

# California Competes

## Higher Education for a Strong Economy

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### **New Report Finds Degree Gap in California Has Grown to 2.4 Million by 2025, Calls Upon State to Accelerate College Completion**

*Study by California Competes includes two-year degrees and looks at decline of computer science degrees, proliferation of health professions degrees, racial inequities at the educational segments, and expansion of for-profits, among others.*

**Berkeley (December 4, 2015)** – On Tuesday, December 8, California Competes will release *Mind the Gap: Delivering on California's Promise for Higher Education*, which finds that California faces a degree attainment gap of 2.4 million by 2025, if all trends continue. The report then looks beneath the degree gap at trends within majors, California's various educational segments, and across races to understand what reforms and policies would help close the gap.

In 2012 California Competes set a goal of 55 percent of the adult population to be college educated by 2025. To calculate the degree attainment gap, California Competes compared the 55 percent goal to what California will produce if all trends continue. To reach the goal and close the 2.4 million degree gap by 2025, it would take increases in the number of degrees of nearly 10 percent per year, every year for the next decade.

The approach for calculating the gap differs from a recent report from the Public Policy Institute of California (PPIC), which projected, based on recent economic trends, that California will face a shortage of 1.1 million bachelor's degrees by 2030. This number, while alarming, excludes sub-baccalaureate credentials (i.e. associate's degrees and certificates, not including those for transfer), which California Competes estimates makes up approximately one third of all the credentials awarded in California and provides real wage benefits to those who attain them. California Competes' findings are consistent with PPIC's report and demonstrate that the degree attainment gap is even more dire than originally thought.

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The 2.4 million degree attainment gap presents a significant challenge to the state and becomes even more pressing when one looks at the disparities underneath the total. The report finds that Blacks and Latinos are least likely to graduate from a UC and that many more Latino students (and fewer Asians) receive sub-baccalaureate credentials in comparison to bachelor's degrees. Blacks are most likely to receive a credential at a private institution, including for-profits, where tuition costs are higher than in the public segments. The engineering major, which typically leads to higher paying jobs after graduation, is ranked fifth and eighth amongst Asians and Whites, respectively, yet eleventh and fifteenth for Latinos and Blacks, respectively.

“California is in trouble” said Lande Ajose, Director of California Competes. “When the master plan was enacted, the state made a promise to ‘guarantee educational access for all.’ While students may have access, that access is not translating into equitable outcomes. That has implications not only for the state’s long term economic prospects but also for creating a coherent social fabric. You can’t have strong and vibrant democracy when you have disparate higher education outcomes whose results reinforce broader social inequalities.”

The report calls on the state to increase degree attainment and improve and accelerate pathways by developing a system to reach out to adult learners, particularly those with some or most of the credit needed to graduate, and by pilot testing three-year bachelor's degrees, which have proven a viable and equitable option on a small-scale basis.

*Mind the Gap* also proposes increasing long-term productivity and efficiency by creating a statewide higher education coordinating entity charged with the responsibility of projecting state needs for an educated workforce, collecting data, and coordinating with the educational segments to develop strategies that close the degree and achievement gaps. In September of this year Governor Brown vetoed SB 42, legislation sponsored by Senator Carol Liu (D; 25th) that would have created a similar entity.

Finally, the report recommends making targeted investments in higher education, particularly by using advising and financial supports and incentives to promote full-time enrollment at the community colleges and CSUs.

“Throughout my years as Mayor, I witnessed firsthand how crucial higher education is to California,” said Bob Foster, former Mayor of Long Beach and chair of the California Competes Council. “Not only is an educated workforce essential for the state to remain economically competitive, but it also fosters a more engaged and economically successful citizenry. We need more Californians to enter and graduate with degrees. It is time for California’s leaders to renew our commitment to higher education.”

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The full report is available on December 8, 2015

<http://californiacompetes.org/reports>

**California Competes** develops non-partisan and financially pragmatic recommendations for improved policies and practices in California higher education. Opportunity, creativity, equity, efficiency, and growth are the hallmarks of economic development and the lens through which California Competes helps the state improve postsecondary education in order to drive economic growth and vibrant communities today and tomorrow.

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