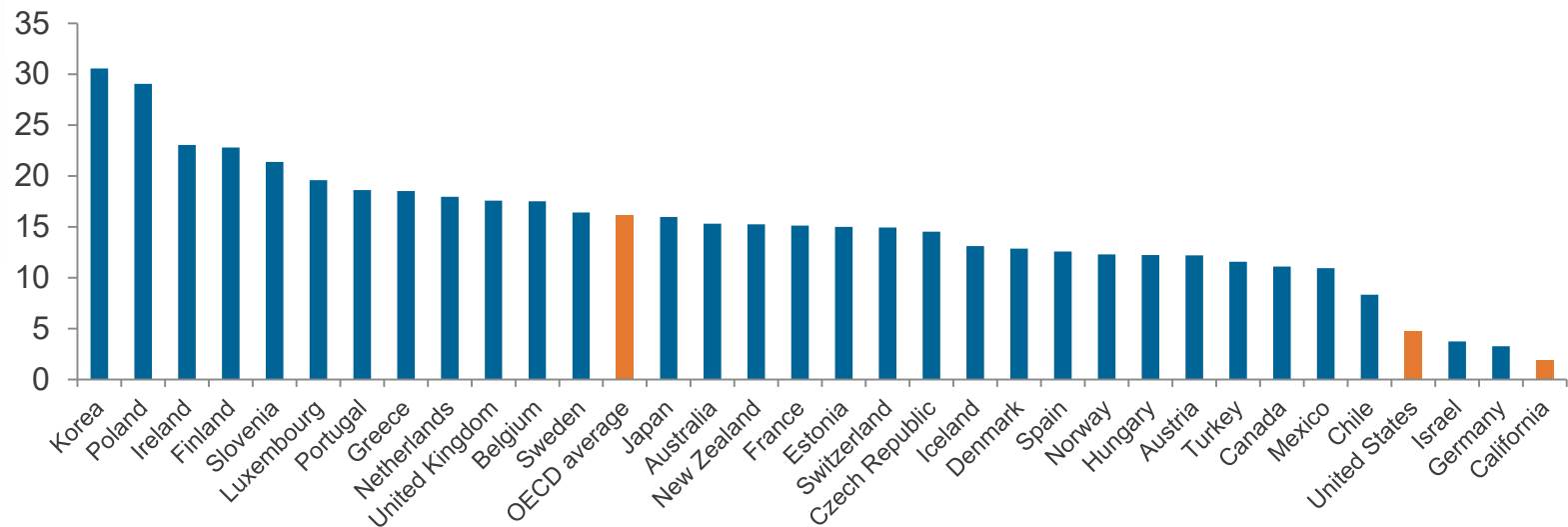
Source: California Poverty Measure.

Outline

- Value of a college degree
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California ranks last in generational progress on college completion

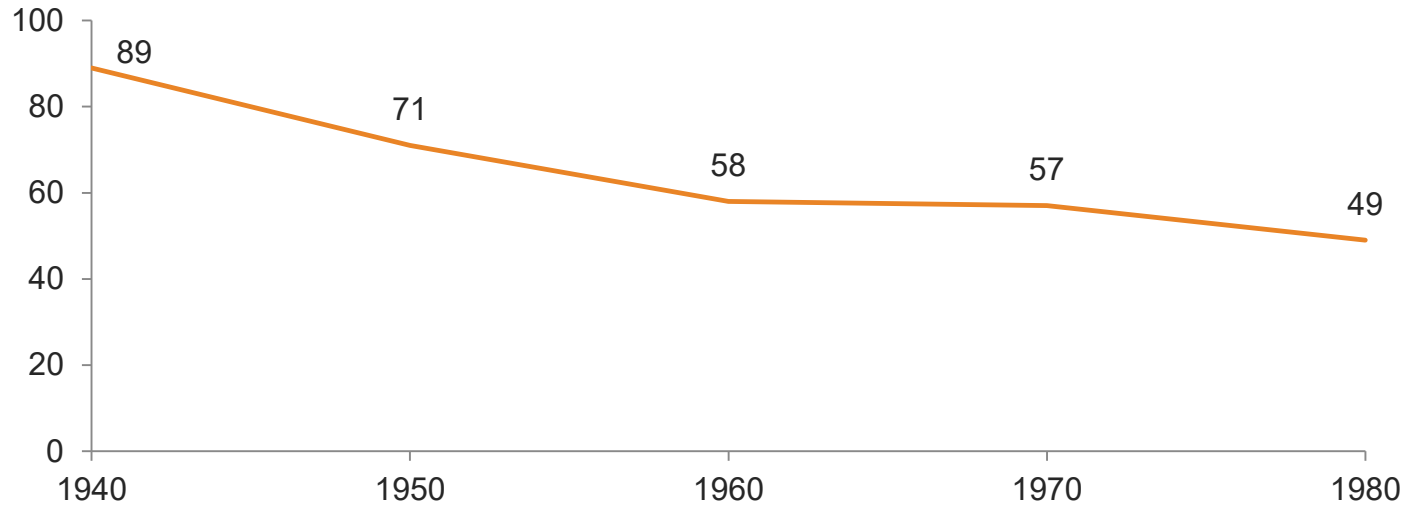
Difference in the share of college graduates among older and younger adults (% pts)



Source: *Education at a Glance* (OECD, 2015).

Generational progress in earnings has also declined

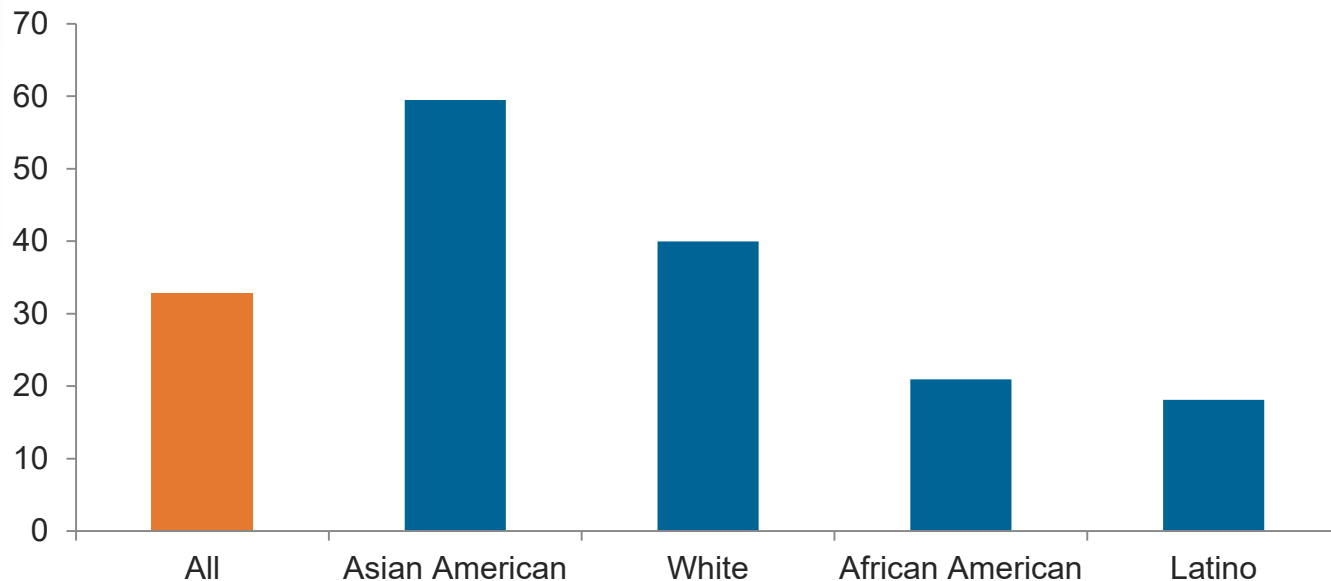
Share of Californians earning more than their parents (%)



Source: Chetty et al., *The Fading American Dream* (Opportunity Insights, 2016).

Only a third of young adults born in California have a college degree

Share of California-born young adults with a bachelor's degree (%)

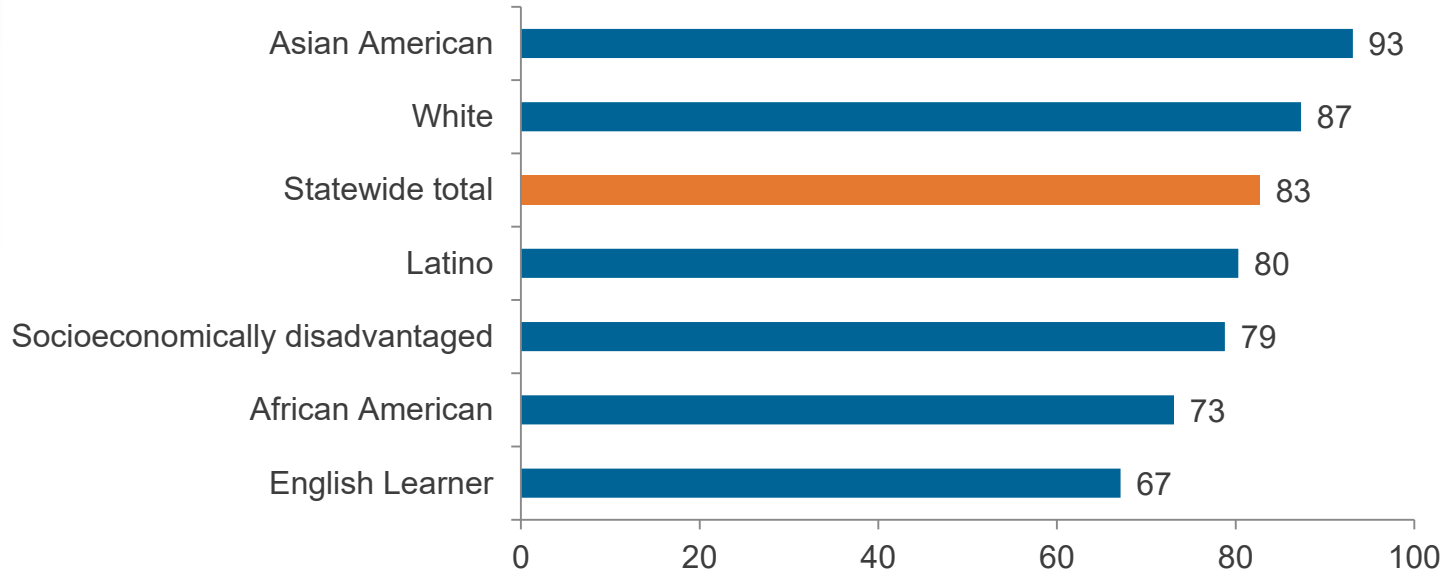


Why are Californians falling behind in college attainment?

- Equity gaps are a big challenge
- At each step to a college degree, students from socioeconomically disadvantaged and historically underrepresented racial/ethnic backgrounds have poorer outcomes than their peers
- Given the demographics of the state, it is essential to reduce these achievement gaps
- Access to UC and CSU has not kept up with increases in college readiness

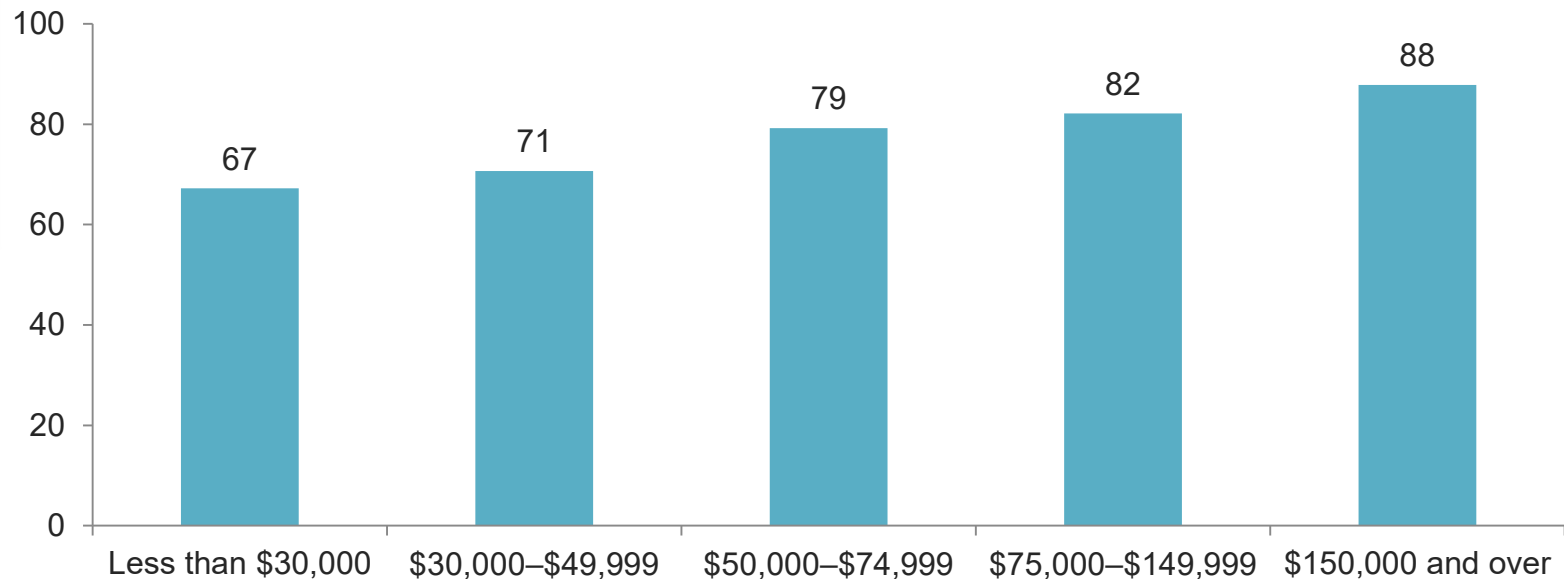
Most high school students graduate in California

2017 high school graduation rates (%)



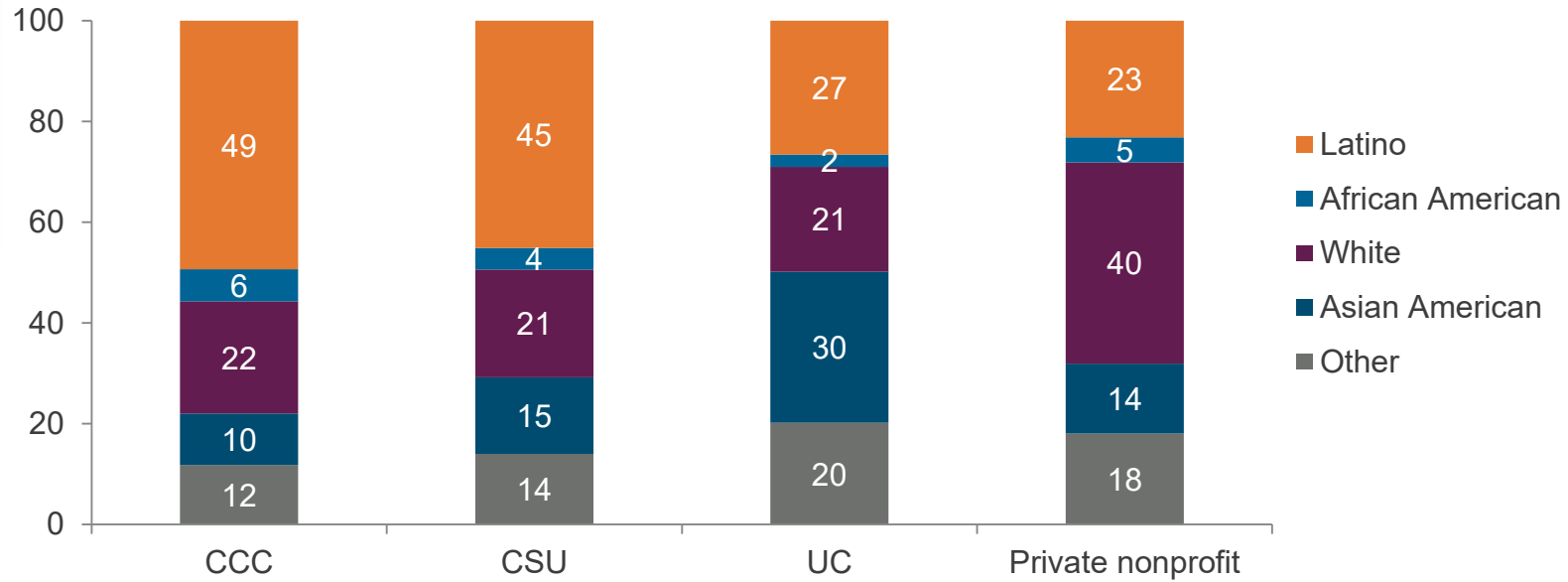
The majority of students across income groups go to college

College-going rates among recent HS graduates in California (%)



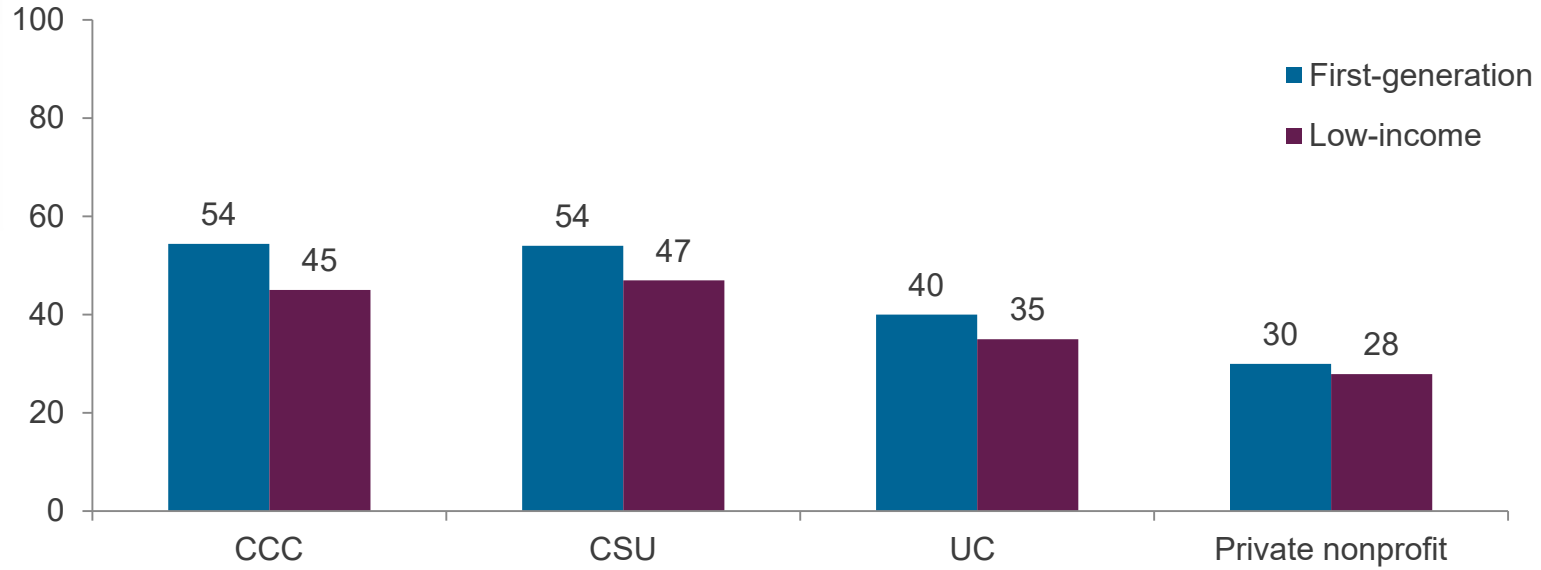
Higher education sectors vary greatly in their shares of underrepresented racial/ethnic groups...

% of first-time student enrollment



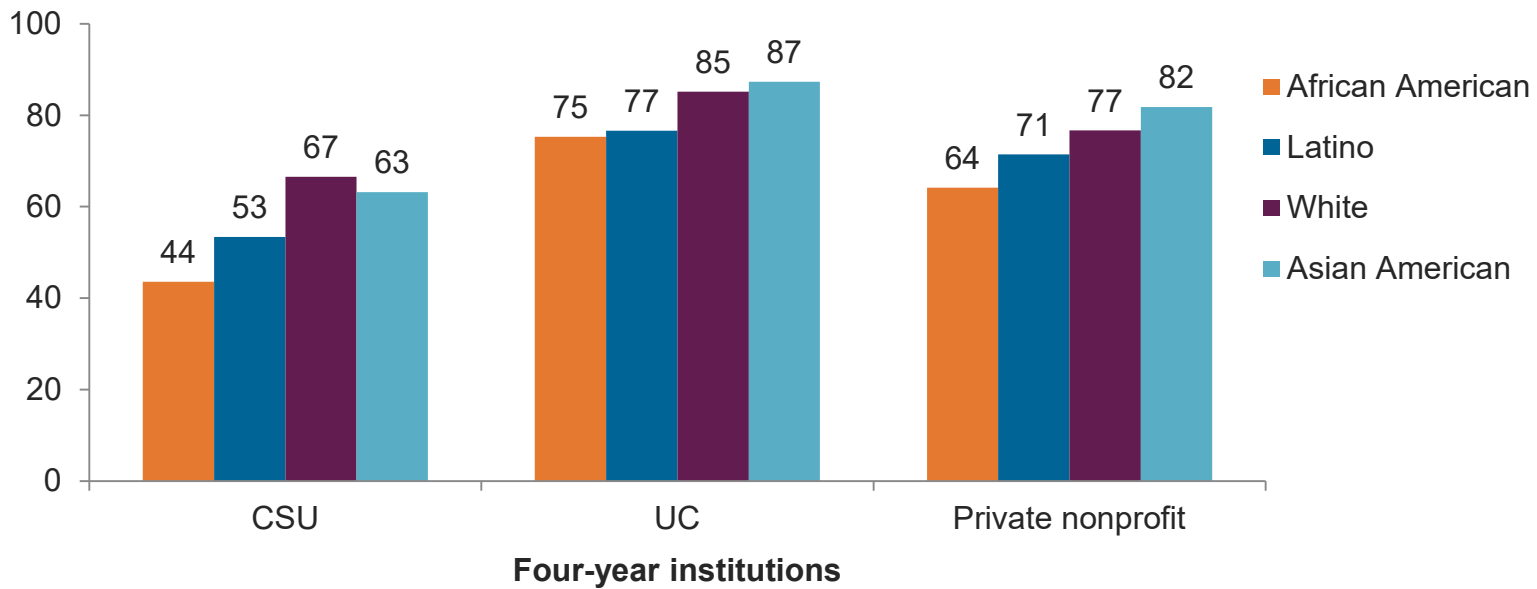
...and other disadvantaged student groups

% of first-time student enrollment



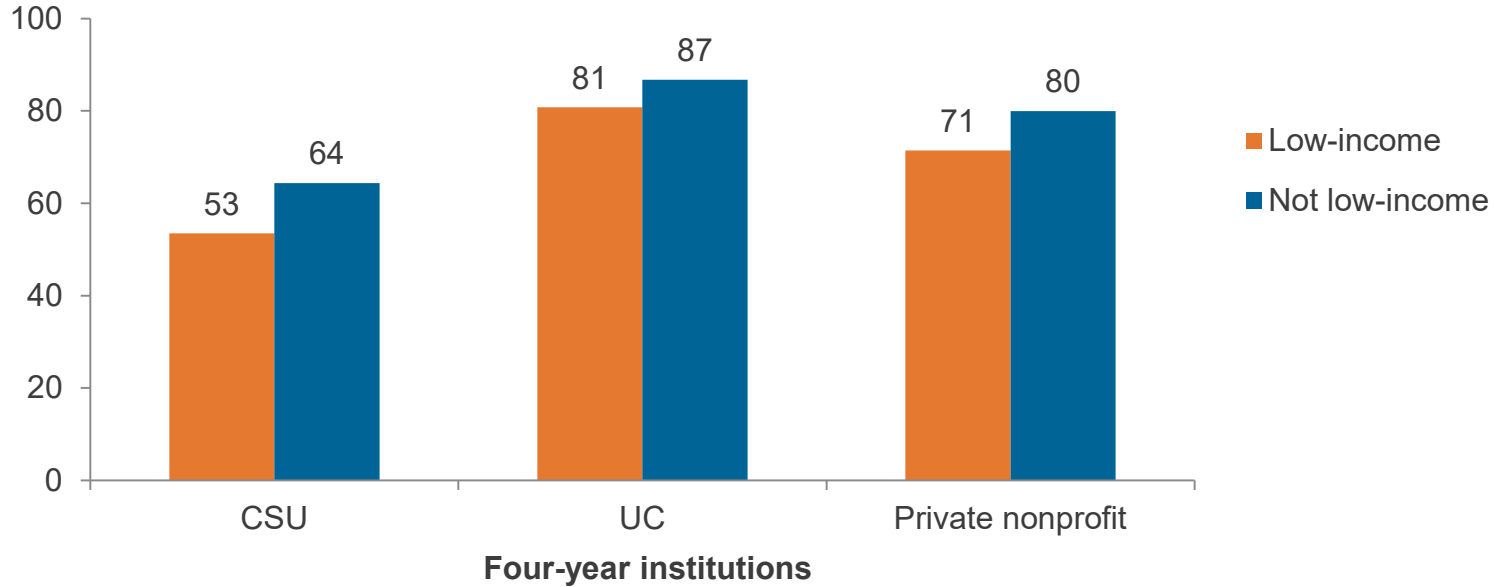
All types of four-year institutions see equity gaps across racial/ethnic groups...

Six-year graduation rates (%)



...and for low-income students

Six-year graduation rates (%)



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Bright spots of progress in critical areas

- **College preparation:** More high school students are completing coursework to be UC- and CSU-eligible, with especially large improvements for Latinos
- **Access:** At UC and CSU, the shares of first-time freshmen from low-income families are up substantially from a decade ago
- **Transfers:** CCC's *Vision for Success* sets ambitious goals; Associate Degrees for Transfer (ADT) link to CSU and UC, and now private nonprofit colleges as well
- **Student success:** CSU's graduation initiative has improved rates for all groups
- **Financial aid:** CalGrants provide the largest aid packages to students from families with the lowest incomes

Further action is needed

- **College preparation:** Middle and high school students need to know about college entrance requirements—including specific high school courses required
- **Access:** Colleges should consider systematically including students' economic background as one of the criteria used in determining admissions
- **Transfers:** Continue expanding the ADT to include more colleges and majors
- **Student success:** Provide supports and services that accompany students from beginning to end and that help them to stay on track and achieve their goals
- **Financial aid:** Future proposals should link financial aid to the total cost of college and should reevaluate eligibility restrictions

California has a track record of success—and now is a critical time for renewal

- California higher education institutions have a record of improving economic mobility for previous generations
- The state and its public colleges and universities have invested heavily in a wide range of policies and programs
- California must build upon its recent progress

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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:

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Thank you for your interest in this work.