PPIC

Increasing Equity and Diversity

PPIC HIGHER EDUCATION CENTER

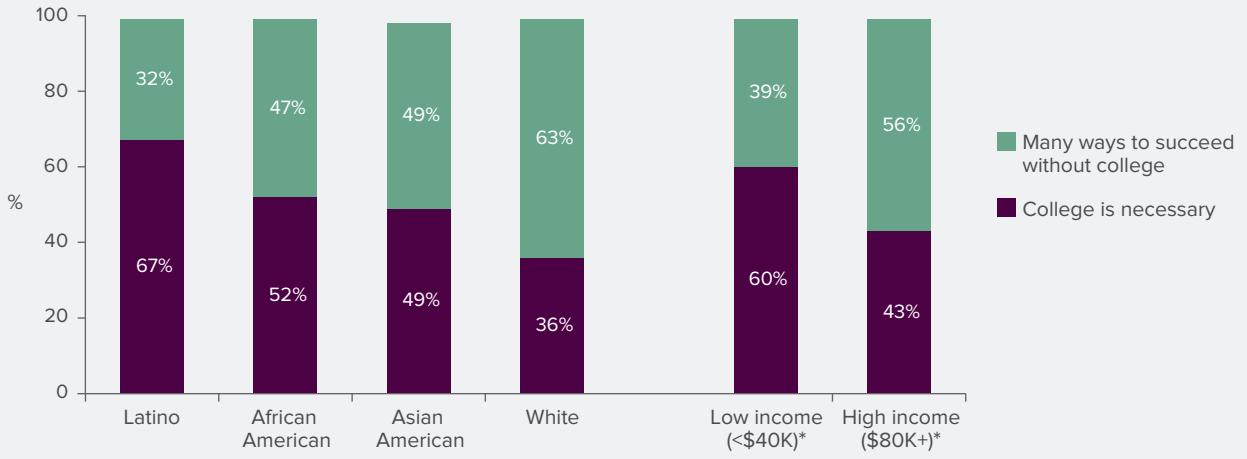
SEPTEMBER 2017

California needs more historically underrepresented students to graduate from college

A solid majority of California's future college-age population will come from groups that have been historically underrepresented in higher education—including Latinos and African Americans, and those who are low income or the first in their families to go to college. 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 minimize this gap, California needs to increase the number of underrepresented students who graduate from college.

It has been well documented that expanding access to college can promote upward social and economic mobility. Many Californians are aware of this: a December 2016 PPIC Statewide Survey found that most Latino, African American, and lower-income adults believe that a college education is necessary for success, compared to fewer than half of Asian, white, and higher-income adults. In recent years, the number of bachelor's degrees awarded to underrepresented students has been increasing, but it remains relatively low—and these students continue to have lower odds of obtaining college degrees than their wealthier, well-represented peers. Policymakers and higher education institutions should work to increase these odds by creating meaningful opportunities for college access and success.

LATINO AND LOW-INCOME CALIFORNIANS ARE ESPECIALLY LIKELY TO VIEW COLLEGE AS NECESSARY FOR SUCCESS



SOURCE: *PPIC Statewide Survey: Californians and Higher Education*, December 2016.

NOTES: Percentages may not add to 100 due to rounding and omission of small shares of "don't know" answers.

* Annual household income.

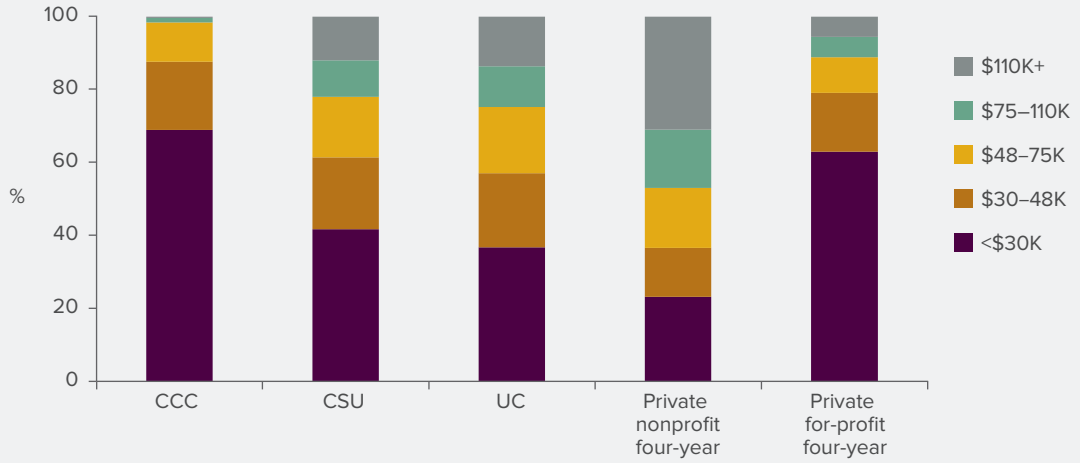
Access to college remains uneven

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

- **Community 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 more than half of the student population at the California Community Colleges (CCC) and for-profit two-year schools. By contrast, these groups comprise about one in four students enrolled at the University of California (UC) and private nonprofit colleges. Compared to other four-year colleges, California State University

(CSU) serves a diverse population, with Latinos and African Americans together making up about half of all students. Low-income enrollment is similarly distributed. About two-thirds of students at California's community colleges and private for-profit two-year schools are from the lowest-income families (those with annual incomes under $30,000). By contrast, about a third of students at UC and fewer than a quarter of students at private nonprofits come from the state's lowest-income families.

COMMUNITY COLLEGES ENROLL THE HIGHEST SHARES OF LOW-INCOME STUDENTS



SOURCE: Integrated Postsecondary Education Data System (IPEDS) 2015 data release.

- **Grant aid makes college possible for many low-income Californians.** A 2016 PPIC Statewide Survey found that 85 percent of Californians are concerned about college affordability—but lower-income families are less likely than their higher-income counterparts to see it as a big problem (50% vs. 63%). Tuition at public institutions for students from low-income—and even many middle-income—families can be 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.
- **State policy changes have facilitated college access for undocumented Californians.** A recent PPIC report noted that more than 200,000 immigrants in California have benefited from the federal Deferred Action for Childhood Arrivals (DACA) program. DACA and the California Dream Act offer undocumented students in-state tuition, state financial aid, work permits, driver's licenses, and other supports. Amid uncertainty about federal immigration policies and enforcement, California's public higher education systems have advocated for the continuation of the DACA program.

Completion gaps persist

Increasing the number of underrepresented students with bachelor's degrees will be key to closing the 1.1 million degree gap projected by 2030. 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 Latino and African American students is growing.** The proportion of bachelor's degrees awarded to Latinos and African Americans by public universities has been rising since 2010—as of 2015, it had increased from 27 percent to 38 percent at CSU and from 16 percent to 25 percent at UC. The improvement in completion has coincided with increased access to and spending on student services—suggesting that additional programs and services for underrepresented students could further narrow attainment gaps. Still, there are gaps between enrollment and completion—especially at CSU, where Latinos and African Americans represented 49 percent of students but accounted for only 38 percent of degrees awarded in 2015.

- **Graduation rates for underrepresented students vary across the systems.** The lowest graduation rates for Latinos and African Americans are at community colleges and private for-profit institutions: no more than 25 percent earn a degree or certificate or transfer to a four-year school. Graduation rates for African American and Latino students are highest at UC (73% and 77%, respectively) and private nonprofits (58% and 65%, respectively). Across the systems, low-income students graduate at higher rates at UC and private nonprofits. UC schools and many private nonprofit colleges have highly selective admission processes and tend to provide relatively high levels of student support.
- **Community colleges could provide more cost-effective pathways to bachelor's degrees.** Students who complete enough units at a community college are eligible to transfer to a four-year university. In 2015–16, transfers from community colleges earned more than half of the bachelor's degrees awarded by CSU and more than a quarter of those awarded by UC. However, students who begin at two-year institutions are much less likely to earn bachelor's degrees than those who start at four-year universities. One major barrier is that not all community college credits are transferrable to a four-year university; 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 students earning 60 community college credits can transfer to any CSU campus; once they've transferred, they need to earn 60 additional credits in order to receive a bachelor's degree.

Limited college prep resources and high remediation rates are major barriers

Lower-income students often go to K–12 schools with relatively limited college preparatory curricula. These students are more likely to be declared unprepared for college-level coursework.

- **Underrepresented students need greater access to college preparatory resources.** Less than one-third of Latino and African American students graduate from high school having completed a–g coursework, which is a prerequisite for admission to a public four-year college, compared to 52 percent of white students and 70 percent of Asian students. Underrepresented students are also more likely to attend schools with weak college prep 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.
- **Remediation rates are especially high among Latino and African American students.** Overall, 80 percent of students entering community college and 38 percent of those entering CSU are deemed in need of remediation in one or more subjects. Remediation rates for Latinos and African Americans are nearly 10 percentage points higher. Emerging research suggests that the use of standardized tests for placement—which have historically been widely used for placement at CSU and the community colleges—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.

Looking ahead

The share of California's population with historically low educational attainment is growing, but 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 CSU and the community colleges seek to improve student outcomes and address equity gaps, they are rethinking remedial placement and programming. In addition to placement policies that look at prior academic achievement alongside or in place of standardized test scores, colleges are considering programmatic changes. Accelerating the remediation process and aligning it more closely with college-level requirements and allowing students to enroll in college-level courses with corequisite support have shown promise. It will be important to assess whether and how the impact of these policies can be sustained over time.

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 the groups need to address the challenges faced by students in this sector. The new Associate Degree for Transfer and the UC Transfer Pathways programs are steps in the right direction. Both programs provide a list of pre-major courses that community college students can take to prepare for specific majors at CSU or UC. The state should continue to focus on removing the barriers to transfer.

Address the cost of college beyond tuition and fees. California policymakers have been 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. 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. A federal expansion of the Pell Grant program to cover summer courses as well as state and institutional initiatives to address student hunger and housing insecurity could help low-income students focus more fully on academic achievement.

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This series is funded by the Sutton Family Fund.

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