

Untapped Opportunity:

*Understanding and Advancing
Prospects for Californians without a
College Degree*



10th **CALIFORNIA COMPETES**
HIGHER EDUCATION FOR A STRONG ECONOMY
ANNIVERSARY

February 2021



Mission

California Competes: Higher Education for a Strong Economy aims to solve the state's thorny social and economic problems by conducting rigorous higher education and workforce policy research. Through our research, we guide decision makers in developing and implementing policies that bolster equity so every Californian can engage, contribute, and succeed.

Vision

We envision a California where our state and regional economies and communities thrive, fueled by equitable and racially just postsecondary and workforce outcomes.

Leadership Council

California Competes benefits from a Leadership Council that provides statewide reach and a breadth and depth of expertise and leadership. Our Council is made up of local elected officials and former legislators as well as business and community leaders who are committed to policy reform that will deliver a critical mass of well-educated, diverse Californians whose talents match the demands of the 21st century.

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Steven Koblik, former president, Huntington Library; and former president, Reed College

Carol Liu, former state senator (D)

Julia Lopez, former president and CEO, College Futures Foundation

Roger Niello, co-owner, The Niello Company; and former state assemblymember (R)

Kristin Olsen, partner, California Strategies; chair, Stanislaus County Board of Supervisors; and former assembly minority leader (R)

Libby Schaaf, mayor, City of Oakland

Jack Scott, former chancellor, California Community Colleges; former state senator and assemblymember (D); and former president, Pasadena City College

Peter Weber, founder of Fresno Bridge Academy; and former Fortune 500 executive



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Summary

The 6.8 million Californians ages 25–54 who have graduated from high school but have not completed college continue to face a job market that favors applicants with degrees. Their employment circumstances have become even more difficult since the start of the COVID-19 pandemic, which has disrupted and limited employment opportunities across fields. Supporting this population of *potential graduates* (short for *potential college graduates*) in earning their degrees could support the state in meeting its workforce needs while increasing individual economic mobility.

Who are potential graduates?

On average, potential graduates are 38 years old and are most likely to be male and Latinx. Fifty-one percent of potential graduates have some college experience and are less likely to be employed compared with college graduates.

How do potential graduates fare in the workforce?

- With a median personal income of \$26,359, potential graduates earn 54 percent less than college graduates and are less likely than college graduates to earn over \$50,000.
- Potential graduates tend to work in lower-paying service sector and production jobs, and they are half as likely to hold jobs in higher-paying management positions compared with their counterparts with college degrees.
- Potential graduates of every race, ethnicity, and gender are more likely to be unemployed than college graduates. Black as well as Native American and Alaska Native potential graduates are approximately twice as likely to face unemployment compared with Asian, Latinx, and White potential graduates.

What policies would help potential graduates complete college degrees?

The state’s existing higher education structure does not adequately support potential college graduates, who often have to care for children, may lack access to high-speed internet at home, and may live in poverty. Institutions, employers, and state and local governments should develop policies and structures with potential graduates’ needs in mind, including:

- **Tailoring institutional policies to aid older and returning students.** Promoting innovative institutional practices (like credit for prior learning and competency-based education) that acknowledge potential graduates’ prior experience could support students’ sense of belonging while reducing the time it takes them to earn degrees.
- **Promoting paid work-based learning opportunities and employee tuition assistance.** Paid internships provide an equitable opportunity for students to “earn and learn” and help produce a diverse talent pool for employers. Offering tuition assistance would contribute to workers’ professional development and add value to their workplaces.
- **Encouraging coordination across institutions and between institutions and employers.** Postsecondary institution-workforce compacts can facilitate coordinated efforts toward mutually beneficial goals.

Revitalizing California’s economy above the level at the start of the COVID-19 pandemic requires supporting potential graduates in completing their degrees. Increasing access and developing supports to promote degree completion can contribute to the resilient economy California desperately needs.

Snapshot: California's untapped opportunity

WHO ARE CALIFORNIA'S POTENTIAL GRADUATES?

Higher education in California focuses on the young adult population. However, there are 6.8 million adults ages 25–54 who graduated high school but have not completed a postsecondary degree. Targeting these potential college graduates presents an opportunity to accelerate California's stability and resilience.

More Californians of color are potential graduates. 71% percent of Hispanic Californians and 61% of Black Californians are potential graduates.



57% of potential graduates have dependent children.



Potential graduates are more likely to be men (53%) compared to women (47%).



50% of Californians ages 25–54 are potential graduates

Potential graduates face hardship at high rates. Though they make up 50% of Californians ages 25–54, they are:

- 74%** of those receiving public assistance
- 72%** of those without health insurance
- 68%** of those in households earn less than a living wage
- 63%** of those without high-speed internet access



43% work in sales, transportation, construction, and food preparation

WHERE ARE THEY?

Most potential graduates live in urban regions. However, rural regions like Central Sierra, Northern California, and the Upper Sacramento Valley have much higher concentrations of potential graduates and far fewer educational facilities.

Concentration of Potential Graduates by Region



An opportunity to enhance economic mobility and narrow the degree gap

The 6.8 million Californians ages 25–54 with a high school education but no associate’s or bachelor’s degree face limited employment prospects, while a growing share of jobs require a college degree. Moreover, the COVID-19 pandemic has disrupted many people’s plans for and expectations of both employment and postsecondary education.¹ A significant number of Californians who lost their jobs in affected industries (such as hospitality and the performing arts) and occupations (such as flight attendants and caterers) may never be able to return to their former positions and will need to find work in other fields. At the same time, the state needs an additional 2.4 million residents with college degrees by 2025 to meet anticipated workforce demand.² The work to help even a fraction of these individuals earn degrees presents an enormous untapped opportunity for them and their families, as well as for postsecondary institutions, employers, and the state. Success depends on understanding and responding to this population’s needs.

Potential graduates are more likely than their counterparts with college degrees to face challenges such as poverty, unemployment, childcare expenses, and lack of access to high-speed internet. This analysis describes who potential graduates are, where they live, whether and how they are employed, and the obstacles they face in accessing higher education.³ For context, the analysis compares potential graduates with their counterparts ages 25–54 who hold an associate’s, bachelor’s, or graduate degree (college graduates). The brief concludes with recommendations for institutions, employers, and state policymakers on how to support potential graduates through degree programs while addressing employers’ needs for workers with college degrees.

About the data

The findings reported in this brief are based on the five-year estimates of the American Community Survey, which has a representative sample of the United States population and is conducted by the US Census Bureau. Specifically, the data are for the years 2014–2018, before the start of the COVID-19 pandemic and subsequent recession. The public-use individual-level data and inflation adjustment factors were obtained from IPUMS at the University of Minnesota.²³

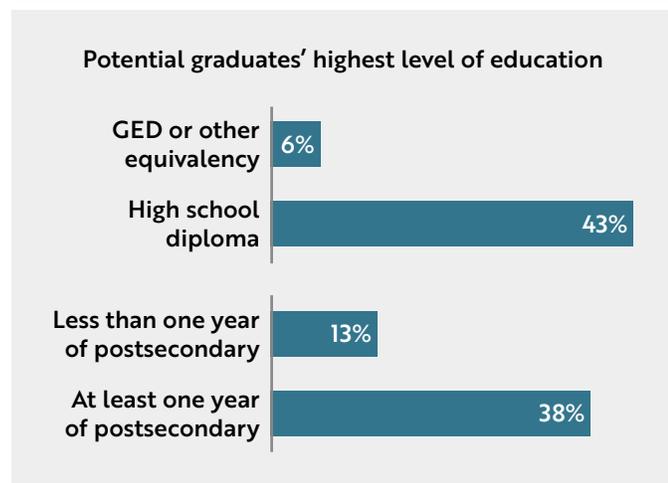
Who are California's potential graduates?

Potential graduates have different characteristics than their counterparts with college degrees. While they are similar in age and about half have attended some college, potential graduates are more likely to be men and Latinx, and they earn considerably less than college graduates.

Half of potential graduates have attended some college.

Although, by definition, potential graduates have completed high school but have not earned a college degree, a slim majority (51%) of potential graduates have some college experience. Specifically, of the 6.8 million potential graduates, 38 percent (2.6 million) attended college for at least one year, and another 13 percent (861,000) attended college for less than one year (figure 1). A modest proportion of these potential graduates—perhaps 16 percent, based on national data—completed a postsecondary certificate.⁴ Another 43 percent of potential graduates (3 million) earned a standard high school diploma but never attended college. The remaining 6 percent (409,000) earned a GED or other alternative high school equivalency credential.

Figure 1: Half of potential graduates have some postsecondary education.



Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

Few potential graduates have industry-recognized certifications.

No data exist on the number of Californians with industry-recognized certifications; however, nationally, 6 percent of individuals ages 25–54 with a high school education but no college degree possess an industry-recognized certification.⁵ Industry-recognized certifications, awarded for satisfactory performance on certain occupation-specific exams, are another route to economic opportunity for individuals with no college degree. Although *certifications* are sometimes confused with similarly named *certificates*, there are two major differences between them. First, certifications are primarily awarded by third parties, such as professional and industry associations, government agencies, and individual firms, not postsecondary institutions. Second, certifications are valid for a fixed period of time before they must be renewed. Another distinguishing characteristic of certifications is that they are not legally required to hold particular jobs, in contrast with occupational licenses issued by government agencies for occupations such as electricians, nurses, real estate agents, and teachers.

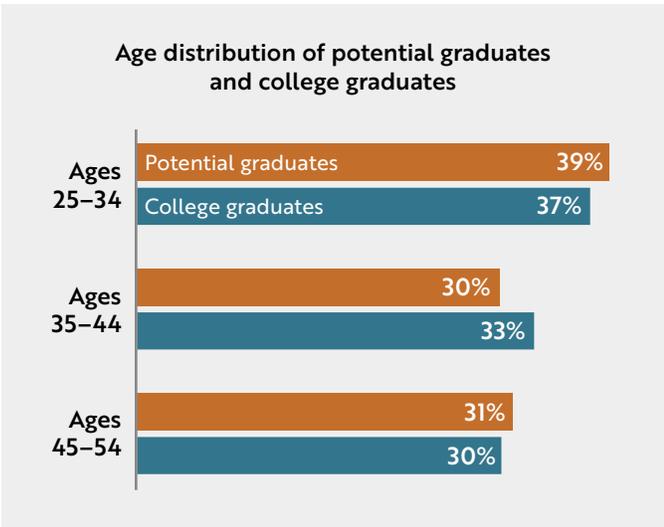
Industry-recognized certifications can be earned in a wide variety of fields, some of which can be earned through multiple routes. Examples of occupations, along with examples of their corresponding certifying bodies, are

- automotive repair (National Institute for Automotive Service Excellence),
- personal training (American College of Sports Medicine, American Council on Exercise, National Academy of Sports Medicine),
- project management (Project Management Institute),
- urban planning (American Institute of Certified Planners), and
- various information technology specialties (Microsoft, Cisco, Google).

Potential graduates are similar in age to college graduates.

The median age of potential graduates is 38 years old, the same as the age for college graduates (figure 2). Thirty-nine percent are ages 25–34, 30 percent are ages 35–44, and 31 percent are ages 45–54, a distribution similar to the breakdown for college graduates.

Figure 2: Potential graduates are similar in age to college graduates.



Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

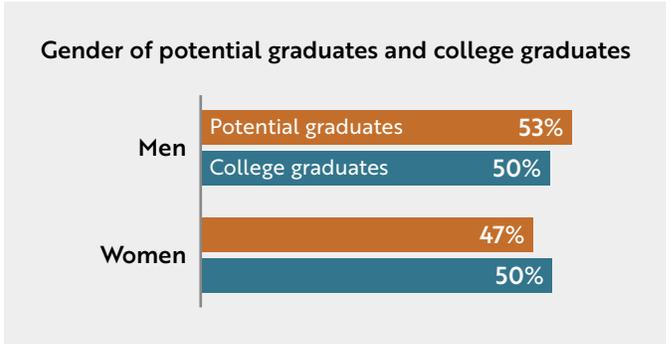
Potential graduates tend to be male and Latinx. Men make up a slight majority, 53 percent, of potential graduates (3.6 million), in contrast to their 50 percent share of college graduates (figure 3). Latinx Californians make up the plurality of potential graduates (45%, 3.1 million), followed by White (34%, 2.3 million), Asian (including Pacific Islanders and Native Hawaiians; 10%, 696,000), Black (7%, 508,000), and Native American and Alaska Native (less than 1%, 33,000) Californians. Californians of two or more races or a race other than that stated above constitute the remaining 3 percent of potential graduates (191,000).

Among all Californians ages 25–54 with at least a high school education, less than half of Latinx and Black Californians have earned an associate’s degree or higher. Specifically, 29 percent of Latinx Californians and 39 percent of Black Californians have a college degree, compared with 58 percent of White Californians and 71 percent of Asian Californians.

Nearly a third of potential graduates are immigrants.

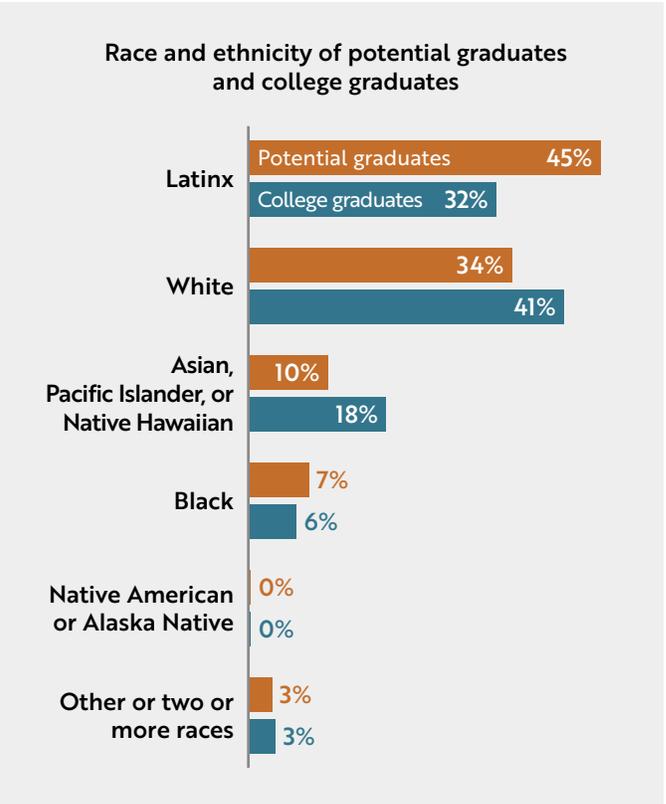
Overall, 30 percent of potential graduates (2.1 million) are immigrants born abroad to parents who were not US

Figure 3: Potential graduates are more likely than college graduates to be men.



Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

Figure 4: Potential graduates are more likely to be Latinx and less likely to be White and Asian.



Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

citizens, compared with 32 percent of their counterparts with a college degree (table 1). Fourteen percent of potential graduates are naturalized citizens, and 16 percent are not citizens, whereas 18 percent of college graduates are naturalized citizens and 13 percent are not citizens (table 1).

Figure 5: Potential graduates earn much less on average than college graduates.



Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

Potential graduates earn less than half of what college graduates earn. Potential graduates tend to have lower earnings than college graduates, and few potential graduates earn more than \$50,000 per year (figure 5). Potential graduates have a median personal income of \$26,359, which is 54 percent less than the \$56,746 median personal income of college graduates (table 1).⁶ The median income of potential graduates is 23 percent less than the \$34,445 median income of those who completed an associate’s degree, 51 percent less than the \$53,772 median income of those who completed a bachelor’s degree, and 68 percent less than the \$81,831 median income of those who earned a graduate or professional degree.

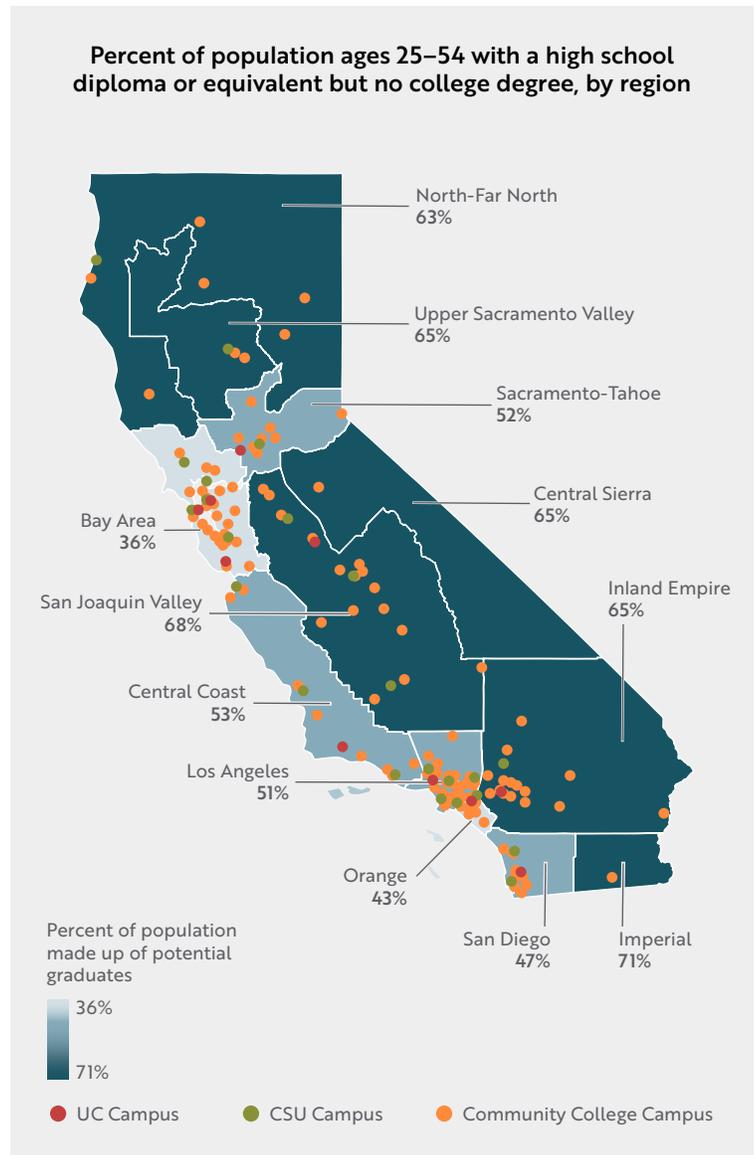
Moreover, potential graduates’ annual incomes are concentrated at the low end of the income distribution, in sharp contrast with the incomes of college graduates. As figure 5 shows, within every income band less than \$50,000, potential graduates are overrepresented relative to college graduates, while the reverse is true within every income band of \$50,000 or more. For example, 25 percent of potential graduates earned less than \$10,000 per year, compared with 15 percent of college graduates. Likewise, 15 percent of potential graduates earned \$10,000–\$19,999 and another 15 percent earned \$20,000–\$29,999, whereas only 7 percent of college graduates had incomes within each of these respective ranges. In total, 76 percent of potential graduates earned less than \$50,000 per year, compared with 44 percent of college graduates (totals calculated before rounding).

Where do potential graduates live?

California's potential graduates are concentrated in the state's interior regions, which generally are more sparsely populated than the more urban coastal regions. Figure 6 shows the percentage of the population ages 25–54 that completed high school (or its equivalent) but has no college degree across 12 regions. (Each region consists of one or more contiguous counties that share similar features such as urbanicity, major industries and economic conditions, and racial and ethnic composition.) The percentage of potential graduates among the population ages 25–54 ranges from 36 percent in the Bay Area to 71 percent in Imperial County.

Figure 6 also shows the locations of the state's public institutions in the University of California, California State University, and California Community College systems. For the most part, the campuses are concentrated within and adjacent to the state's most densely populated regions: the Sacramento metropolitan area in the Sacramento-Tahoe region; the central part of the Bay Area; the coastal section of Los Angeles, Orange, and San Diego Counties; and along State Route 99 in the San Joaquin Valley. Aside from the San Joaquin Valley, these regions also have the smallest shares of residents ages 25–54 who are potential graduates. In other words, the regions with the most potential graduates per capita also tend to have the fewest public institutions. In addition, California's inland regions also have fewer options for pursuing bachelor's degrees. Two regions, Central Sierra and Imperial, lack any public four-year institution, and two others, North-Far North and Upper Sacramento Valley, lack a University of California campus.

Figure 6: Potential graduates are concentrated in the state's interior regions.



Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

What does employment look like for potential graduates?

Compared with college graduates, potential graduates are less likely to be in the labor force, to be employed, and to be employed full time. Potential graduates tend to work in lower-paying service sector and production jobs, and they hold jobs in higher-paying management positions at only half the rate of their counterparts with college degrees.

Potential graduates are less likely to be in the labor force than college graduates. Overall, 79 percent (5.4 million) of California’s potential graduates are in the labor force. That is, they are either employed or are looking for work. This proportion is smaller than the 87 percent labor force participation rate of college graduates.

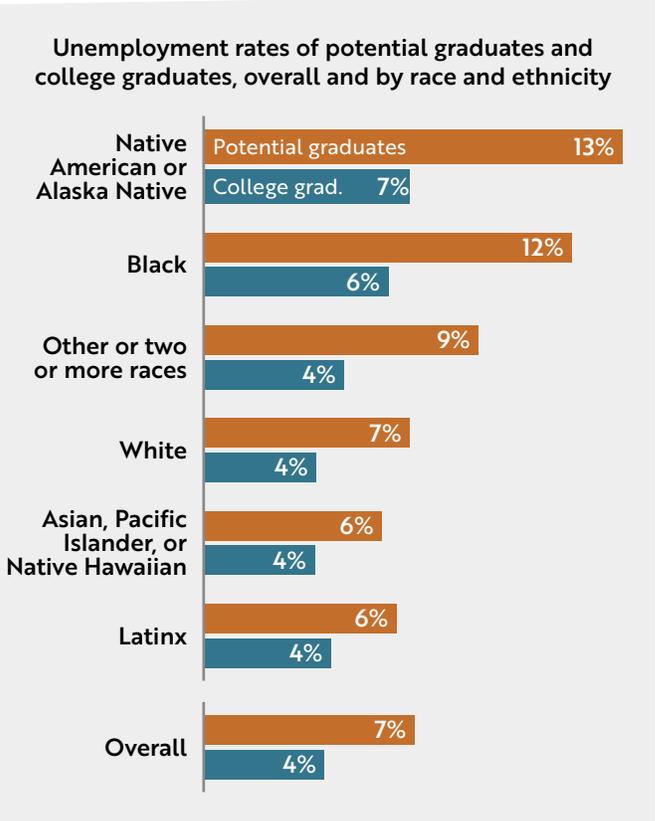
Potential graduates lag in employment and full-time employment. Among those in the labor force, potential graduates are more likely to be unemployed than college graduates. Among those working or seeking work, 7 percent (365,000) of California’s potential graduates are unemployed, compared with 4 percent of all college graduates (figure 7). In other words, potential graduates are 76 percent more likely to be unemployed than Californians ages 25–54 with a college degree.

Potential graduates are also less likely than Californians of the same age with a college degree to work full time (defined as being currently employed and usually working at least 35 hours per week). Seventy-eight percent of potential graduates with jobs (4.1 million) are employed full time, compared with 84 percent of all college graduates (table 1).

Potential graduates’ employment rates vary considerably by race and ethnicity and less so by gender. Asian and Latinx Californians have the highest employment rate (94%), followed by Whites (93%), Blacks (88%), and Native Americans and Alaska Natives (87%). In other words, Black, and Native American and Alaska Native potential graduates are approximately twice as likely to face unemployment compared with Asian, Latinx, and White potential graduates.

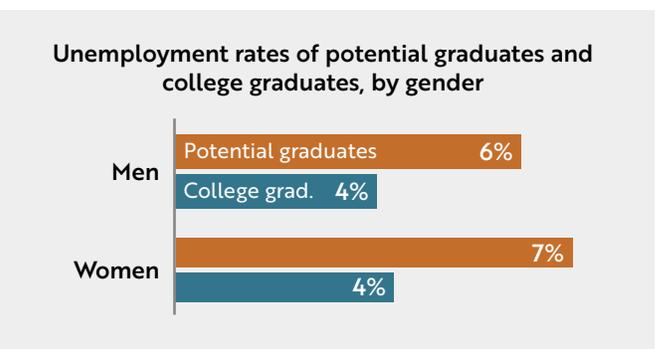
The differences in employment rates between men and women are less pronounced but still meaningful. Among potential graduates, 94 percent of men and 93 percent of women are employed (figure 8).

Figure 7: Potential graduates of every race and ethnicity are more likely to be unemployed than college graduates.



Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

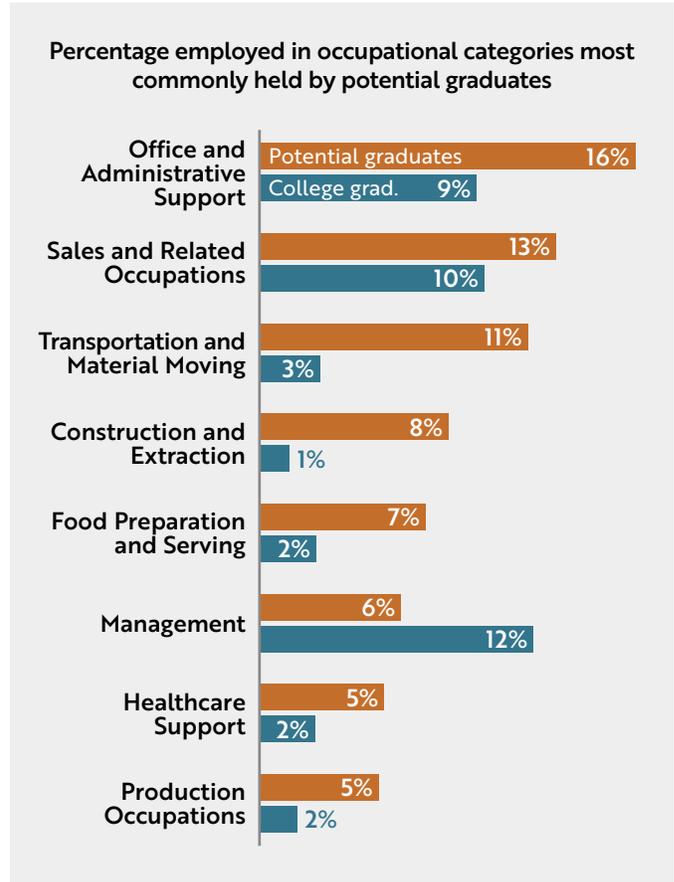
Figure 8: Among both men and women, potential graduates have higher unemployment than college graduates.



Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

Potential graduates are more likely to work in lower-paying service sector and production positions and less likely to work in higher-paying management positions than their counterparts with degrees. Office and administrative support is the most common occupational category for potential graduates, accounting for 16 percent of jobs held by potential graduates (figure 9). The next most common occupations for potential graduates are sales and related occupations (13%), followed by transportation and material moving (11%), construction and extraction (8%), food preparation and serving (7%), management (6%), and healthcare support (5%). In contrast, college graduates are most likely to work in management (12%), sales and related occupations (10%), and office and administrative support (9%), with few employed in construction and extraction (1%), food preparation and serving (2%), or healthcare support (2%).

Figure 9: Potential graduates are clustered in lower-paying service sector and production jobs.



Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

Table 1: Potential graduates differ in many ways from college graduates.

Characteristics of Californians ages 25–54 with at least a high school diploma or equivalent, by highest educational attainment	Highest educational attainment (percentages unless otherwise stated)		
	Potential graduates (high school education but no degree)	College graduates (associate's degree or higher)	Overall (at least a high school education)
Age			
Median (years)	38	38	38
Ages 25–34	39%	37%	38%
Ages 35–44	30%	33%	31%
Ages 45–54	31%	30%	30%
Highest educational attainment			
High school diploma	43%	0%	22%
Attended college for at least 1 year	38%	0%	19%
Attended college for less than 1 year	13%	0%	6%
GED or other high school equivalency	6%	0%	3%
Associate's degree or higher	0%	100%	50%
Gender			
Men	53%	47%	50%
Women	47%	53%	50%
Race or ethnicity			
Latinx	45%	19%	32%
White	34%	48%	41%
Asian, Pacific Islander, and Native Hawaiian	10%	25%	18%
Black	7%	5%	6%
Native American and Alaska Native	< 1%	< 1%	< 1%
Other or two or more races	3%	3%	3%
Immigrant status			
Emigrant to United States	30%	32%	31%
Naturalized citizen	14%	18%	16%
Not a citizen	16%	13%	15%
Born in United States or to US citizens	70%	68%	69%
Income (median value in 2018 dollars)			
Personal	\$26,359	\$56,746	\$37,474
Household	\$76,995	\$126,637	\$92,214
Employment			
In labor force	79%	87%	83%
Unemployment rate (among those in labor force)	7%	4%	5%
Full-time employment rate (among those employed)	78%	84%	78%
Selected occupation category (among those employed)			
Office and administrative support	16%	9%	12%
Sales and related occupations	13%	10%	11%
Transportation and material moving	11%	3%	7%
Construction and extraction	8%	1%	4%
Food preparation and serving	7%	2%	5%
Management	6%	12%	9%
Healthcare support	5%	2%	4%
Production occupations	5%	2%	3%
Parental status			
Has children under 18	57%	52%	54%
Has children under 5	22%	21%	21%
Women with children under 18	59%	54%	56%
Men with children under 18	54%	50%	52%
Internet access			
Has high-speed internet access	84%	92%	88%
Poverty status			
Income below poverty level	13%	6%	10%
Received food stamps	15%	4%	10%

Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

What challenges do potential graduates face in accessing higher education?

Postsecondary degree programs tend to be designed for students who enroll immediately after high school and who do not juggle multiple life obligations. Due to the structure of higher education, common circumstances of potential graduates can make it more difficult to start or continue a degree program. These circumstances include having to care for children (particularly among women), lacking access to high-speed internet at home, and living in poverty. Table 1 compares the demographic characteristics of California's potential graduates with those of Californians ages 25–54 with a degree and all Californians ages 25–54 with at least a high school education.

Potential graduates have to care for children. Over half of potential graduates, 57 percent, have children under 18 years of age, and 22 percent have children under 5 years of age (table 1). The latter are usually too young to attend school and therefore typically need more care. Women potential graduates are 10 percent more likely than men potential graduates to have children. Fifty-nine percent of female potential graduates have children under 18 years of age, compared with 54 percent of male potential graduates.

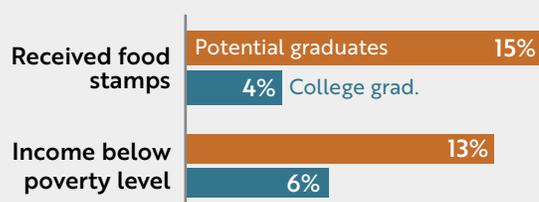
Potential graduates have a lower digital literacy rate. Digital literacy—the ability to complete tasks using computer technology such as email, web browsers, and spreadsheets—is an increasingly critical skill set for success in both education and employment. Moreover, the COVID-19 pandemic has increased Californians' reliance on digital technology for everything from education to healthcare, a trend that will likely persist even after the pandemic subsides. While state-level measures of digital literacy are not available, national estimates show that digital literacy is higher among individuals with college degrees. A 2012 study of US adults ages 16–65 (a wider age range than that for potential graduates) found that 83 percent of high school graduates with no degree are digitally literate, compared with 95 percent of those with a college degree.⁷

Potential graduates might have no high-speed internet access. Sixteen percent of potential graduates lack access to high-speed internet at home, compared with 8 percent of those with college degrees (table 1). With this disparity, potential graduates are twice as likely as those with degrees

to encounter a significant hurdle to online education, telework, and other activities and services. Moreover, since the COVID-19 pandemic forced institutions to offer a large proportion of instruction online in spring 2020, educational opportunities have become even less accessible to potential graduates without a fast internet connection at home.

Figure 10. Potential graduates are more likely to live in poverty and to receive food stamps.

Percentage of potential graduates and college graduates with incomes below poverty threshold and who live in a household that received food stamp benefits



Source: US Census Bureau, American Community Survey five-year estimates (2014–2018).

Potential graduates may live in poverty. More than one in eight potential graduates (13%) lives in poverty (figure 10). That is, their cash income falls below an official minimum value that is based on their family composition. To illustrate, in 2018 the poverty threshold was \$12,784 for an adult under 65 and \$25,465 for a family consisting of two adults and two children.⁸ Notably, the poverty rate for potential graduates is more than twice the 6 percent rate for college graduates.

Similarly, 15 percent of potential graduates (1 million) live in a household where someone received food stamp benefits (figure 10). (The food stamps program—formally known as CalFresh in California and the Supplemental Nutrition Assistance Program nationally—provides low-income individuals a monthly stipend to purchase food at grocery stores and other establishments.) This percentage is more than three and a half times the percentage of college graduates who live in a household receiving food stamps (4%).

What policies would help potential graduates complete college degrees?

Many of California's 6.8 million potential graduates have substantial barriers to earning degrees, but most also have assets, such as work experience and previous postsecondary enrollment. The right set of policies would address their barriers and strengths alike. Postsecondary institutions, employers, and the state all stand to benefit if more potential graduates were to complete associate's and bachelor's degrees. A comprehensive solution for the dilemma of educating potential graduates will require a sustained effort and multiple approaches from these and other entities. As a start, institutions, employers, and state policymakers can take several steps to aid potential graduates in pursuing postsecondary education while shrinking California's degree gap.



Institutions should develop policies and structures with potential graduates' needs in mind.

Postsecondary institutions should consider how their policies and structures serve as barriers for potential graduates and explore, design, implement, evaluate, and refine policies, programs, and curricula to increase access and support for this population. Policies such as the following would ease or eliminate some of the obstacles that stand between potential graduates and college degrees.

- » **Offer credit for prior learning.** Also known as prior learning assessment, this policy formally recognizes college-level learning outside the classroom, sends a signal that potential graduates belong in higher education, helps adult students stay engaged, reduces their time to degree, and eliminates wasteful duplication.⁹
- » **Allow students to progress as they demonstrate competency.** Competency-based education (CBE) programs confer credit for showing proficiency in specific knowledge and skills rather than requiring a minimum amount of “seat time” (attending a fixed number of hours each term). Students in CBE programs progress at their own pace. They have higher persistence, complete degrees more quickly, and pay less in tuition and other educational expenses than students in traditional degree programs based on seat time.¹⁰
- » **Recognize previous college experience.** Target potential graduates with postsecondary experience—the 51 percent of potential graduates (3.5 million) who left college without a degree—using tailored recruitment efforts and policies that maximize recognition of previously earned college credits.¹¹
- » **Provide realistic estimates of childcare expenses.** Including childcare in cost of attendance estimates enables the 22 percent of potential graduates (975,000) with young children to budget for this necessity and to qualify for enough financial aid to help cover its substantial cost.¹² Typical childcare costs vary widely by region, facility setting, and the child's age, but they are not trivial and sometimes far exceed the tuition and fees charged by public institutions. To illustrate, the 2018 median price for nine months of care in a licensed California childcare center ranged from \$6,869 (infants) and \$5,574 (preschoolers) in several rural counties to \$17,457 (infants) and \$13,128 (preschoolers) in San Francisco.¹³ Moreover, requirements for reduced capacity and additional safety measures in response to the COVID-19 pandemic are expected to raise California childcare providers' costs by 60 percent, which will likely lead to price increases as these costs are passed on to consumers.¹⁴
- » **Adopt policies that recognize potential graduates' challenges.** Implementing proven educational innovations (and those showing significant promise) would aid potential graduates and other students who tend to struggle in traditional academic settings. A few examples of successful practices include establishing shorter academic terms, which give potential graduates more opportunities each year to enroll or reenroll and leave fewer opportunities for life's challenges to interrupt courses;¹⁵ offering options for evening, weekend, and on-demand online instruction for students with weekday work and family obligations;¹⁶ providing extra advising and tutoring, which can help students avoid mistakes like taking unnecessary courses;¹⁷ and encouraging year-round enrollment, which speeds up the completion of degrees.¹⁸



Employers should support the education of current and prospective employees.

Employers should take concrete steps such as the following to support the education of employees and prospective employees who lack college degrees.

- » **Promote work-based learning.** Introducing or expanding paid credit-bearing activities such as internships, apprenticeships, and cooperative education enable potential graduates and others to “earn and learn,” and allow employers to reach a larger and more diverse talent pool. (Unpaid internships, on the other hand, advantage students who do not need to support themselves or their families, ultimately reducing economic mobility and contributing to income inequality.)¹⁹
- » **Offer tuition assistance and partnerships.** Employers who provide tuition reimbursement or arrange free or discounted tuition with designated institutions contribute to their workers’ professional development and add value to their workplaces. Several large corporations report that their employee higher education benefits more than pay for themselves through savings on recruitment and hiring.²⁰
- » **Share the competencies required for specific positions.** Articulating the specific competencies and skills needed for particular positions (in addition to listing minimum levels of education and experience) is a win-win-win proposition. It enables institutions to design and tailor programs to meet local employers’ needs, which, in turn, improves students’ job prospects and enlarges the pool of qualified job candidates.



State and local governments should expand financial aid for older students and encourage coordination focused on student achievement.

Finally, state and local policymakers should introduce and improve policies to support the specific needs of potential graduates and enhance tools to measure their progress and attainment. Those actions could include the following:

- » **Expand Cal Grants for adults.** Most Cal Grant awards (which make up the bulk of the state’s financial aid program) are restricted to recent high school graduates and students younger than age 28, effectively shutting out most potential graduates.²¹ Ending those limits would open state financial aid to a much larger share of potential graduates.
- » **Coordinate benefits to support potential graduates.** State agencies should better coordinate benefits to better serve eligible potential graduates. Many individuals and households that qualify for one benefit are also eligible for others. However, the fragmented structure of social service programs means there is no comprehensive and systematic approach to identifying prospective recipients and serving them. A coordinated approach to securing these and other benefits would help more potential graduates enroll and persist in college.²²
- » **Build data and coordination infrastructure.** The state should continue its efforts to create a state longitudinal data system (already in the planning stages) and reestablish a higher education coordinating entity (absent since the defunding of the California Postsecondary Education Commission in 2011). An infrastructure for collecting and analyzing education and workforce data would, among other things, provide the vital information needed to design and evaluate interventions for potential graduates.
- » **Encourage employer–postsecondary institution partnerships.** Employers and postsecondary institutions have a shared interest in increasing the number of graduates with the skills and preparation they need to succeed in the workforce, but the two groups do not always coordinate closely. Postsecondary institution–workforce compacts can promote mutually beneficial goals such as increasing work-based learning opportunities, sharing facilities, providing current labor market and career information to faculty and students, and using existing sources of support. Many regions already have employer advisory groups and regional economic development initiatives that can serve as bases for these compacts, and state and local governments can play a role in developing and fostering the compacts.

Efforts to pave the way for potential graduates to complete degrees offer tremendous opportunities to bring economic mobility to millions of Californians and their families while addressing employers’ growing need for a college-educated workforce. With the proper set of policies and programs, potential graduates will find their way to college degrees and better employment prospects.

Notes

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3. This analysis expands on an earlier snapshot of California's potential graduates: California Competes. (2020). *An untapped opportunity: Californians without a college degree*. https://californiacompetes.org/assets/general-files/CACompetes_Untapped-Opportunity_Final.pdf
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5. This result was calculated with a National Center for Education Statistics (NCES) public-use data file November 11, 2020, using the Adult Training and Education Survey component of the 2016 National Household Education Survey from NCES, Institute of Education Sciences, US Department of Education.
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11. For example, one effort tracked down 20,000 individuals who were nine or fewer credits short of an associate's degree when they left college and invited them to return to complete their degree. Participating institutions located about 10 percent of the group and persuaded them to return to college. Adelman, C. (2013). *Searching for our lost associate's degrees: Project Win-Win at the finish line*. Institute for Higher Education Policy. http://www.ihep.org/sites/default/files/uploads/docs/pubs/pww_at_the_finish_line-long_final_october_2013.pdf
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Acknowledgments

This report was made possible with generous assistance from many others. In particular, Anna Alvarado, Amy Ellen Duke-Benfield, and Peter Weber reviewed an earlier draft and provided numerous helpful suggestions. Amy Welde and Cynthia Williams provided editorial support. Finally, the Bill & Melinda Gates Foundation, the College Futures Foundation, the James Irvine Foundation, the Lumina Foundation, and the Rosalinde and Arthur Gilbert Foundation provided financial support. We deeply appreciate all of these contributions. Any errors are our own.

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