

PRESS RELEASE

The Campaign for

**College
Opportunity**

663 13th St., First Floor
Oakland, CA. 94612
Phone: (510) 645-1362
Fax: (510) 645-1368

Contact: Anne Purdy or Voleine Amilcar
Phone: (415) 901-0111

FOR IMMEDIATE RELEASE
November 30, 2005

New Study Finds that Boosting College Going Will Yield Triple Returns for California Taxpayers

Campaign for College Opportunity Launches 20-City Tour to Present Draft Bipartisan Plan to Increase College Access and Graduation

(Oakland, CA) – For every dollar that California invests in educating more college students, the state will receive three dollars in net return, according to a new landmark study conducted by UC Berkeley researchers Henry Brady, Michael Hout and Jon Stiles. The study, called “Return on Investment: Educational Choices and Demographic Change in California’s Future,” includes a detailed analysis of the costs and benefits to California taxpayers of increasing the number of students attending college and completing a degree. Each step of the analysis uses powerful demographic and economic methods, that, when put together, produce the most sophisticated picture ever produced on why and how higher education matters for California.

The report release will immediately be followed by a 20-city Campaign for College Opportunity tour to inform California civic and business leaders about the study findings and to present a complementary draft bipartisan plan to prompt dialogue on specific solutions for action by the Legislature, Governor and education leaders to ensure college access.

“This study shows that right now California has a growing population of college-age young people,” said Henry Brady, director of UC Berkeley’s Survey Research Center and one of the study’s co-authors. “The state has a precious opportunity to invest in these students. For every dollar California spends keeping its college promise, the state gets a net return of three dollars on that investment. If we fail to do so, all Californians will pay the price.”

According to the “Return on Investment” study, attainable investments in higher education will yield three times more net return to California taxpayers than they would initially cost. Achievable gains in college-going for each group of 18-year-olds in California will yield \$3 billion in additional net tax revenue over their lifetimes. The study also finds that this investment will pay off surprisingly quickly: By age 35, California college graduates will have repaid California taxpayers’ initial investment in full.

“This report merits serious attention by California residents and policymakers,” said Larry McCarthy, president of the California Taxpayers’ Association. “Expanding the number of students attending and completing a degree at our state’s community colleges or universities is a wise investment with positive returns for all California taxpayers. There is good news here. We can get this job done if we work together.”

In 10 years, the state's 18- to 24-year-old population is expected to exceed 4 million, an increase of 27 percent since 2000. California is at risk of failing to educate a large proportion of these young people, leaving them ill-prepared to meet the workforce demands of the 21st century. The state now has a chance to turn things around. The demographic analysis finds that increased college-going is not only a smart investment, but an attainable one necessary to restore California's quality of life.

In addition to the benefits to the state, the study quantifies the "quality of life" benefits for expanded college opportunity. College-educated Californians have an increased chance of earning more money, having more secure careers and owning their own homes.

On the flip side, if enrollment stalls at current capacity, the state will actually lose – not save – money. According to the study, due to reduced tax revenues and increased costs for social welfare and incarceration, the state faces a net loss of two dollars in the long run for every dollar it failed to spend in the short run.

"In 1960, our state made a promise to its people: that every Californian who wants a college education can receive one. This Governor and Legislature now have a window of opportunity to do the fair and right thing by California's young people by making sure that they have an opportunity to go to college," said CCO Executive Director Abdi Soltani.

Soltani also announced the Campaign's 20-city "Invest in the Future" Tour that begins today to present a bipartisan College Opportunity Plan to prompt dialogue among California business and community leaders on specific solutions for action by the Legislature, Governor and education leaders to ensure college opportunity. The four-point plan includes recommendations for college participation levels, efficiencies, state funding, and student fee revenue coupled with financial aid.

The plan will be a bipartisan roadmap to get California on course to prepare a college-educated workforce and restore quality of life for all Californians. The Campaign also released county-by-county projections for the growth in the 18-24 year old population, as well as previously released data on higher education performance by region.

Local human-interest stories of successful community college and university alumni who are returning the investment to their communities and the state are available in most media markets.

For more information on the "Invest in the Future" events or the College Opportunity Plan, please contact Elisa Bongiovanni at 510-645-1362 or elisa@collegecampaign.org.

###

The Campaign for College Opportunity is a bipartisan, broad-based effort solely devoted to ensuring access to college as promised by the 1960 Master Plan for Higher Education. The Campaign was founded by the California Business Roundtable, the Mexican American Legal Defense and Educational Fund, and the Community College League of California.

For more information on the Campaign, please visit: <http://www.collegecampaign.org> or <http://www.nuestrofuturo.com>