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Office of the President

TO THE REGENTS OF THE UNIVERSITY OF CALIFORNIA:

DISCUSSION ITEM

For Meeting of July 15, 2026

REPORT ON RETENTION AND GRADUATION RATES

EXECUTIVE SUMMARY

UC 2030 goals have set the stage for advancing educational attainment, workforce preparation, and economic mobility for Californians. Since adopting those ambitions, the University of California has increased degree attainment and improved graduation rates despite the unprecedented disruptions caused by the COVID-19 pandemic. Retention rates—an early indicator of future graduation outcomes – have rebounded, with first-year freshman retention reaching a record 93 percent and transfer retention rates remaining strong at 95 percent. Four-year freshman and two-year transfer graduation rates have reached record highs, overall graduation rates continue to move closer to the University's 90 percent target, and UC remains on track to award 1.2 million degrees by 2030.

These gains reflect the positive impacts of campus advising, student support services, academic recovery initiatives, and reforms to gateway courses and these efforts have been supported by a variety of State, federal, philanthropic, and institutional resources. Maintaining timely graduation rates and narrowing graduation gaps that have persisted for certain groups will require sustained investment in strategies that are available to all students who need them, particularly as campuses respond to persistent challenges in academic preparation that reflect underlying inequities in investments in K–12 programs[1] which were magnified by the pandemic.

BACKGROUND

On the occasion of the University's 150th anniversary in 2018, UC leadership assessed the needs of California's economy and set ambitious goals to address a projected gap in college-educated workers. The baby boom generation was approaching retirement age, and estimates showed that their exit from the workforce would create a statewide shortfall of approximately one million college graduates by 2030. In response, UC committed to producing an additional 200,000 degrees beyond the one million already projected for 2030, in part by improving retention and graduation rates. Based on campus input, the University of California set aspirational goals to improve overall and timely graduation rates, particularly for Pell Grant recipients, first-generation students, and students from groups historically underrepresented in higher

[1] https://calmatters.org/education/k-12-education/2026/06/unequal-school-funding/

education—specifically African American, Hispanic/Latino(a), and American Indian/Native American students—who collectively represented the majority of California public high school graduates.

The goals included:

- a 90 percent overall graduation rate for freshmen and transfers
- a 76 percent four-year freshman graduation rate and a 70 percent two-year transfer graduation rate; and
- closing gaps in timely completion for Pell Grant recipients, first-generation students and members of groups historically underrepresented in higher education

Since the adoption of the UC 2030 goals, higher education has experienced a period of extraordinary disruption and change. The COVID-19 pandemic affected educational systems at every level, impacting students already at UC, as well as students along every point in the pre-college pathway. In 2021, the California Governor's Council for Post-Secondary Education addressed this concern in its Recovery with Equity report[2], which emphasized the critical role higher education institutions needed to play in postsecondary preparation, degree attainment, and workforce readiness, particularly for students from communities with lower rates of college attendance which were also those disproportionately affected by the pandemic.

In 2022, the University of California created its UC 2030 Capacity Plan[3], which detailed how the University would expand access to Californians through traditional and non-traditional enrollment growth. In addition, the University agreed to incorporate timely graduation rate goals and efforts to close equity gaps into the Multi-Year Compact[4] with the Governor in 2022. As part of the Compact, UC set the intermediate goal to reduce the remaining gap between current outcomes and the UC 2030 goals by 50 percent by the end of the 2025–26 academic year.

This written item will provide the latest data on UC retention and graduation rates, including progress made to date and challenges to achieving aspirational goals.

RETENTION AND GRADUATION RATES

Improved retention and graduation rates are critical to achieving degree attainment goals. Given the challenges of bringing students back once they withdraw from enrollment, retention rates create a practical ceiling on the graduation rates institutions can achieve. As an early measure of student persistence, they also offer a valuable predictor of future graduation performance.

UC retention rates are at or approaching an all-time high

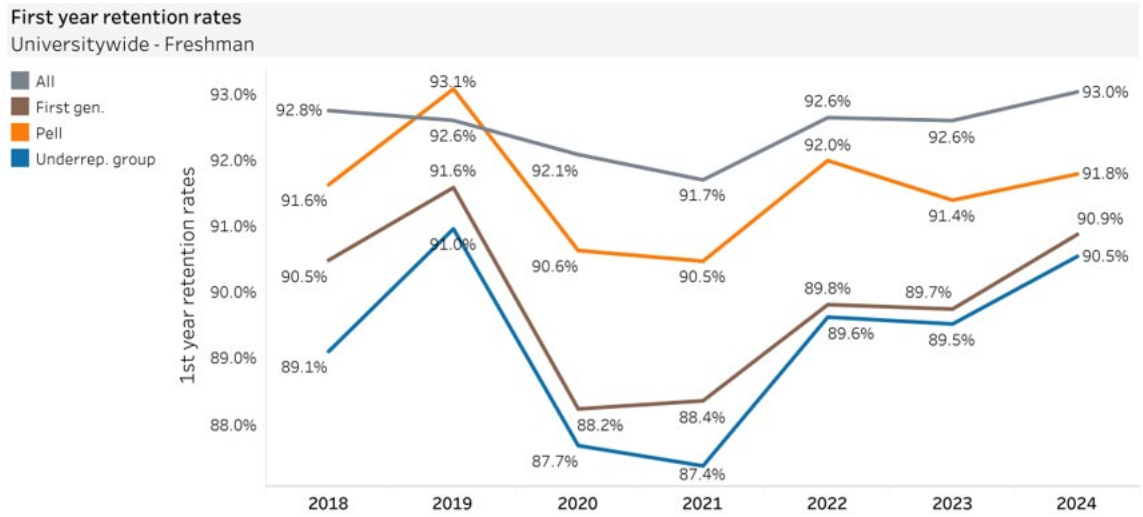
The impact of the COVID-19 pandemic is particularly evident in first-year retention rates. When UC shifted to remote instruction in spring 2020, faculty and staff rapidly adapted courses,

[2] https://careereducation.gov.ca.gov/wp-content/uploads/sites/18/2021/03/Recovery-with-Equity_2021Mar25-12pm.pdf
[3] https://regents.universityofcalifornia.edu/regmeet/july22/b5attach2.pdf
[44] https://dof.ca.gov/media/docs/programs/education/UC-Compact-May-2022.pdf

student services, and support programs to a virtual environment. These efforts helped sustain student engagement and contributed to an increase in first-year retention for the fall 2019 cohort.

However, retention rates declined for subsequent cohorts all or part of their final years of high school in remote learning environments during the pandemic. The transition to in-person instruction and campus life proved challenging for many of these students, contributing to lower first-year retention rates. In response, UC campuses expanded first-year support services, strengthened student success initiatives, and implemented policy changes aimed at improving persistence. These efforts have contributed to a rebound in retention rates, which now stand at a record high of 93 percent systemwide. Strong first-year retention rates are encouraging because they are an early indicator of future graduation outcomes and suggest continued progress toward higher degree completion rates.

Figure 1: First-year freshman retention (all freshman entrants, Pell Grant recipients, first-generation students, and underrepresented students)



Source: https://www.universityofcalifornia.edu/about-us/information-center/uc-2030-dashboard

A similar pattern can be observed in transfer student retention rates, although the recovery occurred more quickly. While transfer students face the challenge of transitioning from a community college to a UC campus, they often enter with a clearer academic focus, begin coursework within their major, and enroll in smaller upper-division classes. As a result, transfer students may be better positioned to navigate the transition to the university environment. Current transfer retention rates remain strong, and equity gaps are relatively small. These positive outcomes are encouraging because strong retention rates serve as an early indicator of future graduation success and suggest continued opportunities to improve transfer graduation rates.

Figure 2: First-year transfer retention (all transfer entrants, Pell Grant recipients, first-generation students, and underrepresented students)

Source: https://www.universityofcalifornia.edu/about-us/information-center/uc-2030-dashboard

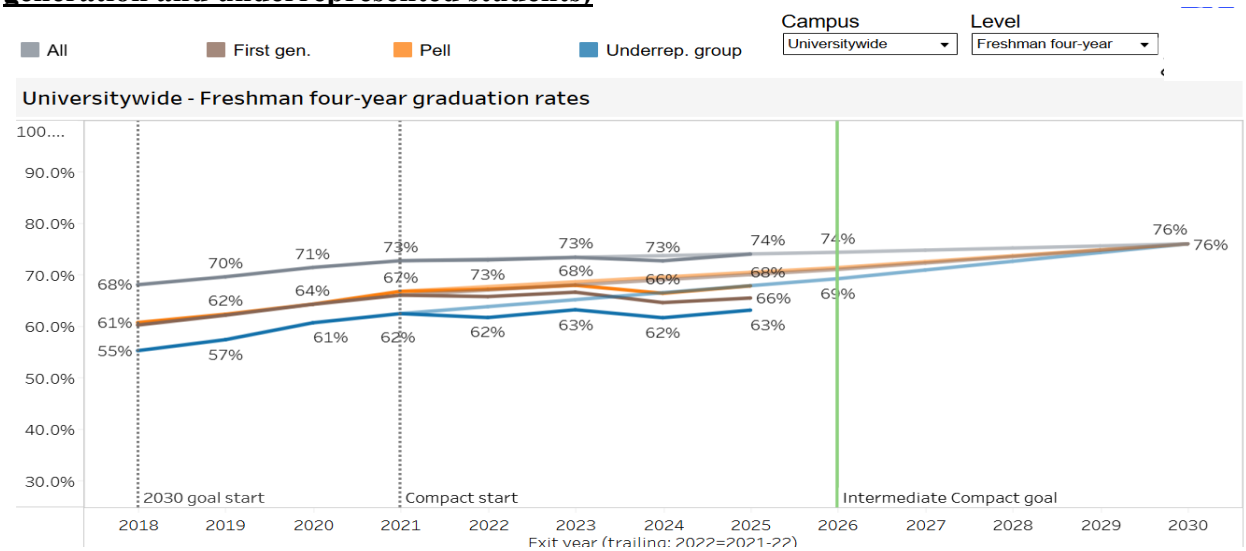
Timely graduation rates, considered four years for freshman entrants and two years for transfer students, are critical to increasing institutional capacity to expand access and produce more degrees. Timely graduation also reduces the cost of earning a degree for students and allows for earlier entry into the labor market, thereby increasing lifelong earnings and creating additional opportunities for students to pursue graduate degrees. For example, Pell Grant recipients, first-generation college students, and students from underrepresented groups incur substantial costs when degree completion is delayed. Students who take six rather than four years to graduate are estimated to accumulate an additional $7,500 in loan debt and forgo approximately $215,000 in cumulative earnings over a 16-year period.

UC has made the greatest progress in timely graduation

UC's four-year and two-year graduation rates for freshman and transfer entrants have reached all-time highs, and current rates have met or exceeded most of the interim goals specified in the Compact. Since 2018, UC's four-year graduation rate has increased six percentage points, from 68 percent to 74 percent. Over the same period, the rate increased seven percentage points for Pell Grant recipients (from 61 percent to 68 percent), eight percentage points for students from underrepresented groups (from 55 percent to 63 percent), and five percentage points for first-generation students (from 61 percent to 66 percent).

These gains represent substantial progress in student success. However, the UC 2030 goals also call for narrowing longstanding equity gaps, which requires improvement among these student groups to outpace gains for students overall. While some gaps have narrowed modestly since 2018, progress has been uneven. The gap for Pell Grant recipients decreased from seven percentage points to six, and the gap for students from underrepresented groups declined from thirteen percentage points to eleven. For first-generation students, the gap remains unchanged at eight percentage points.

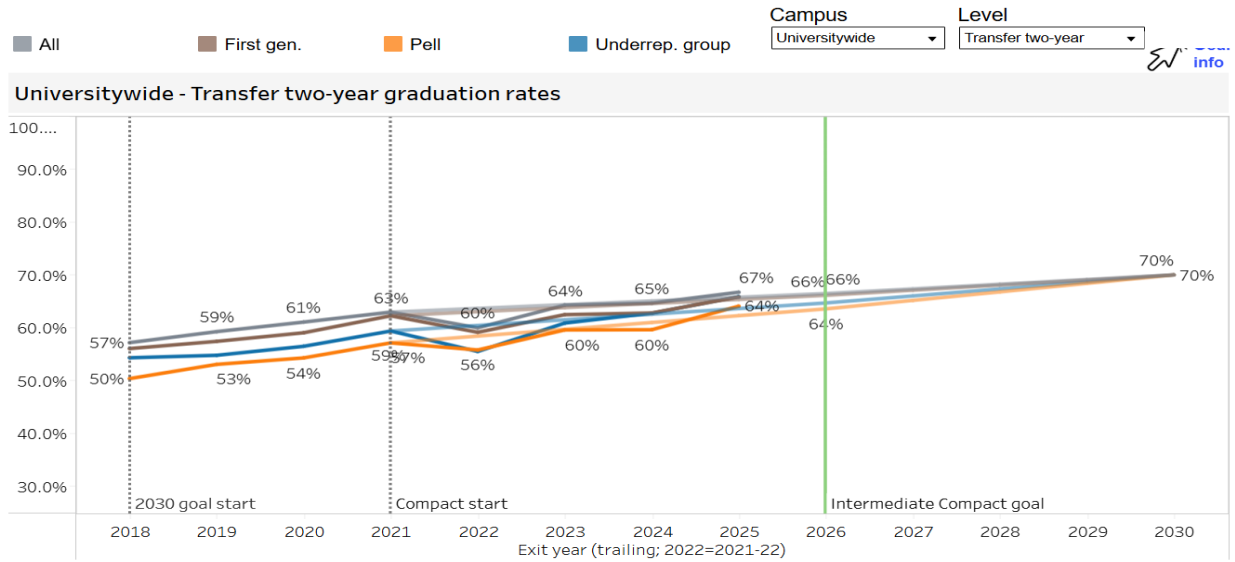
Figure 3: Four-year graduation rates (all freshman entrants, Pell grant recipients, first-generation and underrepresented students)



Source: https://www.universityofcalifornia.edu/about-us/information-center/uc-2030-dashboard

UC's two-year graduation rate for transfer students increased by ten percentage points, from 57 percent to 67 percent. Since the adoption of the UC 2030 goals, graduation rates increased even more rapidly for Pell Grant recipients in the transfer population, rising 14 percentage points (from 50 percent to 64 percent). Rates increased 11 percentage points for students from underrepresented groups (from 54 percent to 65 percent), and ten percentage points for first-generation students (from 56 percent to 66 percent). As a result, graduation rates for all three groups are now within three percentage points of the overall transfer student rate, reflecting substantial progress toward the UC 2030 goal of closing equity gaps.

Figure 4: Two-year graduation rates (all transfer entrants, Pell grant recipients, first-generation and underrepresented students)

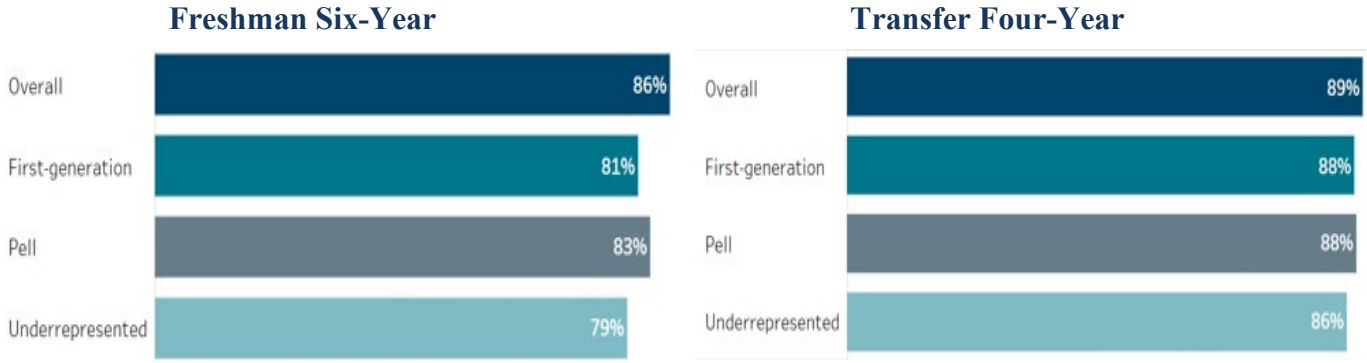


Source: https://www.universityofcalifornia.edu/about-us/information-center/uc-2030-dashboard

UC is closing in on its UC 2030 target of a 90 percent graduation rate

For freshman entrants, the six-year graduation rate is 86 percent and rises to 88 percent when including students who begin at UC but graduate from another institution. Graduation rates continue to increase between the fourth and sixth years for all student groups, and gaps between student groups narrow over that period. Between four and six years, the graduation-rate gap decreases from six to three percentage points for Pell Grant recipients, from eight to five percentage points for first-generation students, and from eleven to seven percentage points for students from underrepresented groups. Four-year graduation rates for transfer entrants are also approaching 90 percent: 89 percent overall, 88 percent for Pell Grant recipients and first-generation students, and 86 percent for students from underrepresented groups.

Figure 5: Six-year freshman and four-year transfer graduation rates (all entrants, Pell Grant recipients, first-generation students, and underrepresented students)



Source: https://www.universityofcalifornia.edu/about-us/information-center/ug-outcomes

UC is on track to achieve its UC 2030 degree attainment goal of 1.2 million degrees. Supported by improvements in timely and overall graduation rates, UC has awarded 806,392 undergraduate and graduate degrees to date and is currently ahead of schedule by approximately 8,660 undergraduate degrees and 8,800 graduate degrees.

MEETING STUDENT NEEDS

In order to increase graduation rates, campuses pursued a broad set of strategies to improve academic success for all students who need them. Several campuses launched self-studies, multi-year initiatives, or task forces to better understand and address barriers that affect students' ability to persist and complete a degree. Much of this was detailed in May 2024 *UC 2030 Equity is Excellence* report[5]. Common strategies included investment in advising and student support services, rethinking approaches to academic recovery (formerly academic probation), and broadening access to undergraduate research and other experiential learning opportunities. These strategies support student academic engagement and sense of belonging on campus, two factors that in turn drive persistence and academic success.

[5] https://www.ucop.edu/institutional-research-academic-planning/content-analysis/equity-diversity-inclusion/uc-2030-equity-is-excellence/uc-2030-equity-is-excellence.html

Campuses also invested in redesigning academic pathways, with a particular focus on introductory mathematics and chemistry courses. These efforts were detailed in a 2025 report, *Expanding Opportunity: Chemistry, Math, and the Future of STEM at UC*.[6] As entry points to science, technology, engineering, and mathematics (STEM) curricula, these courses serve as gateways to many high-demand majors and STEM careers. Performance in the first year can influence major choice, time to degree, and persistence to graduation, making these courses a critical determinant of student success. Because enrollment is high and attrition rates have historically been substantial at both UC and nationally, the course sequences they anchor are especially important to the University's efforts to expand degree attainment.

At the same time, longstanding equity gaps in pass rates persist in many introductory STEM courses. Closing those gaps is critical to ensuring that students from historically underserved groups have equitable access to STEM majors and the career opportunities they create. In response, UC campuses have implemented a range of evidence-based reforms, including active learning approaches, redesigned course sequences, improved placement and preparation practices, and peer-assisted learning models available to students who need them. Research has shown that these approaches can improve outcomes for all students while reducing disparities in course success.

A combination of campus resources, external support, and State investments have underwritten these efforts. Campuses leveraged a range of sources including federal Hispanic-Serving Institution grants, philanthropic funding, research grants, and institutional and State support. It should be noted that some of these resources are no longer available; this will surely affect the sustainability of these interventions. Some of the most promising approaches, such as peer-assisted learning and intensive instructional support models, require sustained investments in personnel and training. At the same time, growing enrollment and changing student needs create new demands for instructional resources.

UC will need to consider how to continue the most effective interventions. Learning losses associated with the COVID-19 pandemic, particularly in mathematics, as well as disruptions to students' social development, mental health, and overall well-being created challenging conditions that have been exacerbated by declining attendance, erosions in the norms that encourage classroom engagement, and weakening study habits that have persisted beyond the pandemic. At the same time, colleges and universities are beginning to grapple with the implications of rapidly evolving artificial intelligence technologies, changing patterns of technology use, and their effects on how students learn, engage with coursework, and access information. While the long-term effects of these changes are still under study, they have created a more complex educational environment for students, faculty, and staff alike.

CONCLUSION

The progress outlined in this report reflects the sustained efforts of UC students, faculty, staff, campus leaders, and State partners to improve student success and degree attainment. Since the

[6] https://www.ucop.edu/institutional-research-academic-planning/content-analysis/equity-diversity-inclusion/expanding-opportunity/index.html

adoption of the UC 2030 goals, the University has achieved record levels of retention and graduation.

At the same time, important challenges remain, student needs continue to evolve, and many of the programs and supports that have contributed to recent gains rely on funding sources may no longer be available in the long term. Sustaining and extending this progress will require continued investment, evaluation, and partnership. The University's recent successes demonstrate that meaningful improvement is possible but achieving the UC 2030 goals and meeting California's future educational and workforce needs will depend on maintaining that commitment in the years ahead.