

“WHAT IS COLLEGE WORTH?”

Increasing concern about college costs and debt are giving rise to the question “what is college worth?” While nine in 10 Americans still agree with the need to continue education beyond high school, they are looking more at the return on their investment. This is especially true in light of the COVID-19 pandemic and its economic disruption and widening racial and economic inequity.

DEFINE. MEASURE. ACT.

The [Postsecondary Value Commission](#) formed in 2019 to answer the question “what is college worth?” by focusing on three priorities:

A **definition of the value of education after high school** that recognizes the economic and non-economic benefits of that education for students and society and emphasizes the importance of equity, evidence, and policy and practice.

Value Defined: Students experience postsecondary value when provided equitable access and support to complete quality, affordable credentials that offer economic mobility and prepare them to advance racial and economic justice in our society.

A **new way of measuring value** using the best available data to create a series of thresholds that focus on *how* and *how much* better off students are after attending college.

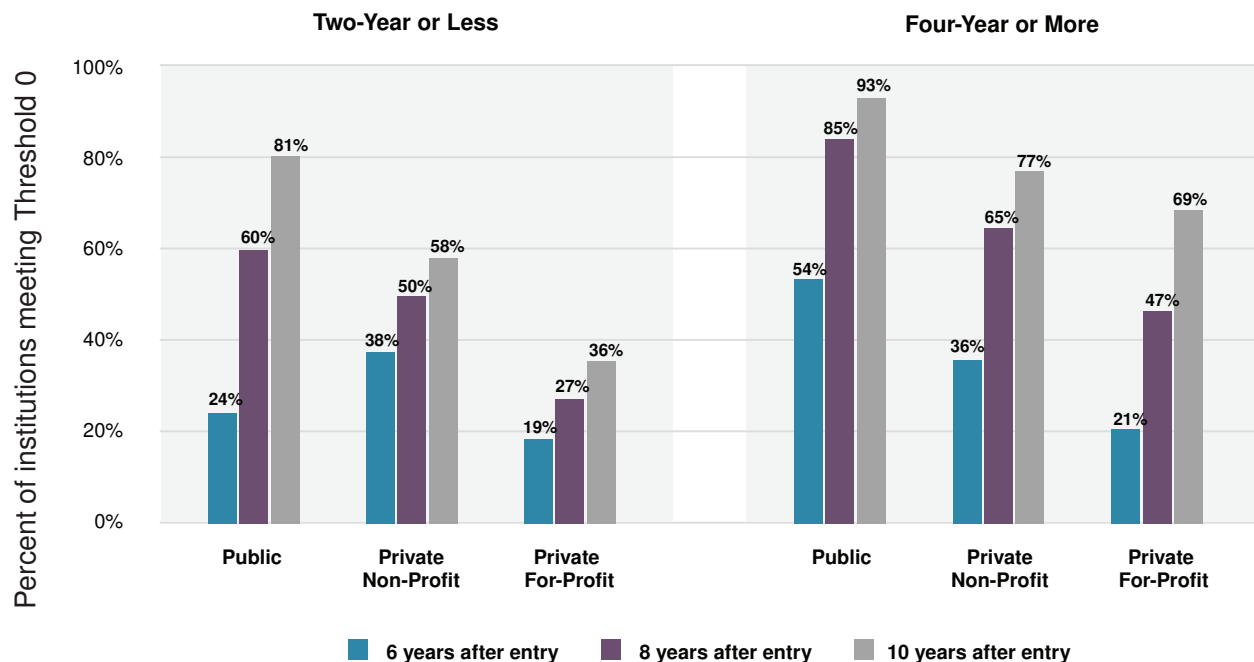
Threshold	
0	Minimum Economic Return: A student meets this threshold if they earn at least as much as a high school graduate plus enough to recoup their total net price plus interest within ten years.
1	Earnings Premium: A student meets this threshold if they reach at least median earnings in their field of study (or, if field of study data is unavailable, the median earnings for the institution’s predominant degree type).
2	Earnings Parity: This threshold measures whether students of color, students from low-income backgrounds, and women reach the median earnings of their systemically more advantaged peers (White students, high-income students, or men).
3	Economic Mobility: This threshold measures whether students reach the level of earnings needed to enter the fourth (60th to 80th percentile) income quintile, regardless of field of study.
4	Economic Security: While sufficient earnings can create a stable life, wealth is key to building the type of security needed to withstand life’s financial shocks. This threshold therefore measures whether students reach median levels of wealth.
5	Wealth Parity: Mirroring the earnings parity threshold, this threshold measures whether students of color, students from low-income backgrounds, and women reach the level of wealth attained by their more privileged White, high-income, or male peers.

An *action agenda* that recommends specific steps college and university leaders and state and federal policymakers can take to improve the value of postsecondary education and make the opportunity to receive an education with value more equitable. The action agenda also includes questions that students and families can ask about the value they can expect.

BY THE NUMBERS

Using data from the federal College Scorecard and The University of Texas System to test its threshold approach, the commission *found* that value varies greatly by *who* a student is (race/ethnicity, income, gender), *which* institutions and programs they attend, and *whether* they complete a credential.

- While a majority of public and private not-for-profit colleges and universities post minimum economic returns for their students 10 years after first enrollment (i.e., Threshold 0: earnings at or above those of high school graduates plus total net price), close to 650 institutions fail to meet this most basic threshold (including a majority of private for-profit institutions).
- Data from the University of Texas System show that 15 years after exit/graduation, most students who earn degrees achieve economic mobility and median earnings in their field of study, while non-completers struggle to do so. Notably, White completers earn more than \$10,000 more per year than Black and Latinx completers, and White non-completers earn nearly as much as Latinx completers.



The commission also tapped leading researchers to explore other key aspects of value such as public *benefits*, *wealth*, and *wellbeing*.

TAKING ACTION

Colleges and universities can take actions such as creating clearer academic pathways and credit transfer policies, develop stronger advising systems that reduce students' time-to-credential, and better target institutional aid resources to focus on students with the greatest financial need, including basic needs like housing and food.

State and federal policymakers can take actions such as increasing investment in need-based student aid programs, ensure that aid programs are reaching more of today's students, and provide incentives for colleges and universities to eliminate disparities in college completion and post-college outcomes by assessing their performance on key value metrics.

Students and families can ask (and institutions can answer in comparable ways) questions about average completion rate and time-to-credential, out-of-pocket costs, average earnings and debt-to-earnings ratio for graduates.