College Value & Social Mobility Demystified: An Introduction to Key Metrics and Datasets

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Is college “worth it”?

More Americans say college just isn’t worth it, survey finds
Unpacking Public Opinions on Higher Ed

CIMA-AAG Town Hall | April 19th, 2024

www.wakelet.com/wake/7sUP6ym9o6F7N41kaYfF7

Town Hall 3: Navigating Cost, Price, and Value Data in Higher Ed

CIMA-AAG Town Hall | May 10th, 2024
Assessing the Value of Post-Secondary Education in Michigan: An Equity-Focused Analysis

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7/15/2024

www.postsecondaryvalue.org
www.changebydegrees.net
Challenges - concepts

Concepts are muddy
Interlocking concepts ...
Interlocking concepts ...
Challenges - audiences

- Students and families
- Community members and local leaders
- Policymakers and legislators
- Employers and industry partners
- Internal campus community
- Alumni and donors
- Media and general public

Concepts are muddy

Multiple Audiences
Challenges - purposes

1. Communicate Value
2. Foster Accountability
3. Drive Change
4. ??

Concepts are muddy
Multiple Audiences
Varying Purposes
Challenges – Data limitations

- Concepts are muddy
- Multiple Audiences
- Varying Purposes
- Data is fragmented & limited
Challenges – Others

- Concepts are muddy
- Multiple Audiences
- Varying Purposes
- Data is fragmented & limited
- ?
- ?
What would you like to do next?

- Review primary data sources for earnings, value, & social mobility
- Describe research on value in Michigan
- Continue discussion?
# Earnings: Data sources and Datasets

## National / Public
- College Scorecard
- Post-Secondary Educational Outcomes
- Smaller Efforts
- Derived Data

## Private / Commercial
- Payscale
- Burning Glass / EMSI

## State
- Michigan
- ~24 other states

## University
- Graduation / Alumni Surveys
- Others
Earnings: Advantages of National Sources

• Can compare to peer and aspirational institutions that are in other states.
• Includes students who are working in other states than the institution they attended.
• Possibly compare state-level outcomes.
College Scorecard

• Combines Financial Aid, Census, and IPEDS data.
• A new update on June 13, 2024. Institutional level earnings data previously last updated in 2018.
• Has both entry and exit cohorts.
• Disaggregated by
  • FAFSA income level
  • Gender
  • Dependent / independent status
• Includes only financial aid recipients.

PSEO

• Combines Census and State/Institutional data.
• New update on June 11, 2024.
• Credential Recipients only.
• No demographic disaggregation.
• Incomplete coverage (not all states and institutions represented.)
• Includes flows of students across industries and regions.
**Earnings: Private Commercial Data**

- **Burning Glass and EMSI** – focus on providing earnings data for occupation/industry/location/years of experience combinations.
- **Payscale** – Survey-based earnings information.

- **Pros:**
  - Includes students who work in a different state than the institution they attended.

- **Cons:**
  - Sampling.
Earnings: State Longitudinal Data Systems

• Advantages
  • Might have race/ethnicity, first-gen, program/major, age and other forms of disaggregation.
  • Might have earnings or other data for non-completers.
  • Might have longer earnings windows.
  • Includes students who did not receive Federal Financial Aid

• 25 states link earnings data to student records (that are available publicly via web)
  • Others refer to college scorecard or provide market data re earnings.

• The Current State of Earnings Data
Two deeper questions: Value and Social Mobility

• **Value**: is college “worth it”? Is a student better off, considering the time, effort and expense of a four-year post-secondary degree. (ROI)

• **Social Mobility**: How far does a student move economically from their circumstances before college? Are their economic circumstances improved more that would have happened if they did not attend college?

• Most of the national measures and indices of value and social mobility use College Scorecard earnings data.
Value: Key measures and datasets

1. **Postsecondary Value Commission Equitable Value Explorer**
   - Compares median earnings to four thresholds.
   - T0: Median Earnings for High School Graduate + cost of attendance.

2. **Third Way Price to Earnings Premium**
   - Total Average Net Price / (Post-Enrollment Earnings – Typical Salary of a high school graduate)
   - i.e. # of years before earning more than a high school graduate after accounting for cost of college.
Value: Key measures and datasets

3. Georgetown Center on Education and the Workforce
   • Estimates Net Present Value at 10 and 40 years after starting college.
   • Does not compare to the expected earnings of not going to college.

4. US News and World Reports Best Value Schools
   • Doesn’t consider earnings.
     • Largest component is ratio of academic quality to price.
     • Also: percent receiving need-based aid, percent receiving grants/scholarships, discount rate.
Social Mobility: Measures and Datasets

1. Postsecondary Value Commission Equitable Value Explorer
   • T3: 60th percentile income (state data)
   • Compare median earnings for lowest income students with T3.

2. Third Way Economic Mobility Index
   • Uses Price to Earnings Premium value measure.
   • Economic mobility index = percentile rank of PEP for low-income students x percent Pell-eligible students
Social Mobility: Measures and Datasets

3. **Opportunity Insights Mobility Report Card**
   - Raj Chetty, et. al. used de-identified tax records and DoE data to link family income, college attendance and parental income.
   - Data available in [NYT Upshot column](http://www.nytimes.com/section/upshot).

4. **CollegeNet Social Mobility Index**
   - More of an opportunity index than a social mobility index.
   - Index includes Student Economic Background, “Ethos,” Tuition Level, Graduation Rate, Early Career Salary, Endowment
<table>
<thead>
<tr>
<th>Threshold</th>
<th>Economic Return/Parity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Threshold 0 (T0)</strong></td>
<td><strong>Minimum Economic Return</strong>: Students meet this threshold if they earn at least as much as a high school graduate plus enough to recoup their total net price within ten years.</td>
</tr>
<tr>
<td><strong>Threshold 1 (T1)</strong></td>
<td><strong>Earnings Premium</strong>: Students meet this threshold if they reach at least the median earnings in their field of study, which accounts for expected variations in pay across fields.</td>
</tr>
<tr>
<td><strong>Threshold 2 (T2)</strong></td>
<td><strong>Earnings Premium</strong>: Students meet this threshold if they reach at least the median earnings in their field of study, which accounts for expected variations in pay across fields.</td>
</tr>
<tr>
<td><strong>Threshold 3 (T3)</strong></td>
<td><strong>Earnings Parity</strong>: Informed by the University of Texas System's research on in-field pay inequities, this threshold measures whether students of color, students from low-income backgrounds, and women meet the median earnings of their more advantaged peers (White students, high-income students, or men).</td>
</tr>
</tbody>
</table>
Goals

• Quantify the disparities in educational outcomes.
• Examine the full spectrum of post-secondary credentials.
• Generate actionable recommendations.
Methods

• Integrated datasets
  • EVE data
    • National
    • Based on college scorecard
    • Has thresholds
    • Uses entry cohorts
  • State of Michigan data
    • Uses exit cohorts (all students with a credential)
    • Has breakdowns by race/ethnicity and by program/major
Findings from EVE Data

1. Post-secondary credentials significantly increase earnings in Michigan, especially for bachelor's degree holders.

2. Michigan students who start college typically earn enough within 10 years to exceed their investment, with higher premiums for public institutions.

3. While Michigan ranks in the middle for overall median income, it stands out for exceeding the minimum economic value of college, indicating strong returns on investment.
Findings from State of Michigan Data

1. Significant gender and racial/ethnic income gaps exist for Michigan degree holders, particularly for bachelor's degrees.

2. Field of study greatly impacts earnings, with Engineering and Architecture leading and Biology and Life Sciences trailing.

3. Gender and racial/ethnic disparities are most pronounced in the highest-paying fields like Engineering, Computers, and Business.
Recommendations

- **Promote the Value of Higher Education**: Launch a data-driven, targeted communication campaign highlighting the benefits of higher education, especially for underserved populations.

- **Expand Equitable Access**: Ensure universal access to college, providing early intervention, academic support, and financial aid to historically marginalized groups.

- **Diversify High-Earning Fields**: Increase representation of underrepresented groups in lucrative STEM and other high-demand fields through targeted recruitment, revised curricula, and enhanced support.

- **Combat Wage Inequality**: Advocate for fair compensation practices and eliminate discriminatory practices in the workforce to ensure equitable pay for equal work.

- **Maintain Affordability**: Continue efforts to keep tuition low and/or provide financial aid to maintain Michigan's strong return on investment in higher education.