

The Campaign for

# College Opportunity

## “Return On Investment” An Asian/Pacific Islander Snapshot

### Introduction

A landmark study by UC Berkeley researchers titled, “Return on Investment: Educational Choices and Demographic Change in California’s Future” looks at the state’s demographic future and the return on investment for expanding college opportunity. ***The study finds that for every dollar spent increasing the number of students attending college and completing degrees, the state gets three dollars in net return on that investment.***

The report also provides critical demographic projections for the State’s future population. During the 1990s, California became a minority-majority state as the non-Hispanic White population fell below 50%. By 2000, the population of California was 47% non-Hispanic Whites, 32% Latino, 12% Asian, and 7% African American. The California population is expected to grow to 43 million by the year 2020 and to 55 million by the year 2050, with most of this growth driven by increases in minority populations.

Because of the tremendous growth in the population and the changing demographics, it is important to analyze specific trends occurring within ethnic groups. This sheet provides a quick snapshot of some of the trends in the Asian/Pacific Islander (API) population.

### Population Growth

The API population in California has grown tremendously in the past few decades. They comprise a significant number in the population and their levels of college-going and rates of degree completion are the highest amongst all ethnic groups, including non-Hispanic Whites. Although the study does not differentiate between Asian ethnic groups, where significant disparities exist, as a group API’s are doing well in terms of college participation. Amongst the college-going age group (18-24 year-olds) analyzed in this study there are key findings for the API community.

- The overall California population will grow by nearly 30% between 2000 and 2020 and by 50% from 2000 – 2050, and the rate of growth among the API population is expected to exceed that overall growth.
- The college age group will grow by 27% growth by 2014, but this growth will be smaller for Asians and Pacific Islanders, who will increase by only 20%. This growth is still larger than expected for non-Hispanic Whites, who will only increase by 2%.

### High School Graduation and College Going Rates:

The study finds that while the number of adults over the age of 25 with a high school diploma has increased from 63% in 1970 to 81% by 2004, there are vast differences in these rates between ethnic groups. API’s have the highest high school graduation and college-going rates in the state, surpassing non-Hispanic Whites.

- The ratio of public high school graduates to the 18 year-old population has jumped from 52% in 1985 to 65% in 2003 among all ethnic groups. Estimates of graduation rates differ from source to source, but place rates for API’s up to 9 percentage points higher than non-Hispanic Whites.

- One of the indicators of college preparedness is the rate at which high school students complete the A-G curriculum required by the UC and CSU system. These figures vary by ethnicity, with 56% of API public high school graduates in 2003/4 fulfilling the A-G requirements versus 40% for non-Hispanic Whites.
- Nearly 80% of 18 year-old Asians will go to public college in California, with 42% enrolling at a Community College, 16% going to a Cal State University and 21% to a UC.
- Over 60% reach a 4-year university and from those, 70% earn a Baccalaureate Degree.

### **Lifetime Earnings**

Various studies, including this one, have closely indicated the benefits of educational attainment for the individual. This study finds that wealth and poverty are closely related to a person's educational level. In summary, the more education achieved by an individual, the increased likelihood of higher lifetime earnings, fewer interruptions in their careers, better jobs overall, and increased home ownership. This study also finds additional evidence that identifies the benefits for API's. Specifically,

- The lifetime earnings for an Asian/Pacific Islander with a B.A. are almost double that of an ethnic compatriot with a High School diploma and three times that of one who failed to finish high school.
- For a native born API the lifetime earnings range from \$630,000 for an individual who did not finish high school to \$1,879,500 for one who earned their B.A. ***This represents a total difference of \$1,249,500 million dollars more over their lifetime for earning that Baccalaureate degree.***

### **Conclusion**

The study makes it clear that the return on investment is very positive for the state. For ***every dollar spent increasing the number of students attending college and completing degrees, the state gets three dollars in net return on that investment.*** This snapshot provides important information regarding the Asian/Pacific Islander population in California. Given what we know about the positive return on investment, the future workforce needs, and the growing number of young adults, we must continue to encourage and support college participation and success amongst Asian/Pacific Islanders, and identify strategies that ensure greater college participation and success amongst all ethnic groups in the state.