

WORKING HARD, LEFT BEHIND

Education as a pathway from poverty to prosperity for working Californians

EXECUTIVE SUMMARY

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The Campaign for

College
Opportunity

In partnership with:

the WOMEN'S
FOUNDATION
of CALIFORNIA

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KEY FINDINGS

There are **4 million** working families in California



are considered low-income

Of the 1.87 million low-income families in the state, 73% are a part of the labor force.



WORST IN THE NATION

California has the **highest number of working low-income families** in the US.

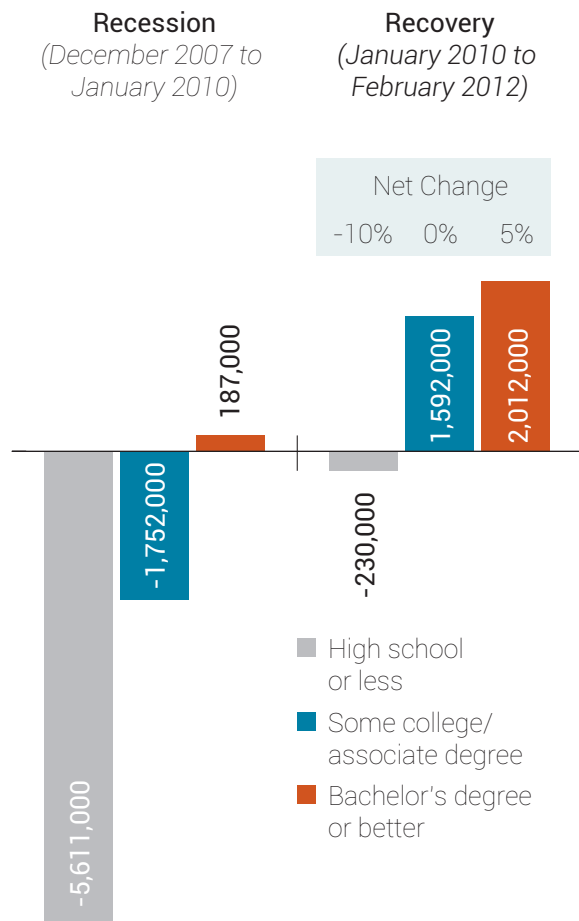
- Nearly half are without a high school diploma or GED.
- 60% have no postsecondary education.

More than 3.2 million children, or **40 percent of all children under the age of 18** in California, are in working low-income families.



THE PATHWAY TO PROSPERITY

Even during the recovery, those without a college education continued to lose jobs



Source: Carnevale, Anthony P., Tamara Jayasundera, and Ban Cheah. Georgetown Center on Education and Workforce. (2012). *The College Advantage: Weathering the Economic Storm*. Washington, D.C.

California is on track to face a **shortage of 2.3 million college graduates** needed to meet the state's productivity demands in 2025.

The Road Ahead: Higher education, California's promise, and our future economy, California Competes



To read the report
and our recommendations, please visit
www.collegecampaign.org.

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California has proven itself to be a land of opportunity where hard work delivers prosperity and nurtures innovation. The era of abundance and opportunity during the 1950s-60s exemplified what the Golden State had to offer. Significant public infrastructure and social investments defined the era, particularly for the state's public higher education system, where Californians who wanted to go to college and prepare for good jobs could do so. Today, however, the promise that working hard will help Californians move up the economic ladder is far from reality for too many families.

California's human capital has secured the state's spot as the ninth largest economy in the world in 2011, attracting more venture capital than the rest of the nation combined in 2008. At the same time, California leads the nation in a less-promising statistic: **ranking first in the country in the number of working low-income families**. While there is great opportunity, wealth, and innovation in the Golden State, this success has not reached everyone; **the California Dream is in severe danger of slipping away**.

More than a third of California's working families are considered low-income, earning less than \$45,397 a year for a family of four in 2011. Additionally, California has the largest number of adults without a high school diploma or equivalent in the country. More than 1 out of 10 adults over 24 years of age have less than a ninth grade education, and of the 24 million adults aged 18-64, almost 1 in 5 have not earned a high school diploma or its equivalent. This crisis of inequity is both a social justice and economic imperative, creating a bleak outlook for the future of the state.

Completing a certificate or college degree vastly improves an individual's earning power over the course of their lives and significantly reduces the amount of time

they will spend living in poverty. This improved level of economic success benefits the state through greater tax revenue and lower expenses for social services, and helps to build a vibrant economy.

The challenge facing California today is how to educate and train the state's undereducated and under-skilled populace in order to meet the growing demand for highly educated workers. By 2025, in just 12 short years, California is projected to have a shortage of 2.3 million college graduates in the state's workforce if the number of young and older adults who go to college and complete a higher education is not significantly increased.

Despite the clear benefits of increasing the state's higher education attainment rate, the two major pathways for adult education in California—the K-12 school districts and the California Community Colleges—do not have a strategy to increase the rate of the adult learner population's enrollment into, and completion of, higher education.

Working Hard, Left Behind identifies the extent and composition of California's working low-income families and the opportunities, or lack thereof, that exist in the state to help move working low-income families to greater economic security through higher education.

Economic security should not be out of reach for people who are working hard, because if their success remains unattainable, the state's future well-being is threatened. California must increase pathways to and through higher education, and enact a comprehensive strategy of policy reform, program innovation, and public education designed to help struggling adults gain the education needed for complex and technical high-wage jobs that will help working low-income families achieve the California Dream of economic prosperity. The full report considers six policy and programmatic areas key to a comprehensive strategy:

1. Adult education and basic skills/remedial education;
2. Community college access and completion;
3. Federal funding including Temporary Assistance to Needy Families, Workforce Investment Act funds, and Pell Grants;
4. Financial aid for working adults or non-traditional students;
5. Student supports including guidance counseling and orientation to and through college; and,
6. Child care.

Recognizing that education is a key solution to helping low-income families achieve greater economic prosperity, the following recommendations are offered for the consideration of California policymakers in order to overcome obstacles to access and completion for low-income adults, and are meant to be taken as part of a broader, long-term approach to building a foundation for economic success:

1. **Improve the coordination and pathways between high schools, adult education, two-year colleges, and four-year universities** with regard to early college preparation, assessment, transfer, and preparation for future workforce needs;
2. **Develop a comprehensive strategy, that includes innovative approaches, to improve the delivery of basic skills/remedial education** to significantly increase the number of students successfully moving onto college-level coursework;
3. **Develop a robust, statewide data system** to track progress and outcomes of all students, including by socioeconomic impact, over time and between different educational systems;
4. **Create a public agenda for higher education** that sets clear goals—and monitors progress toward those goals—for preparing high school students for college, transitioning adult students into higher education and the workforce, increasing the number of certificate and degree completions, and aligns state policies and budgets needed to reach them;
5. **Improve and expand financial aid options for non-traditional students** (such as older, working adults), including better leveraging of federal student aid and workforce training dollars; and,
6. **Prioritize educational resources that support student success and completion** including orientation, counseling and advising services, and other support services that help close information gaps for low-income students.

Californians are working hard, but still falling behind in economic success and are therefore unable to achieve the California Dream. The ranks of the working low-income are at a disturbingly high rate. At the same time, employers are unable to fill good jobs because they lack qualified applicants.

These recommendations could substantially increase the job prospects for millions of Californians, create a workforce more aligned with employer needs, and reduce the number of working low-income families.

There is still hope that, for those who work hard, the California Dream can still be achieved. Through reforms in adult and college education and training, the Golden State can once again live up to its unique promise of prosperity.

ABOUT THIS REPORT

The Working Poor Families Project is a national initiative focused on state workforce development policies involving: 1) education and skills training for adults; 2) economic development; and, 3) income and work supports. As a partner in the national Working Poor Families Project in California, the Campaign for College Opportunity conducted an in-depth assessment of the economic conditions and state policies affecting working families. This report is the product of that assessment, which identifies where California's investments and policies stand in relation to other states and the nation. Most importantly, this report recommends actions for improving state policies and program operations.

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The Campaign for College Opportunity

Ensuring that the next generation has the opportunity to go to college and succeed, and that California produces an additional 2.3 million college graduates by 2025

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