

UC and first-generation students, a formula for economic mobility and public benefit

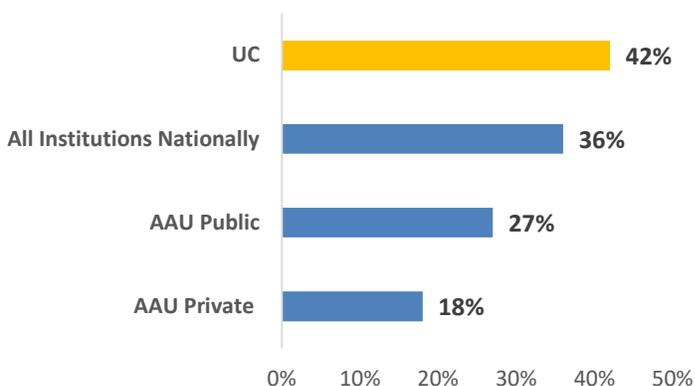
The University of California prides itself on its success in fostering economic mobility for students regardless of income¹ and background. In fall 2017, 50 percent of newly enrolled transfers from community colleges and 39 percent of newly enrolled freshmen – almost 27,400 students – were the first in their families to forge the path towards completing a four-year college degree.

Embarking on this path is one that not only brings first-generation students closer to advancing their economic outcomes beyond that of their parents and developing skills in demand by employers, but one that also enables them to be contributors to the well-being of others through public sector service and contributions to charity. This brief summarizes the personal and economic growth experienced by UC first-generation students, along with their potential contributions to public welfare.

UC provides greater access for first-generation students, who succeed in graduating

Some 42 percent of all UC undergraduate students are first-generation college students, up from 36 percent a decade ago. Figure 1 shows UC enrolls a higher proportion of first-generation undergraduates than other selective public institutions (27 percent) and selective private institutions (18 percent), and more than the national average for all four-year institutions (36 percent)².

Figure 1. First-generation undergraduate enrollment



Note: The Association of American Universities (AAU) represent 60 top research universities in North America.
Source: College Scorecard, 2013-14 and 2014-15 entering cohorts of federal aid recipients

Over the last 15 years, UC's number of first generation students has increased from just over 48,300 to 88,200 or from 31 percent to 42 percent of the undergraduate population. Appendix I shows that growth has occurred across each of the UC campuses.

¹ <https://www.theatlantic.com/education/archive/2018/05/university-california-pell-graduation-enrollment/559325/>

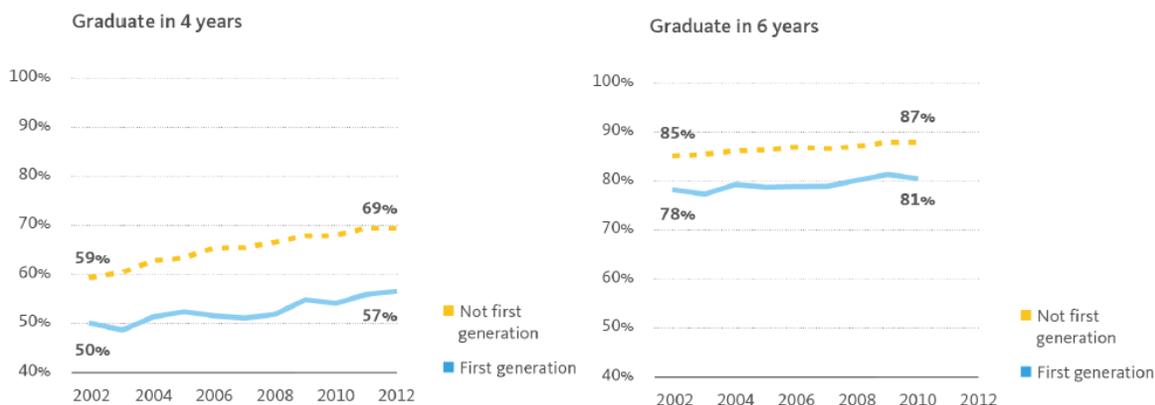
² https://www.ucop.edu/institutional-research-academic-planning/_files/first-generation-student-success-at-UC.pdf

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UC not only makes higher education accessible to first-generation students, but 81 percent of first-generation students graduate within six years. That is an even higher rate than the national six-year graduation rate of 60 percent for *all* undergraduates at public institutions and substantially higher than the national estimates 11 for low-income first generation students to 50 percent for all first-generation students graduating within six years.

While graduation rates have increased for all UC undergraduates (see Figure 2), there remains a twelve-point gap between first-generation and non-first generation students at four-years. This gap declines, however, to six points by the six-year mark, though the average time to degree is almost a quarter longer for first-generation students (4.22 years compared to 4.09 years). Efforts to continue to reduce that gap and time to degree and increase graduation rates are currently underway. The University recently launched the FirstGen campaign³ to connect first-generation students to faculty and staff mentors, and to campus resources that can help support them throughout their educational journey.

Figure 2. Graduation rates for first-generation students and other UC undergraduates entering from 2002 to 2012



Source: UC Data Warehouse

UC first-generation graduate earnings are comparable to peers and often exceed their parents

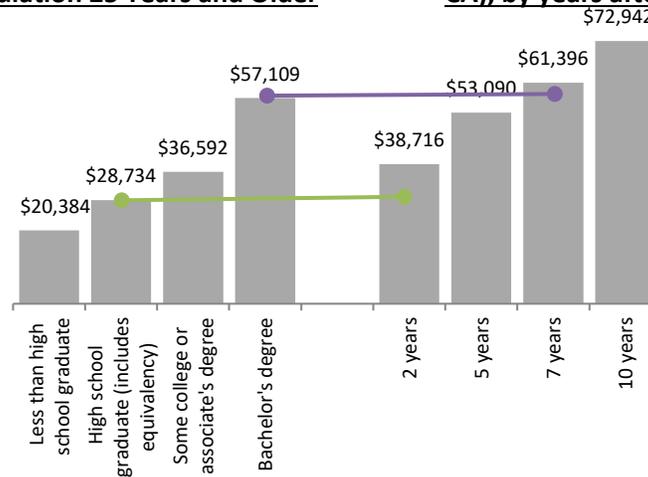
A UC degree offers considerable economic benefits compared to attending other colleges and to those not attending college. UC first-generation graduates surpass the median income of California residents with a high school diploma alone - \$29K – by earning about \$38K just two years after graduation. The median earnings of UC first-generation students also exceeds the median income for all California bachelor’s degree holders - \$57K – after seven years (see figure 3). By ten years out, 70 percent of UC first-generation students earn more than their parent’s median household income of \$50K.

³ <https://www.universityofcalifornia.edu/initiative/student-opportunity/first-generation-students>

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Figure 3.

Median Earnings for the CA Population 25 Years and Older **UC First Generation Students (working in CA), by years after graduation**



Source: ACS 5-year estimates 2012-2016, California, Population estimates, ages 25 years & older

Source: California EDD wage data on UC graduate

While UC first-generation alumni go on to earn competitive wages, degree completion matters. UC first-generation students who complete a bachelors degree typically earn \$10K or more than first-generation students who do not complete a degree (see figure 4). Nevertheless, even the students who do not complete their degrees and attend UC, earn more than those with a high school diploma only, by four years after expected graduation. The difference in earnings between degree completers and non-completers over an eight-year period alone translates to about \$95K in cumulative income. This emphasizes the importance of efforts to improve graduation rates, both among first-generation and all other students.

Figure 4. UC post-graduation median income over time, by degree completion*

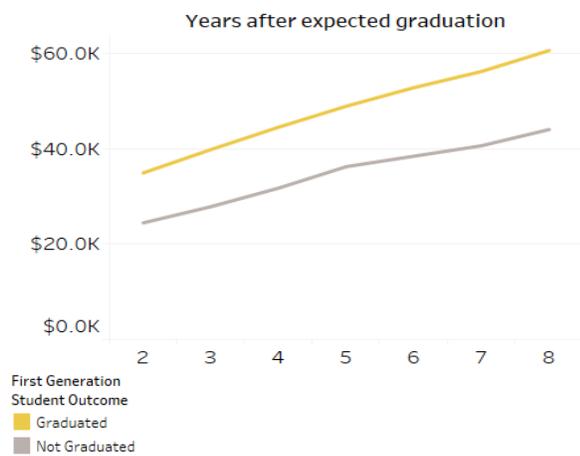
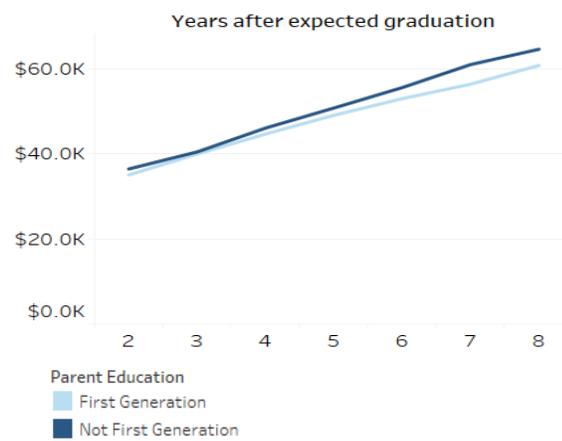


Figure 5. UC post-graduation median income over time*



*Includes alumni working in the United States (both in and outside of CA) Source: CLIMB data

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First-generation students who earn a degree go on to earn initially about the same as students who had a parent graduate from college. Figure 5 shows at five years after graduation, among UC degree earners, first-generation UC graduates earn similar salaries to non-first generation UC graduates. Initially, a UC degree is an equalizer for first-generation students in the marketplace. However, there is some divergence in salaries after year five.

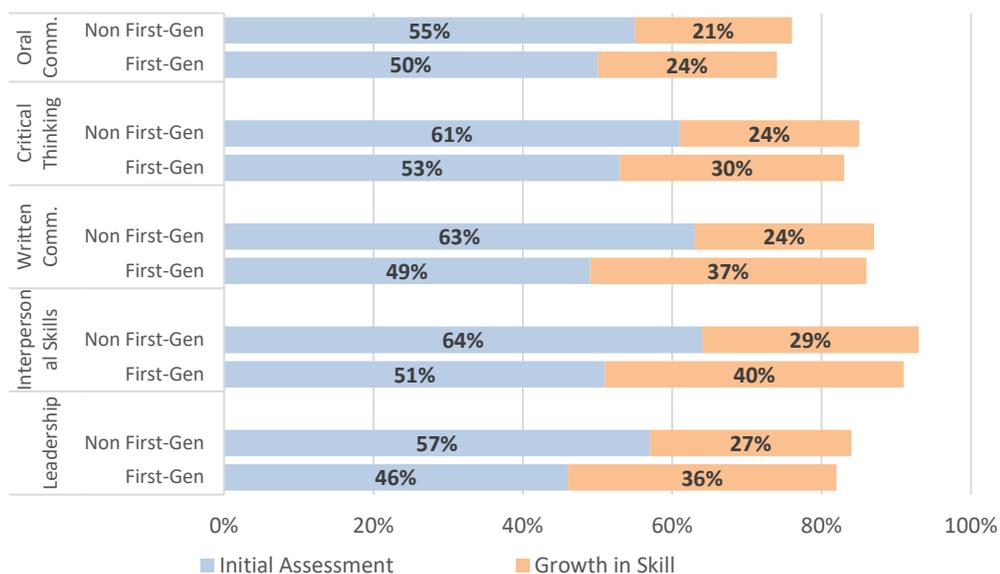
One of the factors associated with that may be the first-generation students are less likely to go to graduate school; on average, 33 percent of first-generation students go on to get a graduate degree after UC compared to 39 percent of non-first generation students. In addition, first-generation students are slightly less likely to complete degrees that garner higher salaries such as J.D.s (3 vs 6 percent), MBAs (3 vs 4 percent), and other health professionals (5 vs 7 percent).

UC first-generation students graduate with skills employers want

According to the 2015 National Association of Colleges and Employers (NACE) survey, the top 5 attributes that employers seek on a candidate’s resume include (1) leadership, (2) ability to work in teams, (3) written communication skills, (4) problem solving skills, and (5) verbal communication skills.

A UC education – both inside and outside the classroom – provide opportunities for undergraduates to skills in demand by employers. UC students report growth in these skills while attending UC. Within the UC Undergraduate Experience Survey (UCUES), respondents are asked to assess their skills upon entry to UC and today. Figure 6 shows UC first-generation students often assess these in-demand skills comparable to non-first generation students.

Figure 6. Student self-assessment of skills and perceived growth of skill at UC



Source: UC Undergraduate Experience Survey, Spring 2016

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Moreover, first-generation students experience even greater perceived growth in leadership, interpersonal and written communication skills than their non-first generation counterparts.

UC first-generation students work in industries that benefit California

First generation students stay in California. Ten-years after enrolling at UC, 87 percent of first-generation students are still living in California. First generation UC alumni work in a broad range of public service oriented careers. Figure 7 shows that at ten years after graduation, 11 percent of UC first-generation graduates are employed in the health care industry, 11 percent in K-12 education, and 9 percent in government.

Figure 7. Employment of first-generation in California at 10 years post-graduation, by broad industry grouping



Source: California Employment Development Department Data

UC first-generation students give back in many ways. In addition to working in public service industries, at least one-third of UC first-generation graduates make charitable contributions, seven years after graduation, which is higher than the national average of 24 percent.

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UC first-generation students find a significant return on investment from their UC education

Concerns about college affordability and debt at graduation may lead some to question the value of a degree. However, evidence shows investing in a college degree – at UC and particularly for first-generation students – is one of the best investments both the individual and the public can make.

UC's strong institutional financial aid program, coupled with support from the state's Cal Grant and federal Pell Grant programs, make UC affordable. Upon graduation, 73 percent of UC first-generation students leave with debt that averages \$17K. Not only is that far less than the purchase price of a standard car, it is manageable when you consider estimated earnings.

Table 1. Debt-to-Earnings

	Total/Annual Est.	Monthly Est.
Average Debt	\$17,000	\$180
Average Earnings	\$38,176	\$3,171
Debt-to-Earning		5.6%

This student loan debt translates to a relatively affordable monthly payment. Assuming a ten-year payoff and a five percent interest rate, the estimated average monthly loan repayment would be \$180. Table 1 above shows the estimated debt-to-earnings ratio is 5.6 percent with annual earnings two-years after graduation estimated at \$38,176, or an estimated monthly gross earnings of \$3,171. This level of debt burden falls well within the manageable range as defined by the University of California's financial aid program, and a number of national financial aid experts.

A small proportion of first-generation students face higher debt burdens (i.e. over ten percent of monthly income). About 11 percent of first generation alumni have debt burdens in excess of 10 percent of their monthly income at five years after graduating from UC. This stems in part from their higher likelihood of being employed in industries that pay lower average salaries. First generation students are more likely to choose to work in service-oriented industries such as K-12 education, health care, and social service that pay lower than average salaries. Some of these graduates may be eligible for the federal public service loan forgiveness program⁴, which may graduates access to alleviate their debt burden.

⁴ <https://studentaid.ed.gov/sa/repay-loans/forgiveness-cancellation/public-service>

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Conclusion

UC provides exceptional access to first-generation students compared to its peers. Access to a UC education helps these students develop skills desired by employers and go on to earn wages comparable to their peers and often higher than their parents. This demonstrates UC's role in advancing economic mobility.

These benefits accrue not only to the first-generation student, but also to the public good by producing gains that benefit society through employment in public service industries and contributions to charity.

These positive individual and public outcomes reinforce the value to the state, students, and their families of investing in UC and supporting its continued efforts to improve the experience and success of first-generation students.

The FirstGen Campaign marks one systemwide effort to support first generation students as they start their college career, providing them access to mentors and resources that can support their experience and future outcomes. This analysis shows continued improvements can be made to increase graduation rates for first generation students, particularly four-year graduation rates for freshman entrants. Advising about income repayment programs and post-graduate opportunities, including the potential impact of graduate degrees on future earnings might further improve student outcomes. To support campus discussions, Appendix II provides UC Information Center resources with campus detail on first generation students.

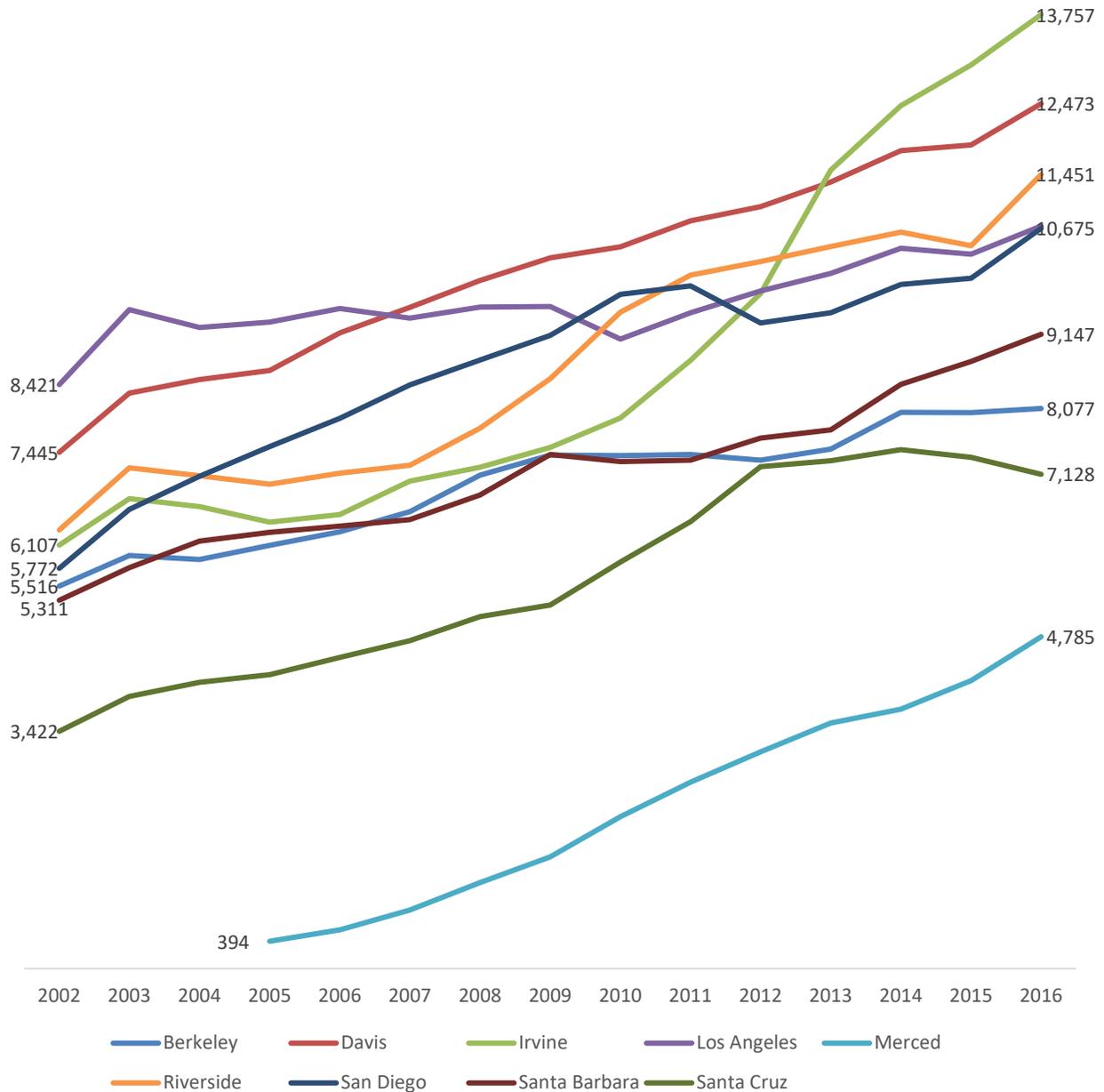
Data Sources:

Data from the California's employment development department (EDD) and National Student Clearinghouse (NSC) has enabled the UC Institutional Research and Academic Planning (IRAP) team to assess the earnings trajectory and industry of employment for UC graduates, along with successful completion of graduate degrees. In addition, a recent partnership with researchers at the Equality for Opportunity Project has resulted in IRAP receiving comprehensive data, including national earnings, charitable contributions, home ownership, retirement contributions and employee health care coverage of graduates and non-graduates.

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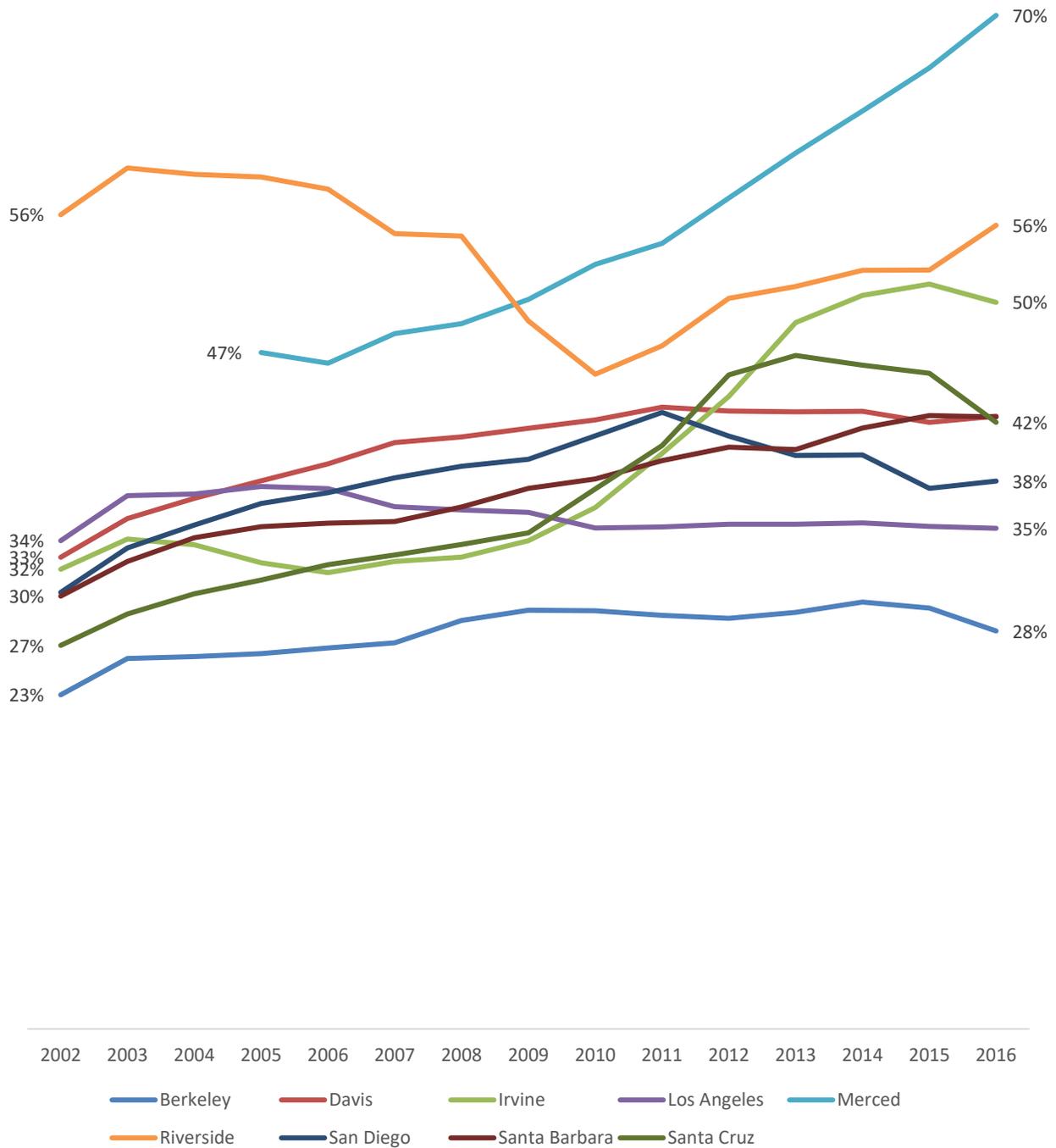
Appendix I

First Generation Undergraduates, Fall Enrollment



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Proportion of First Generation Undergraduates, Fall Enrollment



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Appendix II

UC Information Center Resources with Campus Detail

Admissions Data

Freshman Fall Admissions Summary (<https://www.universityofcalifornia.edu/infocenter/freshman-admissions-summary>)

Transfer Fall Admissions Summary (<https://www.universityofcalifornia.edu/infocenter/transfer-admissions-summary>)

Enrollment Destination of UC Admits (<https://www.universityofcalifornia.edu/infocenter/admit-destinations>)

Enrollment Data

Fall Enrollment at a Glance (<https://www.universityofcalifornia.edu/infocenter/fall-enrollment-glance>)

Summer Enrollment and Outcomes (<https://www.universityofcalifornia.edu/infocenter/summer-enrollment>)

Undergraduate Experience

UC Undergraduate Experience Survey results (<https://www.universityofcalifornia.edu/infocenter/ucues-data-tables-main>)

Student Outcomes

Undergraduate Graduation Rates (<https://www.universityofcalifornia.edu/infocenter/ug-outcomes>)

UC Alumni Graduate Degree Outcomes (<https://www.universityofcalifornia.edu/infocenter/alumni-grad-outcomes>)

CLIMB Mobility Analysis (<https://www.universityofcalifornia.edu/infocenter/climb-mobility-analysis>)