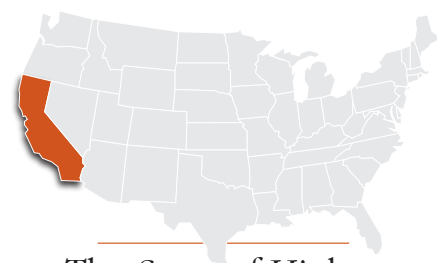


# THE REAL COST OF COLLEGE

*Time & Credits to Degree at California State University*

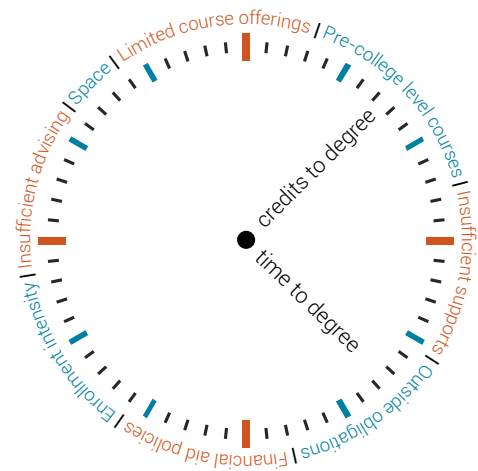
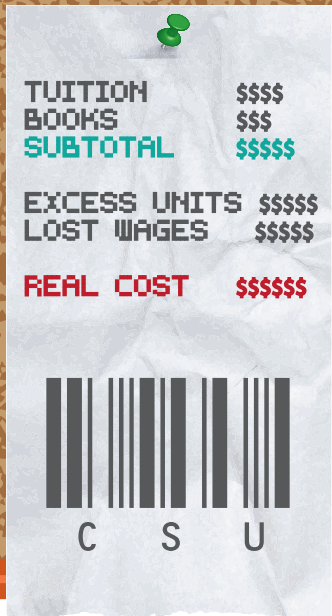
JULY 2014



The State of Higher  
Education in California

Taking extra time and credits to earn a degree is costly and makes college less affordable. The longer students are enrolled in college, the more they will pay for tuition, fees, books, and other education-related expenses. Students also forgo potential wages they could have been earning because they are in school and not in the workforce. And, for students who work, they miss out on the higher earning potential that a college credential provides.

Traditionally, students seeking bachelor's degrees spent four years in the classroom and earned 120 semester credits. But students who attend the California State University (CSU) system are taking an extended amount of time to complete their degrees and graduating with more than the required number of credits. **First-time California State University students who earned a baccalaureate degree in the 2011-12 academic year took a median of 4.7 years to do so and graduated with a median of 135 credits.** That means that among the 30,000 graduates, half of them spent longer than 4.7 years and accumulated more than 135 credits on their path to degree. Those who took longer than four years to graduate spent a collective 22,126 more years in school and over \$220 million more in tuition, fees, room and board than they would have if they had finished in four years.



## *What might cause extended time and credits to degree at California State Universities?*

Many factors contribute to students taking more time and accumulating more credits than necessary to complete their degrees: current financial and space limitations, limited course offerings, enrollment in pre-college level coursework, insufficient student supports and advising, increased obligations outside of school, financial aid policies, and level of enrollment intensity.

## *Why do extended time and credits to degree matter?*

### Higher Costs to Students

Tuition at the CSU campuses are charged at a flat rate depending upon whether the student enrolls up to six credits or more than six credits. By taking fewer credits in each period, and extending the number of semesters they are enrolled, students are leaving money on the table and increasing their tuition expenses. However, living expenses make up the largest portion of CSU students' budgets and as a result, indirect expenses over extended amounts of time actually compounds the total cost of education significantly. The other cost to students of extended time spent in higher education is foregone wages—wages students do not earn while they are attending school instead and additional income that a student does not earn because he/she has yet to obtain a college degree.

**Every additional year of enrollment in college increases the total cost by more than \$26,000** in tuition, fees, books, and living expenses, as well as more than \$22,000 in lost lifetime wages. A CSU student who takes six years to earn a bachelor's degree will spend an additional \$58,000 more on tuition, fees, books and other expenses, and will earn \$52,900 less, over his lifetime, than someone who graduated in four years. As a result of these additional two years, this student will incur \$110,900 in extra expenses and lost wages.

For example, at California State University, Long Beach

A student who graduates...	Spends approximately this much out of pocket*	...this amount more than graduating on time	Will earn this much more over his/her lifetime as a result of having a baccalaureate degree...	...this amount less than graduating on time	Combination of extra educational expense and lost wages
...in 4 years	\$72,600	—	\$1,348,600	—	—
...in 5 years	\$99,300	\$26,700	\$1,325,800	(\$22,800)	\$49,500
...in 6 years	\$130,600	\$58,000	\$1,295,700	(\$52,900)	\$110,900
...in 7 years	\$167,400	\$94,800	\$1,285,300	(\$90,300)	\$185,100

Notes: 1) Estimates are for an 18 year old student who will attend full-time and will not work during college; 2) The tool assumes the retirement age at 64 and no unemployment throughout one's lifetime once the degree was earned. 3) Figures in table have been rounded.

\* Net price of tuition, fees, books, supplies, room and board, transportation and other expenses.

Source: Student Cost Model Tool (IPEDS average net price by income level and American Community Survey state-level wage estimates).

## Higher Costs to the State

The more credits students take, the more it costs the state. Even a slight reduction in the number of excess credits could increase both physical and financial capacity at the university. Reducing average credits to degree by one percent (the equivalent of one credit), from 135 to 134, frees up \$20 million in state expenditures at CSU which could potentially provide enrollment to more than 3,200 additional full-time students. A 10 percent reduction in credits would have bachelor's degree graduates completing with 121 credits (close to the original 120 required for a bachelor's degree) and could provide capacity for 45,000 additional full-time spots—that is the almost equivalent to the total undergraduate enrollment at both the CSU Los Angeles and Long Beach campuses combined.

If average credits to degree at CSU campuses were reduced by...

	1%	5%	10%
Average Credits	134	128	121
Student Savings	\$12,000,000	\$84,000,000	\$168,000,000
Reinvestment in CSU	\$20,000,000	\$140,000,000	\$280,000,000
Additional Space for Full-Time Students	3,204	22,428	44,856

Source: State Cost Model Tool.

## Recommendations to decrease time and credits to degree

1. Ensure the effective and efficient use of state funding, with the aim of improving timely degree completion.
2. Encourage 15-credit enrollment and academic progress for students.
3. Improve college readiness and encourage clear pathways to degree at each California State University campus.
4. Provide information on time to degree to students, policymakers and researchers.