

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

APLU CIMA Summer Meeting

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# Is College Worth It?

The new economics of higher education make going to college a risky bet.

Home / News / Opinion / Opinion: Is College Worth It?

COMMENTARY

## Is College Worth It?

Students need more data, not less, to determine the value of college.

By [Eric J. Gertler](#) | March 23, 2023

# Is college “worth it”?

MONEYWATCH

## More Americans say college just isn't worth it, survey finds

July 8, 2024 / 4:27 PM EDT / CBS/AP

MONEY WATCH

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# Unpacking Public Opinions on Higher Ed

CIMA-AAG Town Hall | April 19th, 2024



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

CIMA-AAG Town Hall | May 10th, 2024

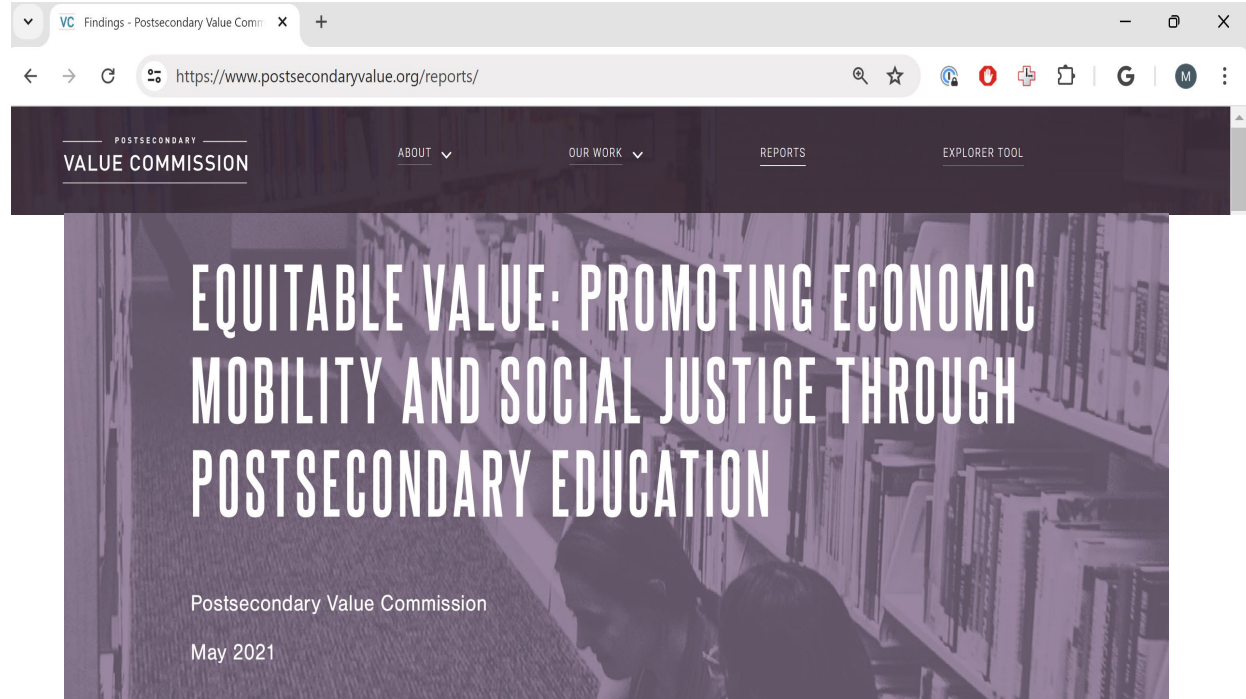


[www.wakelet.com/wake/7sUP6ym9o6F7N41kaYfF7](http://www.wakelet.com/wake/7sUP6ym9o6F7N41kaYfF7)

# Assessing the Value of Post-Secondary Education in Michigan: An Equity-Focused Analysis

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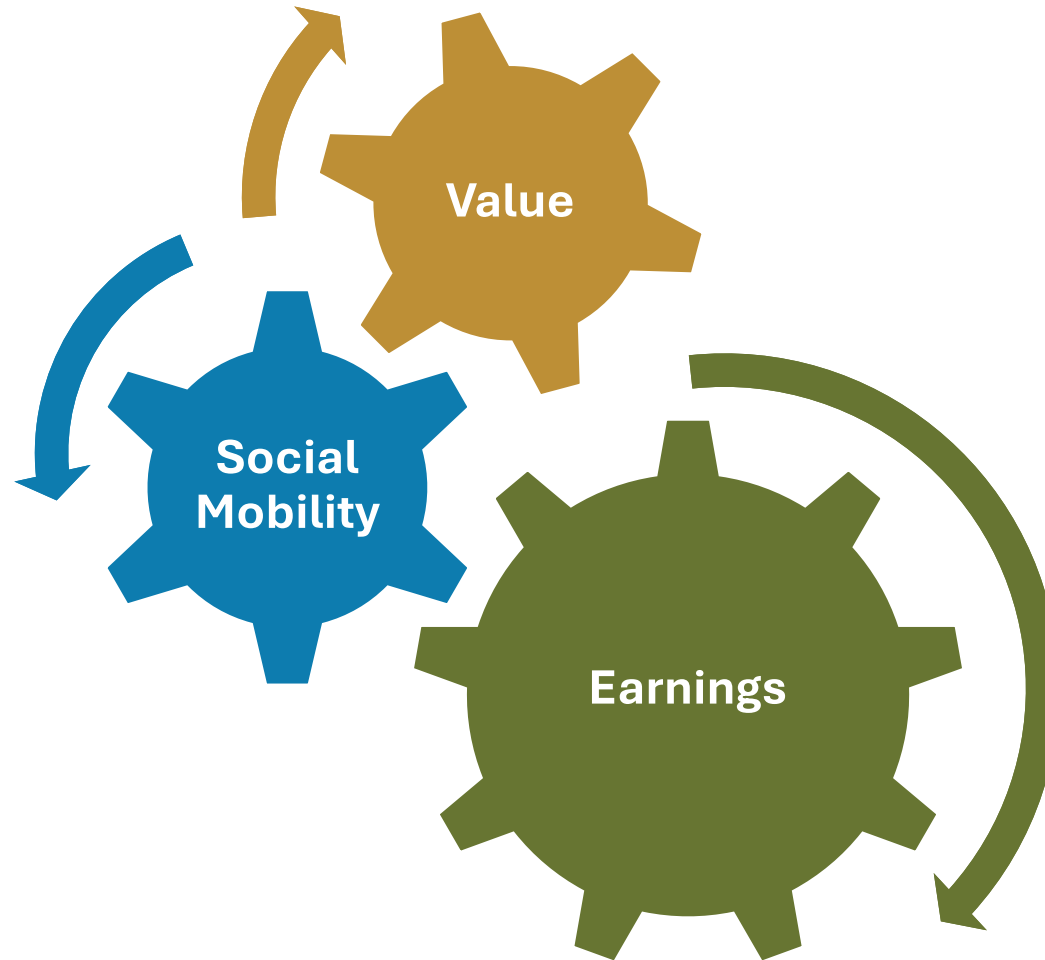
- [www.postsecondaryvalue.org](http://www.postsecondaryvalue.org)
- [www.changebydegrees.net](http://www.changebydegrees.net)

*The authors would like to thank the Institute for Higher Education Policy (IHEP) for providing the Equitable Value Explorer dataset, for providing feedback and reviewing earlier drafts of this report, and for funding this project. We would especially like to thank Lauren McLeese, Kimberly Dancy, and Sean Tierney for their comments throughout this process. We also extend our gratitude to the Postsecondary Value Commission for developing the Postsecondary Value Framework and Equitable Value measures utilized in this report.*

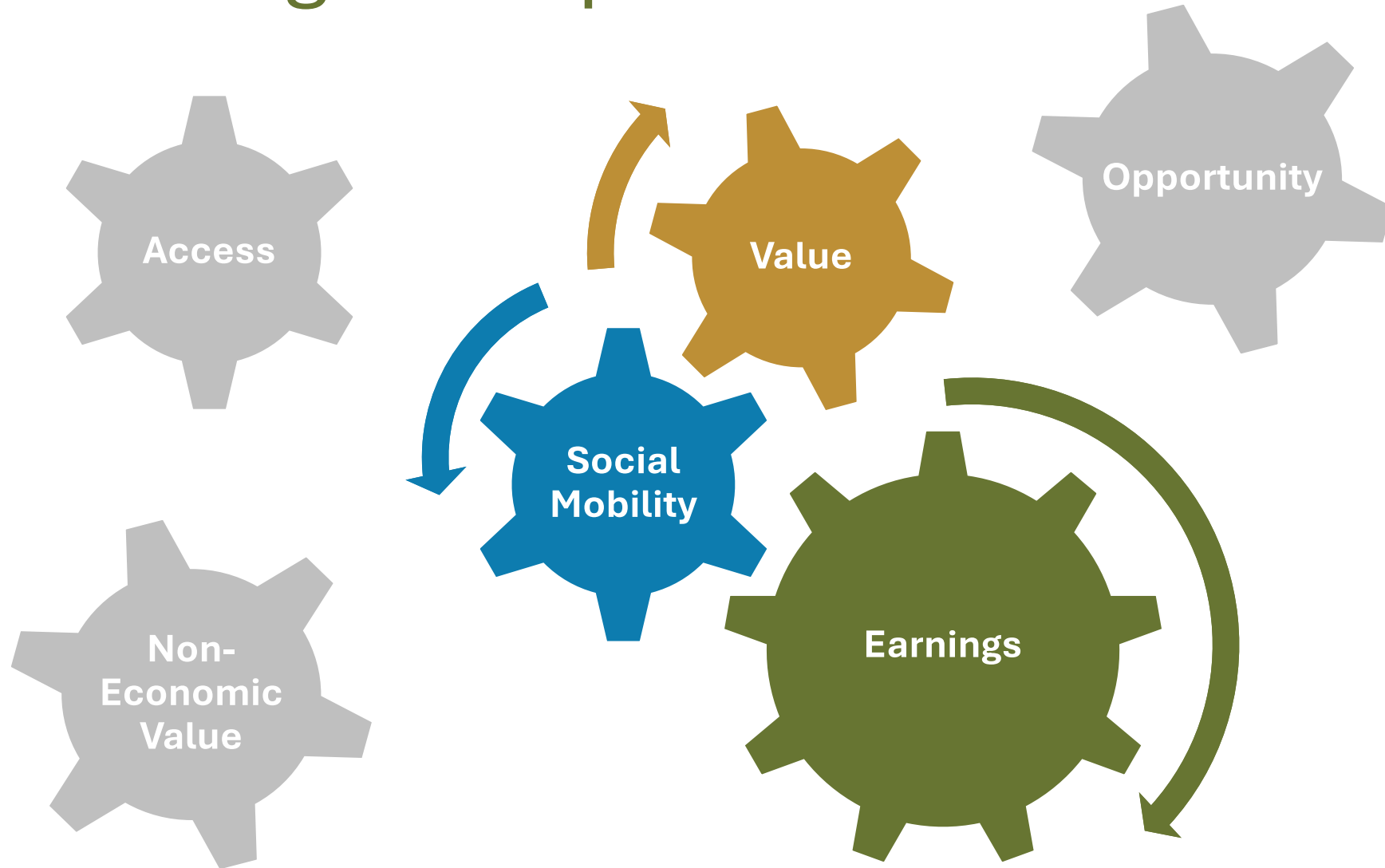
# Challenges - concepts

Concepts  
are muddy

# Interlocking concepts ...



# Interlocking concepts ...



# Challenges - audiences

Concepts  
are muddy

Multiple  
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

# Challenges - purposes

Concepts  
are muddy

Multiple  
Audiences

Varying  
Purposes

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

# 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	Private / Commercial	State	University
<ul style="list-style-type: none"><li>• <a href="#">College Scorecard</a></li><li>• <a href="#">Post-Secondary Educational Outcomes</a></li><li>• Smaller Efforts</li><li>• Derived Data</li></ul>	<ul style="list-style-type: none"><li>• <a href="#">Payscale</a></li><li>• <a href="#">Burning Glass / EMSI</a></li></ul>	<ul style="list-style-type: none"><li>• Michigan</li><li>• ~24 other states</li></ul>	<ul style="list-style-type: none"><li>• Graduation / Alumni Surveys</li><li>• Others</li></ul>

# 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.
  - College Salary Report. <https://www.payscale.com/college-salary-report>
- **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
  - [https://live-postsecondary-value-commission.pantheonsite.io/wp-content/uploads/2021/10/PVC\\_Harmon.pdf](https://live-postsecondary-value-commission.pantheonsite.io/wp-content/uploads/2021/10/PVC_Harmon.pdf)



# 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 than 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: 60<sup>th</sup> 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](#).

## 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

<p><b>Threshold 0 (T0)</b></p>	<p><b>Minimum Economic Return:</b> 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.</p>
<p><b>Threshold 1 (T1)</b></p>	<p><b>Earnings Premium:</b> 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.</p>
<p><b>Threshold 2 (T2)</b></p>	<p><b>Earnings Premium:</b> 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.</p>
<p><b>Threshold 3 (T3)</b></p>	<p><b>Earnings Parity:</b> 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).</p>



# 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.