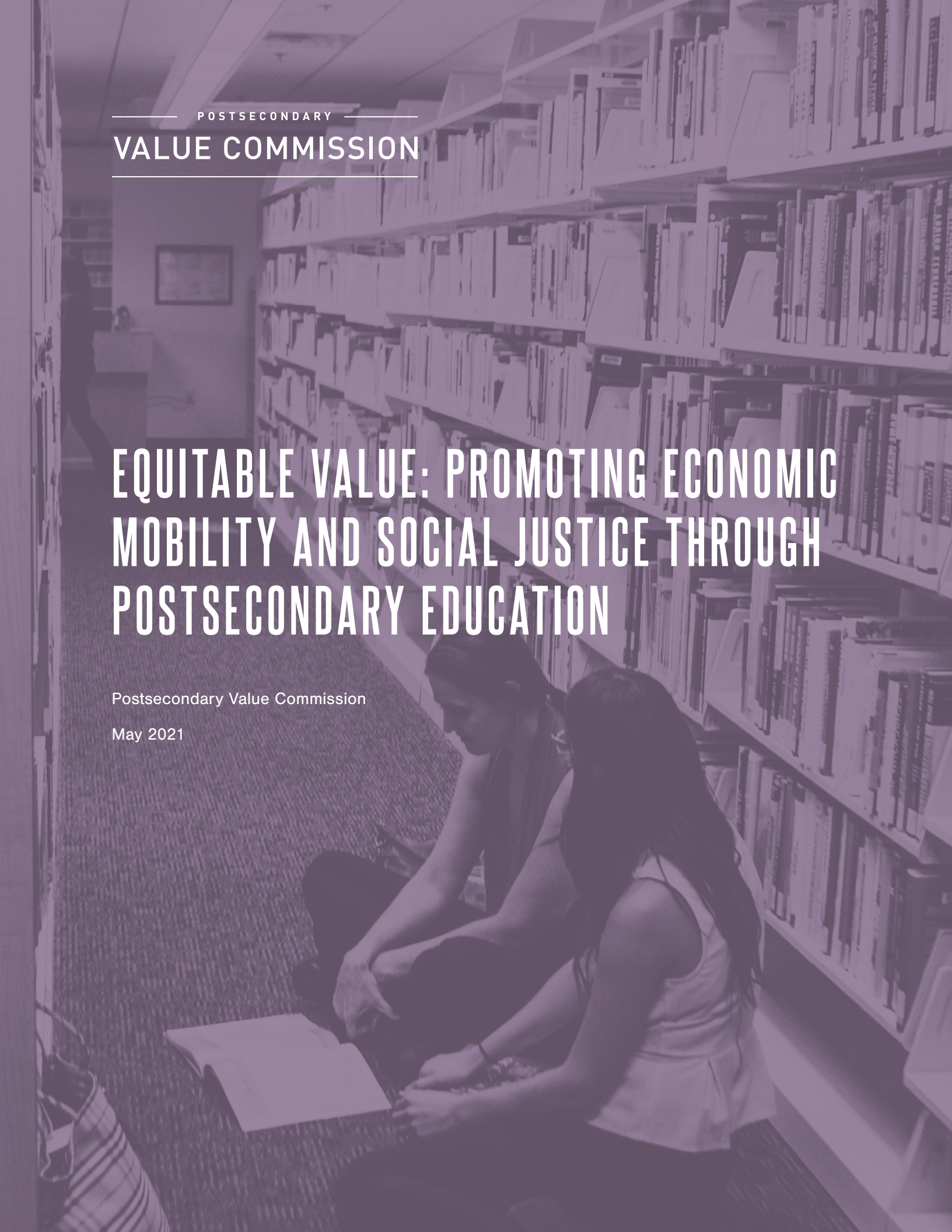

POSTSECONDARY

VALUE COMMISSION

EQUITABLE VALUE: PROMOTING ECONOMIC MOBILITY AND SOCIAL JUSTICE THROUGH POSTSECONDARY EDUCATION

Postsecondary Value Commission

May 2021

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FOREWORD

Sue Desmond-Hellmann, Mildred García, and Mamie Voight

From the steps of the Lincoln Memorial in 1963, Dr. Martin Luther King, Jr. reminded America of "the fierce urgency of now" when discussing how the United States has defaulted on its "promissory note . . . that all [people] would be guaranteed the inalienable rights of life, liberty, and the pursuit of happiness."[a]

And yet, nearly 60 years later, the insidious ways that racism, classism, and sexism continue to play out in modern-day American society have been laid bare by a national reckoning with pervasive racial bias and the COVID-19 health crisis. And while both crises have rocked American society to its core, they also have served as a catalyst for many, including our colleges and universities, to critically reflect on their role in perpetuating or dismantling systemic injustices.

Postsecondary education can offer individuals the opportunity to earn a livable wage and build a better life for themselves and their families, while also fostering a healthier and more democratic society. Yet, postsecondary education must do more to dismantle its own inequitable policies and practices, which play a role in perpetuating and exacerbating the injustices in society at large.

It is in this context that the Postsecondary Value Commission has examined how postsecondary education fosters equitable access to critical post-college outcomes, including sufficient earnings, high-quality jobs, and economic mobility and security. Expanding on recent research about how to measure earnings returns, the Postsecondary Value Framework aims to ensure that colleges and universities are serving as engines of mobility, especially for Black, Latinx, Indigenous, and underrepresented Asian American and Pacific Islander (AAPI) students, students from low-income backgrounds, and women.

Higher earnings derived from attaining postsecondary credentials operate together with an individual's ability to accumulate wealth and reap the benefits from important non-economic returns to education, such as exposure to new cultures, peoples, and ideas; fostering personal growth; and preparing them to be engaged, equity-minded members of society who are able and willing to disrupt injustices and right past wrongs.

As we continue to wrestle with the dual challenges of COVID-19 and longstanding systemic racism, we must embrace the fact that postsecondary value is about both earning a decent wage *and* building a stronger and fairer democracy. The following pages detail the Postsecondary Value Commission's work to capture and operationalize this sentiment. As postsecondary education strives to meet the urgency of this incredible moment, we see great potential for this work to create a more equitable and just future.

a Yale Law School, Lillian Goldman Law Library. "I have a Dream by Martin Luther King, Jr; August 28, 1963." The Avalon Project. Retrieved from The Avalon Project website: *https://avalon.law.yale.edu/20th_century/mlk01.asp*

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While many experts contributed to this report, the views and opinions expressed here are those of the authors and do not necessarily reflect the positions of individual members of the Postsecondary Value Commission, other individuals acknowledged here, or the organizations they represent. The authors also accept responsibility for any errors or omissions.

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CHAPTER 1:
THE 'WHY' OF THE POSTSECONDARY VALUE COMMISSION

While structural racism has been part of the United States since before even its founding, continued racial and gender violence alongside the coronavirus pandemic have catalyzed nationwide activism and led to renewed conversations about who has true access to opportunity in this country.[1] Our country has witnessed the murders of countless Black men and women at the hands of police alongside COVID-19's startling death tolls and economic and social upheaval, including the rise in anti-Asian hate crimes. The COVID-19 pandemic's impact has been borne disproportionately by Black, Latinx, Indigenous, and Asian American and Pacific Islander (AAPI) populations, while women—especially women of color—have overwhelmingly shouldered the weight of the economic crisis and shifting childcare responsibilities[2]—bringing to the forefront the insidious ways that racism, classism, and sexism continue to play out in American society.[a, 3]

Meanwhile, many of the most important institutions in this country, including our nation's colleges and universities—and the bodies that govern them—have been questioning their complicity in perpetuating injustice. At the same time, institutions of higher education have wrestled with a seismic shift toward online instruction due to COVID-19,[4] which has further exposed inequities suffered by underserved student populations and prompted students themselves to ask new questions about postsecondary value.[5]

Against this backdrop, the Postsecondary Value Commission spent two years interrogating the role that postsecondary education can—and should—play in promoting opportunity, paving an equitable path to economic mobility, and dismantling centuries of racist, classist, and sexist policies and attitudes. To be clear: overall, postsecondary education offers individuals the opportunity to earn a better living and build a better life for themselves and their families while also fostering a healthier, more democratic society. And yet, troubling disparities in access to these opportunities exist by race/ethnicity, socioeconomic status, and gender.

Americans—even during a public health crisis—recognize the value that postsecondary education can provide, with nearly 60 percent of likely voters agreeing that college degrees have become increasingly necessary for workers to stay competitive in the new economy.[6] And, economic outcomes—jobs that pay a sustainable wage and offer opportunities for advancement and wealth-building—operate alongside non-economic returns to education, such as enhanced personal wellbeing, job satisfaction, and stronger critical thinking and cross-cultural engagement skills.[7] A more equitably educated populace also benefits our broader society through increases in tax revenues and GDP, decreases in expenditures on public health, public assistance, and criminal justice, and increases in voting, volunteerism, pluralism, and civic participation.[8]

a The aggregated AAPI death toll from COVID-19 is similar to that of White Americans. However, these data mask significant disparities among AAPI subgroups. Preliminary findings from several states suggest that Pacific Islanders are more likely to contract the virus than other AAPI subgroups, but the lack of accurate, disaggregated data means there is an incomplete understanding of how the pandemic has impacted this community. Moreover, the AAPI community is facing other serious challenges due to the pandemic, including: racist rhetoric and discrimination tied to the virus' origin, a high share of individuals in frontline and essential positions, and mental health challenges. For additional information, please see: Constante (2020) and Dang et al. (2020).

But postsecondary education can do more to promote economic and social mobility.

Without explicit attention to racial, socioeconomic, and gender equity, postsecondary education will continue to sustain and exacerbate inequalities, but ***a more equitable postsecondary education system can build a more just society***. We urgently need to transform the nation's postsecondary system to ensure value for the very populations most impacted by racial and gender violence and the coronavirus pandemic and the dire economic—and life-or-death—consequences they impart to marginalized communities.

Postsecondary Education: Sustaining, Exacerbating, or Eliminating Structural Inequalities?

Economic opportunity and mobility in the United States are extremely difficult to attain today without a postsecondary education.[9] Indeed, nearly two-thirds of individuals born into the lowest income quintile who attend college reach the middle class or above.[10] Approximately 20 percent of those individuals reach the top income quintile, compared with only 4 percent of those not attending college.[11] Furthermore, more than half (56 percent) of "good jobs"—defined by the Georgetown University Center on Education and the Workforce (CEW) as those that pay a family-sustaining wage—require at least a bachelor's degree.[12]

Yet, stark gaps in access, completion, and post-college outcomes—which vary widely within and across institutions, including similar institutions serving similar students (Tables 1.1 and A1)—mean too few students of color, students from low-income backgrounds, and women reap all the benefits that institutions and programs can offer. For example, while 64 and 48 percent of all Asian and White adults, respectively, between the ages of 25 and 64 had an associate degree or higher in 2018, attainment rates are far lower for Black (32 percent), Latinx (25 percent), and Indigenous (25 percent) adults due to inequities in who has access and sufficient resources to support postsecondary completion.[b, 13] These attainment gaps are even greater across income groups.[14]

b Data collections at the U.S. Department of Education and our institutions of higher education aggregate AAPI communities, masking stark attainment disparities that exist across the 25 distinct, self-identified AAPI groups reported on by the U.S. Census Bureau. Because of these disparities, the Postsecondary Value Commission uses the term "underrepresented AAPI students" in the context of postsecondary access, completion, and outcomes. The commission uses "AAPI students" in justice-related contexts because this community broadly experiences racial discrimination. Please see Sideboxes 1.1 and 1.2 in this chapter for additional information.

Table 1.1. Access and Outcomes by Institutional Sector

Group	Public 4-Year	Public 2-Year	Private Not-For-Profit 4-Year	For-Profit	Total
	Enrollment[1]				
Black	30%	39%	14%	17%	100%
Latinx	31%	46%	11%	12%	100%
American Indian or Alaska Native*	33%	52%	6%	9%	100%
AAPI	40%	38%	16%	6%	100%
White	37%	37%	18%	8%	100%
Women	34%	39%	16%	11%	100%
Low-Income/Pell	35%	34%	15%	16%	100%
Total	35%	39%	15%	10%	100%
	Completion[2]				
Black	41%	13%	50%	11%	23%
Latinx	50%	17%	71%	12%	24%
American Indian or Alaska Native*	27%	-	-	-	15%
AAPI	66%	21%	85%	-	53%
White	65%	19%	78%	14%	43%
Women	63%	18%	76%	12%	39%
Low-Income/Pell	47%	18%	59%	13%	26%
Total	59%	18%	74%	13%	37%
	Loan Default[3]				
Black	38%	41%	43%	66%	49%
Latinx	25%	22%	28%	54%	35%
American Indian or Alaska Native*	-	-	-	-	40%
AAPI	-	-	-	-	11%
White	14%	23%	11%	45%	20%
Women	16%	26%	15%	53%	27%
Low-Income/Pell	27%	29%	26%	56%	35%
Total	18%	26%	17%	53%	28%

*Notes: *The term "American Indian or Alaska Native" is used rather than the term "Indigenous" to accurately represent the data source. While the terms "Latinx," "Latino/a," and "Hispanic" and "Black" and "African American" are often used interchangeably in data sources, this report uses the terms "Latinx" and "Black" to be inclusive of gender, cultural, and race identities.*

Estimates not available for groups with "-" due to insufficient sample sizes in the survey data.

Sources: [1]IHEP analysis of U.S. Department of Education, National Center for Education Statistics, 2015-16 National Postsecondary Student Aid Study (NPSAS:16). The names of the variables used in this table are: SECTOR4, GENDER, PELLAMT, RACE, NETCST43, PROGSTAT and BORAMT1. Median debt figures are calculated using borrowers at time of completion.

[2]U.S. Department of Education, National Center for Education Statistics, 2012/17 Beginning Postsecondary Students Longitudinal Study (BPS:12/17). The variables used in this table are: PELLCU17, RACE, FSECTOR, GENDER, QTPS2AWD1, PROUT6, and SALARY17. Attainment rates measured against predominant degree type in each sector. Sector based on the first school attended.

[3]U.S. Department of Education, National Center for Education Statistics, 2003-04 Beginning Postsecondary Students Longitudinal Study, Second Follow-up (BPS:04/09). The variables used in this table are: S15PELLCUM_12Y, S15DEFYRS_12Y, FSECTOR, GENDER and RACE. Default rates calculated for borrowers only and include those ever reported in default on federal loans. Sector assigned based on the first school attended. Loan default rates are among borrowers 12 years after enrollment.

Disparate attainment outcomes are the result of high prices, inadequate support for completion, and racial and socioeconomic stratification across and within colleges. While incomes continue to lag behind for Black, Latinx, and low-income families compared with their White and wealthier peers,[15] the full price (adjusted for inflation) of postsecondary education has increased by more than 170 percent over the last 40 years.[16] Today, students from low-income backgrounds must find a way to finance an amount equivalent to 157 percent of their family's annual income to pay for one year at a four-year college.[17] Meanwhile high-income families can send a student to college for a much more manageable 14 percent of their family's annual income.[18] Wealthier families are also able to set aside college savings at significantly higher rates than less wealthy families. This decreases the need for the children born into wealth to borrow student loans, further exacerbating the inequitable college debt burden in the United States.[19] As so many Americans struggle with the current economic crisis, it is no surprise that price heavily restricts postsecondary opportunities. Indeed, more than 90 percent of students agree that "rising student loan debt is a major problem," illustrating how students are increasingly questioning the cost of their degrees.[20]

Black, Latinx, Indigenous, and underrepresented AAPI students (see Sidebox 1.1) and students from low-income backgrounds are also less likely to have access to the supports necessary to complete a credential, the well-resourced institutions that provide greater chances of completion, or the programs that provide strong economic returns—returns often necessary to repay educational debt and build wealth.[21] For instance, students of color and students from low-income backgrounds are concentrated in for-profit institutions and underfunded two-year colleges that offer lower chances of completion, as well as certificate and associate's degree programs that can offer an immediate return on investment, but provide lower average lifetime earnings and less opportunity for economic mobility than do bachelor's degree programs on average.[22]

Sidebox 1.1. Variations in Access, Completion, and Outcomes for Asian American and Pacific Islander (AAPI) Students

Our current postsecondary data system fails to appropriately disaggregate among 25 distinct, self-identified AAPI subgroups, masking variations in postsecondary access, completion, and outcomes for AAPI students and limiting our ability to address inequitable postsecondary value. Although similar issues of variation may exist within other subgroup populations, the issue is especially acute within the AAPI community.

While recent high school graduates in the aggregate AAPI race/ethnicity category enrolled in college at a high rate of 86 percent, this measure fails to account for different experiences between East Asian, South Asian, Southeast Asian, Central Asian, and Pacific Islander communities and the communities that those geographic groups contain.[23]

For example, Southeast Asian Americans, including those from Vietnamese, Lao, Hmong, and Cambodian backgrounds face enormous disparities in college enrollment and educational attainment, with around one quarter of this population having not graduated from high school, compared to only 12 percent of all AAPI adults.[24] Of those who have graduated high school, Cambodian (74 percent), Hmong (76 percent), Lao (69 percent), and Vietnamese (80 percent) Americans are less likely to have attended college compared to the aggregate AAPI group (88 percent).[25] While more than 50 percent of aggregate AAPIs have earned a bachelor's degree or higher, attainment rates are far lower for Vietnamese (33 percent), Lao (18 percent), Hmong (22 percent), and Cambodian (20 percent) adults.[26]

Because of these data limitations, underrepresented AAPI communities are not adequately represented in many of the datasets that we utilize throughout this paper. However, they remain a key population in the work of the Postsecondary Value Commission and our action agenda includes a recommendation to better capture the diversity of the AAPI community.

Stratification by field of study also hampers economic outcomes for many women and minoritized students, particularly at the baccalaureate level, where they are underrepresented relative to White men in some high-paying programs of study, including engineering and computer science.[27] Further, well-documented pay disparities mean that women (who do enroll in and complete postsecondary programs at higher rates than men), people of color, and especially women of color do not receive the same earnings returns after entering the workforce.[28] In fact, even after accounting for student major, wage gaps by race/ethnicity and gender persist in nearly every field of study, even right out of college when institutions could provide a bridge to more equitable employment opportunities and outcomes.[29] These pay inequities require an explicit focus on the economic value that women receive through postsecondary education—in addition to racial/ethnic and socioeconomic inequities (see Sidebox 1.2).

Sidebox 1.2. Focus Populations

Equity matters. This is the first principle of the Postsecondary Value Commission (see Chapter 2), designed deliberately to center and prioritize racial, socioeconomic, and gender equity as the North Star guiding the commission's work. More specifically, the commission is focused on equitable value for Black, Latinx, Indigenous, underrepresented Asian American and Pacific Islander (AAPI) students, students from low-income backgrounds, and women—as well as the intersectional identities within and across these groups. The commission's Postsecondary Value Framework requires data to be disaggregated by these key student characteristics to unearth inequities and provide a starting point for policy and programmatic solutions to combat and dismantle them.

The commission centers on these specific populations because the evidence shows that the system currently fails to offer them equitable returns on their postsecondary investments. Students of color and students from low-income backgrounds face barriers to college access, lower completion rates, and affordability challenges. They—and women—also experience lower economic returns in the workforce, impacting the value they reap from their studies.

Why Black, Latinx, Indigenous, and Underrepresented Asian American and Pacific Islander (AAPI) Students? The centuries of deep-rooted racism in local, state, and federal institutions and policies have all contributed to White Americans' disproportionate access to economic and educational opportunities compared to their non-White peers. These injustices continue to play out today within the postsecondary education system. Compared to White students, Black, Latinx, Indigenous, and underrepresented AAPI students—who comprise nearly half of today's postsecondary students[30]—have less access to colleges and universities, especially the most selective institutions; are more likely to enroll at institutions with fewer resources to help them graduate; and often must work long hours and/or borrow heavily to pay for college. Inequities in educational attainment mean that students of color do not receive the same earnings premium associated with credential completion as their White peers, and disparities in earnings and wealth-building are further exacerbated by racism in the labor market.

While students of color all face forms of postsecondary disparities when compared with White students, the types of structural barriers differ based on their specific racial/ethnic identity and lived experiences. The collective traumas students carry vary widely both within and across racial and ethnic identities. For example, many Black students are impacted by our nation's history of chattel slavery; many Indigenous students struggle with the legacy of centuries of forced displacements and the stressors associated with traumas such as forced relocation; some Southeast Asian American students are impacted by trauma from war, genocide, and displacement; and some Latinx students—especially those who have family members or who themselves have migrated to the United States—wrestle with the realities of the immigration process. No experience can be generalized to all students of a specific race or ethnicity—and many students identify with multiple groups—but disaggregating data is key to understanding the ways in which race and ethnicity shape students' opportunities and pathways.

Why Low-Income Students? A college degree is one of the surest paths for students from low-income backgrounds to achieve economic mobility. For example, students from families earning less than $25,000 make up 40 percent of today's college students.[c, 31] Yet, while the wealthiest students (with a family income over $160,000) can afford to attend 90 percent of colleges in the United States, students from low-income backgrounds with far fewer financial resources can afford to attend less than 5 percent of institutions.[32] As such, students from low-income backgrounds must find a way to finance a far greater share of their family income to pay for college than their wealthier peers, and often must turn to borrowing, working long hours, or attending part-time.[33]

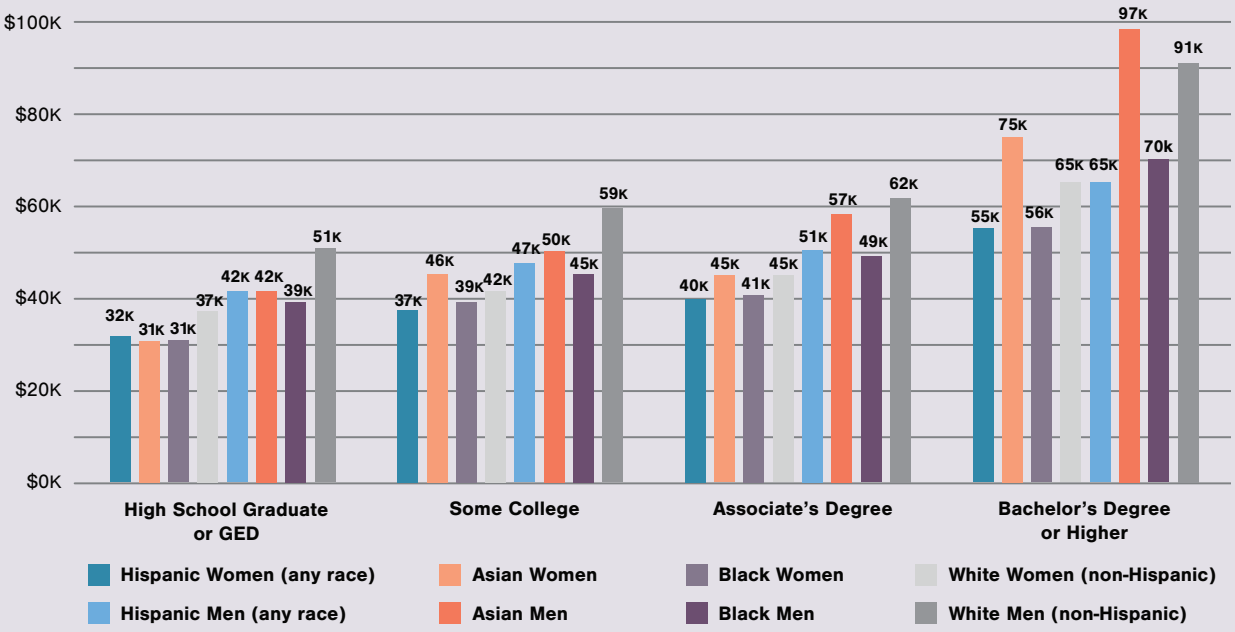
c Of the students from families earning less than $25,000, 23 percent are dependent students and 58 percent are independent students.

Compared with wealthier students, low-income students—and particularly low-income students from rural communities—are less likely to have access to college, and especially to the most selective institutions in the country. Moreover, they generally have lower chances of graduating due to inadequate supports and financing.[34]

Why Women? It may seem counterintuitive to focus on postsecondary value for women at a time when more women pursue and earn postsecondary credentials than men.[35] However, many women face a unique set of challenges during and after their postsecondary experience. For example, student mothers are 1.6 times more likely than student fathers to be single,[36] and women of color are especially likely to be single parents (this is particularly true for Black and American Indian/Alaska Native women).[37] Student mothers face obstacles related to food and housing insecurity, poverty, and childcare at higher rates than non-student parents. Their success in postsecondary education is thus critical to their ability to support their families.[38] Moreover, the data show significant labor market inequities based on gender, making clear that women experience postsecondary value far differently than men.[39] Women—and especially women of color—earn substantially less than men across almost all degree types.[40] Earnings gaps even exist between women and men who earn the same degrees from the same institutions.[41] For example, median earnings for female University of Texas (UT) System graduates in architecture and engineering are approximately $7,000 less per year in the first year after graduation than men who graduate with the same degree. This gap widens to approximately $17,500 per year 15 years after graduation.

Why Intersections Between Race/Ethnicity, Income, and Gender? Individuals never fall into only one demographic category, but rather, their experiences are influenced by the intersections of all their identities. For instance, Black men face a different set of stereotypes and inequitable structures than Black women; low-income White men experience different barriers than low-income White women. The Postsecondary Value Framework recognizes the impact of this combination of various identities, especially because so many students identify within multiple marginalized categories. Specifically, half of students of color and women are low-income, and 60 percent of low-income students are students of color or women.[42] Outcome gaps are also amplified by intersections between race/ethnicity, income, and gender. For example, among those with a bachelor's degree or higher, Asian men have the highest median earnings followed by White men, Asian women, White women, Black and Latinx men, Black women, and Latinx women (*see figure below)*.[43] Intersectional analyses of institutional and programmatic performance on the framework can reveal outcome gaps for key populations, including women and men of color and low-income White men.

Median Earnings of Full-Time Workers 25-64, by Race, Gender, and Educational Attainment (2019)



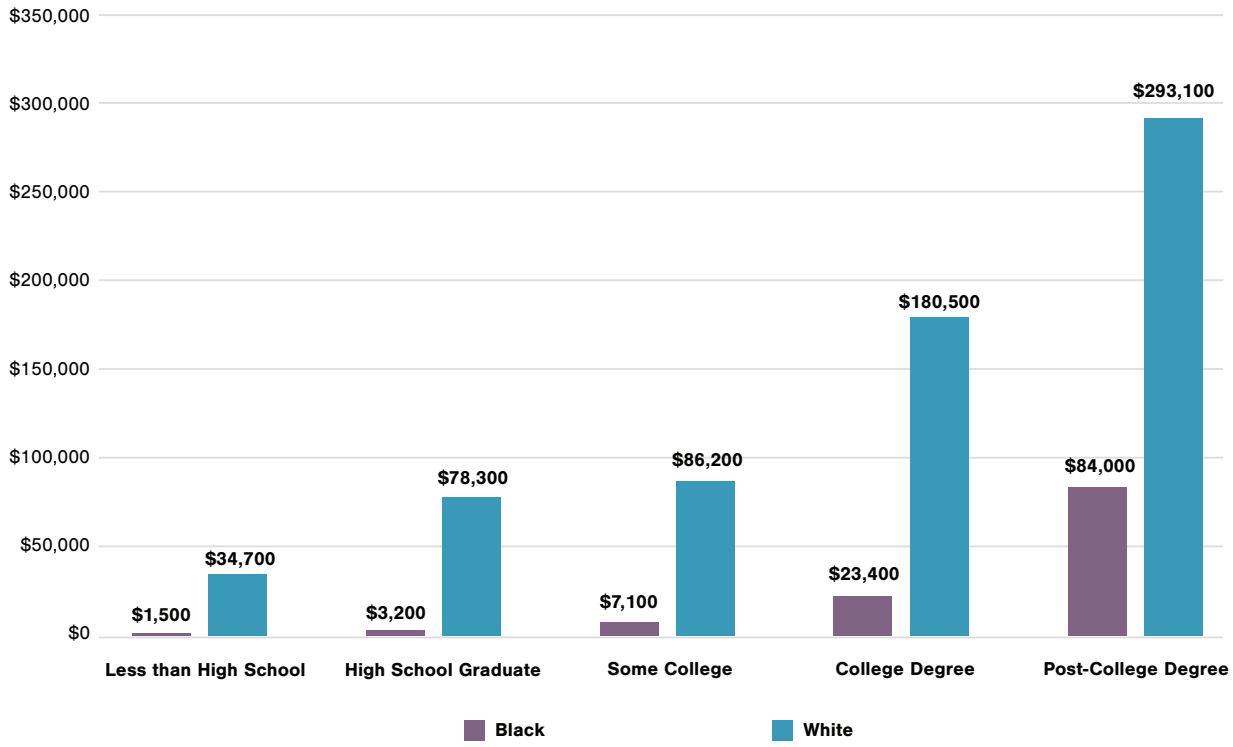
Note: The Census does not publish income tables separately for Indigenous and Pacific Islander/Native Hawaiian populations. Data source: U.S. Census Bureau's Current Population Survey 2020 Annual Social and Economic Supplement, Personal Income Tables, PINC-03, reported personal income for 2019. Data for full-time, full-year workers aged 25-64. Retrieved from: https://www.census.gov/data/tables/time-series/demo/income-poverty/cps-pinc/pinc-03.html

Furthermore, far too many Black, Latinx, Indigenous, and underrepresented AAPI students and students from low-income backgrounds leave college with debt, but no degree.[44] This system-wide failure leaves these students unable to earn enough in the labor market to repay their loans or recoup their initial investment in postsecondary education, placing them at risk for the worst borrowing outcome: default. Indeed, more than half (55 percent) of Black borrowers who start college but do not complete enter default,[45] inflicting serious financial consequences including damage to credit scores, wage garnishments, collection fees, and Social Security and tax refund withholdings.[46]

This problem of debt with no degree contributes to the persistent wage and wealth gaps students are trying to overcome by going to college in the first place. Even before the current health and economic crises, U.S. income and wealth inequality were growing at alarming rates.[47] The median net worth of households headed by college-educated Black and Latinx individuals fell by 56 and 27 percent, respectively, over the last two decades, whereas it increased for college-educated White households by 86 percent.[48] While postsecondary attainment does increase the potential for Black Americans to build wealth, Black households headed by a college degree holder still have substantially less wealth than White families headed by a high school dropout (Figure 1.1), which raises critical questions about the role of student loan debt in exacerbating racial wealth gaps.[49, 50]

Black households headed by a college degree holder still have substantially less wealth than White families headed by a high school dropout.

Figure 1.1. Median Wealth by Education Level and Race (2011)



Note: Figure modified from Figure 2 in Hamilton, D., Darity, W., Jr., Price, A.E., Sridharan, V., & Tippett, R. (2015). Umbrellas don't make it rain: Why studying and working hard isn't enough for Black Americans. Oakland CA: Insight Center for Community Economic Development. Retrieved from: https://socialequity.duke.edu/portfolio-item/umbrellas-dont-make-it-rain-why-studying-and-working-hard-isnt-enough-for-black-americans/. Data source: U.S. Census Bureau. (2011). Survey of Income and Program Participation (SIPP). Retrieved from: https://www.census.gov/programs-surveys/sipp.html

These structural inequalities are caused by a confluence of factors, including workforce discrimination, a widespread undervaluing of critical professions dominated by women and people of color (e.g., social workers, elementary and secondary teachers, nursing assistants, and home health aides), discriminatory housing practices, and inequities in P-12 as well as postsecondary education.[51] Yet, postsecondary institutions are not powerless actors. In fact, they are essential to creating a more just society—a society in which an individual's background does not determine their future.[d]

Institutions and programs—through their policies and practices—can interrupt seemingly intractable injustices rather than perpetuate them. For instance, while institutions cannot fix widespread labor market discrimination, they *can* provide robust career services that prepare students of color and women to advocate for themselves in job negotiations. While they cannot remedy the widespread undervaluing of high social value professions in the U.S., they *can* address implicit biases within the institution that stifle the interests or opportunities for students of color and women—and especially women of color—to pursue careers in higher-paying fields of study. And while they cannot eliminate

d The Postsecondary Value Commission's definition of justice—in which one's background does not predict outcomes—is based on input from commissioners and Research Task Force members. Commissioners expressed a deep interest in leveraging the project's work to promote equity, freedom, and justice for students in the postsecondary context. To further the Postsecondary Value Commission's understanding of the role institutions can play in advancing justice, four members of the Research Task Force authored papers on what a just society would look like: Baker (Forthcoming), Flores (Forthcoming), Perry (Forthcoming), and Jones (Forthcoming). Common themes in their papers shaped the commission's definition of justice.

all of the inherited privileges that high-income students and White students bring with them into the job market, they *can* help students from low-income backgrounds and students of color build their professional networks and expertise through targeted mentorship programs, internships, work experiences, and career counseling.

Postsecondary institutions can widen their doors to a more diverse array of students, remove structural barriers to completion, minimize student debt, and streamline pathways into the workforce. Furthermore, as educators of future employers and managers, policymakers, judges, teachers, police officers, doctors and nurses, community leaders and more, institutions can educate their graduates—especially their White graduates—to enter the workforce prepared to combat racial and socioeconomic injustices in their everyday work.[52] As employers themselves, institutions can directly impact local labor market outcomes and promote equity through their own hiring and compensation practices. And institutions have the power to address injustices in their own communities through research, volunteerism, and authentic community engagement, which can drive transformational change for society at large.

Postsecondary Value Commission: Catalyzing a Movement

The Postsecondary Value Commission offers the field an equity-centered framework for understanding how postsecondary education can address these inequities. The pages that follow outline the commission's charge in further detail, including a definition and core principles for postsecondary value, a framework for measuring value, and an action agenda that offers recommendations for institutional leaders, policymakers, and students and families. This effort has been a collaboration between experts from within and outside of higher education and has leveraged their knowledge and experience to tackle equity gaps in students' post-college outcomes.

But this is just the beginning. While driven by robust research and evidence, the work of the Postsecondary Value Commission is not intended as a research project, but rather as the catalyst of a movement—a movement designed to steer the next decade of higher education reform. Just as the field previously shifted its focus from access to access and completion,[53] it now is shifting further to incorporate value. And, at a moment of renewed attention to systemic racial and socioeconomic inequity, the equitable value movement must direct reforms toward equitable access, completion, and post-college outcomes that lead to economic mobility, especially for Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, and women.

Over the next ten years, this equitable value movement will play a critical role in reshaping the postsecondary education system in the United States. Together, we will combat access and completion barriers, spark economic mobility, dismantle racist practices and structural inequalities, promote equity, and build a more vibrant and just society.

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CHAPTER 2:
THE 'WHO' AND 'WHAT' OF THE POSTSECONDARY VALUE COMMISSION

For decades, postsecondary education reform focused its efforts primarily on improving equitable access to college, often through increasing affordability. Approximately ten to fifteen years ago, attention began to shift from student access to student access and completion. Most recently, a growing chorus of voices has begun to drive the field to examine the public and private return on investment of postsecondary education,[1] with particular attention to socioeconomic mobility. This focus on meaningfully connecting a high-quality postsecondary education[2] to employment for underserved communities[3] can combat long-standing wage and wealth inequalities, especially by race/ethnicity, in our society.[4]

In light of this focus, interest in defining postsecondary value has never been greater. Federal policymakers are increasingly attuned to the importance of post-college outcomes. In 2015, the U.S. Department of Education launched the College Scorecard and since then has continued to update and refine it with measures of completion, earnings, and student loan outcomes.[5] Meanwhile, many state leaders continue to adopt and refine policies focused on improving students' post-college outcomes through state strategic plans (e.g., Texas' 60x30),[a] consumer information (e.g., Launch My Career),[b] and other initiatives. In recent months, the COVID-19 pandemic has deepened the public's scrutiny of issues related to college value, with reports, stories, and op-eds highlighting economic inequities in our communities, perceptions of institutional quality, and voters' and students' expectations of value.[6] For example, 87 percent of voters reported that improving value is an equally or more important priority to them since the onset of the pandemic.[7]

What these efforts currently lack is a common definition of postsecondary value and an equity-focused framework for its measurement. Without one, this new information on labor market outcomes could be used to rank institutions in ways that reinforce existing inequalities rather than remove them. Notable efforts to develop and apply equity-oriented metrics do exist, including *The Washington Monthly*,[8] Opportunity Insights,[9] and the Social Mobility Index.[10] These initiatives assess institutional performance on metrics like graduation rates for Pell Grant recipients and post-college economic mobility.

The Postsecondary Value Commission (referred to as the commission) set out to build on this momentum to define and measure equitable value for students by identifying the strongest elements of these recent measurement efforts and by creating a cohesive framework for applying them to assess value. Backed by quality data, rigorous research, and diverse perspectives, the commission has explored both the economic and non-economic benefits of attending and completing college. The commission's work intends to equip the field with the measures and tools necessary to advance conversations that can address institutional and systemic inequities for Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, and women, not only as they enter and progress through the postsecondary system, but also as they transition into the workforce. To truly understand whether postsecondary institutions and programs are delivering equitable value, the commission strongly believes that outcomes must be measured for each of these individual groups—and the intersections between them.

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a For additional information on 60x30TX, please visit: *http://www.thecb.state.tx.us/about-us/60x30tx/*

b For additional information on Launch My Career TN, please visit: *http://launchmycareertn.org/*

Who Comprised the Postsecondary Value Commission?

To meet this moment in the reform movement, the Bill & Melinda Gates Foundation (BMGF) launched the Postsecondary Value Commission, with the Institute for Higher Education Policy (IHEP) managing the project, in April 2019. The initiative sought to energize the field by expanding its view of postsecondary student success beyond graduation, and inspire the higher education sector to fully live up to its potential as a strong force for racial and socioeconomic justice. Central to this work was the formation of the commission.

The commission's 30 members (Sidebox 2.1) have brought a broad and diverse range of experience to this work as educators, executives, researchers, advocates, and students.[c] Over the course of the project, commissioners came together through in-person and virtual convenings to articulate personal connections to the topic of postsecondary value (Figure 2.1); explore ways to define and measure equitable educational outcomes for institutions, programs, and society; to identify systemic inequities by race/ethnicity, income, and gender; and ultimately to build momentum toward change that will ensure a student's background is no longer a predictor of their success during and after college.

Figure 2.1. What Postsecondary Value Means to the Postsecondary Value Commission, April 2019

Source: Postsecondary Value Commission. (2019). In Minutes of April 2019 Convening. New York City.

Note: At the first Postsecondary Value Commission meeting in April 2019, each commissioner was asked to share one word to describe what postsecondary value means to them. This word cloud represents their responses.

c Several commissioners have changed professional affiliations since the start of the Postsecondary Value Commission. These include Brian Bridges (former vice president of research and member engagement for United Negro College Fund, Inc.), José Luis Cruz (former president of the Herbert H. Lehman College, The City University of New York), Nichole Francis Reynolds (former vice president for public policy at Mastercard), and Zakiya Smith Ellis (former New Jersey Secretary of Higher Education).

The commission was co-chaired by Sue Desmond-Hellmann, Chief Strategy Advisor and former CEO of BMGF, and Mildred García, president and CEO of the American Association of State Colleges and Universities (AASCU). Michelle Asha Cooper, IHEP's former president, served as the managing partner from April 2019 to January 2021.[d] IHEP's interim president and CEO Mamie Voight took over as the managing partner in January 2021. Desmond-Hellmann, García, Cooper, and Voight drew on their extensive expertise in healthcare and education and diverse experiences in the public and private sectors to provide overarching leadership for the commission.

Sidebox 2.1. Postsecondary Value Commission Members

Brian Bridges, Secretary of Higher Education, State of New Jersey*

Anthony P. Carnevale, Research Professor and Director, Georgetown University Center on Education and the Workforce

José Luis Cruz, Executive Vice Chancellor and University Provost, The City University of New York*

Sue Desmond-Hellmann, Chief Strategy Advisor and former CEO, Bill & Melinda Gates Foundation

Ivelisse Estrada, Senior Vice President, Corporate and Community Empowerment, Univision Communications Inc. (Retired)

Nichole Francis Reynolds, Vice President/Head of Global Government Relations at Service Now, Inc.*

John Friedman, Professor of Economics, International Affairs, and Public Policy, Brown University

Mildred García, President and CEO, American Association of State Colleges and Universities

Paul Glastris, Editor-in-Chief, *The Washington Monthly*

Jillian Klein, Senior Vice President of Government and Regulatory Affairs, Strategic Education, Inc.

Janice Lachance, Executive Vice President, Strategic Leadership and Global Outreach, American Geophysical Union

Teresa Lubbers, Commissioner, Indiana Commission for Higher Education and Chair, Governor's Workforce Cabinet

Elisabeth Mason, Founding Director, Stanford Poverty and Technology Lab

Sean McGarvey, President, North America's Building Trades Unions

Ted Mitchell, President, American Council on Education

Sahar Mohammadzadeh, Undergraduate Student, Harvard University

Marc H. Morial, President and CEO, National Urban League

Gloria Nemerowicz, Founder and President, Yes We Must Coalition

Eloy Ortiz Oakley, Chancellor, California Community Colleges

Cheryl Oldham, Senior Vice President, U.S. Chamber of Commerce Foundation and Vice President, Education Policy, U.S. Chamber of Commerce

Laura Perna, Vice Provost for Faculty, GSE Centennial Presidential Professor of Education, and Executive Director, Penn AHEAD, University of Pennsylvania

Mark Schneider, Director, Institute for Educational Sciences, U.S. Department of Education

Michele Siqueiros, President, Campaign for College Opportunity

Zakiya Smith Ellis, Chief Policy Advisor, State of New Jersey*

Margaret Spellings, President and CEO, Texas 2036

Luis Talavera, Undergraduate Student, Arkansas State University

Ivory Toldson, Professor of Counseling Psychology, Howard University and President and CEO, The Quality Education for Minorities Network

Andy Van Kleunen, Chief Executive Officer, National Skills Coalition

Mamie Voight, Interim President and CEO, Institute for Higher Education Policy

Belle Wheelan, President, Southern Association of Colleges and Schools Commission on Colleges

*Commissioners who have changed affiliation since the start of the Postsecondary Value Commission.

d Former IHEP president Michelle Asha Cooper was the original managing partner. She stepped down from the commission upon being appointed deputy assistant secretary for higher education programs (currently serving as acting assistant secretary) in the Office of Postsecondary Education at the U.S. Department of Education.

Sidebox 2.2. Postsecondary Value Commission Research Task Force Members

Fenaba Addo, Associate Professor of Public Policy, College of Arts and Sciences, University of North Carolina at Chapel Hill*

Richard Arum, Dean, School of Education, University of California-Irvine

Paul Attewell, Distinguished Professor of Sociology and Urban Education, The City University of New York Graduate Center

Dominique Baker, Assistant Professor of Education Policy, Annette Caldwell Simmons School of Education and Human Development, Southern Methodist University

Anthony P. Carnevale, Research Professor and Director, Georgetown University Center on Education and the Workforce

Colin Chellman, University Dean for Institutional and Policy Research, The City University of New York

Diane Cheng, Research Consultant

Debbie Cochrane, Former Executive Vice President, The Institute for College Access & Success

Michael Collins, Vice President, JFF

Marlena Creusere, Director of Advanced Analytics and Business Intelligence, The University of Texas System

William Darity Jr., Samuel DuBois Cook Distinguished Professor of Public Policy, African and African American Studies, Economics, and Business & Director of the Samuel DuBois Cook Center on Social Equity, Duke University

Mesmin Destin, Associate Professor of Psychology and Human Development and Social Policy, Northwestern University

Amy Ellen Duke-Benfield, Senior Fellow, National Skills Coalition

Indivar Dutta-Gupta, Co-Executive Director, Georgetown Center on Poverty and Inequality

Kayla C. Elliott, Interim Director of Higher Education Policy, The Education Trust

Lorelle Espinosa, Program Director, Alfred P. Sloan Foundation*

Antoinette Flores, Managing Director for Postsecondary Education, Center for American Progress

Stella Flores, Associate Professor of Higher Education & Director of Access and Equity, The Steinhardt Institute for Higher Education Policy, New York University

John Friedman, Professor of Economics, International Affairs, and Public Policy, Brown University

Darrick Hamilton, Henry Cohen Professor of Economics and Urban Policy & Founding Director of the Institute on Race and Political Economy, The New School

Timothy Harmon, President, Workforce Enterprise Services, Inc.

Kevin James, Founder and CEO, Better Future Forward

Gina Johnson, Senior Associate, National Center for Higher Education Management Systems (NCHEMS)

Tiffany Jones, Deputy Director, Postsecondary Success, Bill & Melinda Gates Foundation*

Robert Kelchen, Associate Professor of Higher Education and Chair, Department of Education Leadership Management and Policy, Seton Hall University

Jorge Klor de Alva, President, Nexus Research and Policy Center

Stephanie Marken, Executive Director of Education Research, Gallup

Jordan Matsudaira, Associate Professor of Economics and Education Policy, Teachers College, Columbia University

Ben Miller, Former Vice President for Postsecondary Education, Center for American Progress

Robert J. Morse, Chief Data Strategist, U.S. News & World Report

Laura Perna, Vice Provost for Faculty, GSE Centennial Presidential Professor of Education, and Executive Director, Penn AHEAD, University of Pennsylvania

Andre M. Perry, Senior Fellow, Metropolitan Policy Program, Brookings Institution

Nicole Smith, Research Professor and Chief Economist, Georgetown University Center on Education and the Workforce

Jeff Strohl, Research Professor and Director of Research, Georgetown University Center on Education and the Workforce

David Troutman, Chief Data Officer and Associate Vice Chancellor for Institutional Research, The University of Texas System

*RTF members who have changed affiliation since the start of the Postsecondary Value Commission.

To inform the research agenda underlying the definition of postsecondary value and the associated equity-minded framework, BMGF and IHEP convened the Postsecondary Value Commission Research Task Force (RTF),[e] comprised of expert senior researchers (Sidebox 2.2). Through multiple phases of research, the RTF has helped the commission better understand the philosophical, measurement, and policy considerations and assumptions underlying components of postsecondary value, including investment, economic and non-economic returns, mobility, and societal value, all through an equity lens.

What was the Postsecondary Value Commission's Charge?

The Postsecondary Value Commission was responsible for producing the following interrelated deliverables:

1. A **conceptual definition** of postsecondary value and **core principles** to guide institutional improvement efforts and policy conversations about equitably increasing students' post-college economic success and mobility;
2. A **framework** to gauge how specific institutions and programs create value for students and ensure equitable completion and post-college outcomes for Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, and women; and
3. An **action agenda** with recommendations for applying the definition and framework to change policies and practices so that institutions and programs deliver postsecondary value more equitably.

Conceptual Definition and Core Principles

The Postsecondary Value Commission's value definition offers a goal grounded in equity for guiding the collective work of institutions and policymakers to improve student outcomes (Figure 2.2). To illuminate the commission's motivation for defining value and further clarify how the field should interpret and use the definition, the commission also developed a set of core principles (Figure 2.2).

e Several RTF members have changed professional affiliations since the start of the Postsecondary Value Commission. These include Fenaba Addo (former associate professor at the University of Wisconsin-Madison), Lorelle Espinosa (former vice president for research at the American Council on Education), and Tiffany Jones (former senior director of higher education policy at The Education Trust).

Figure 2.2. Conceptual Definition and Core Principles

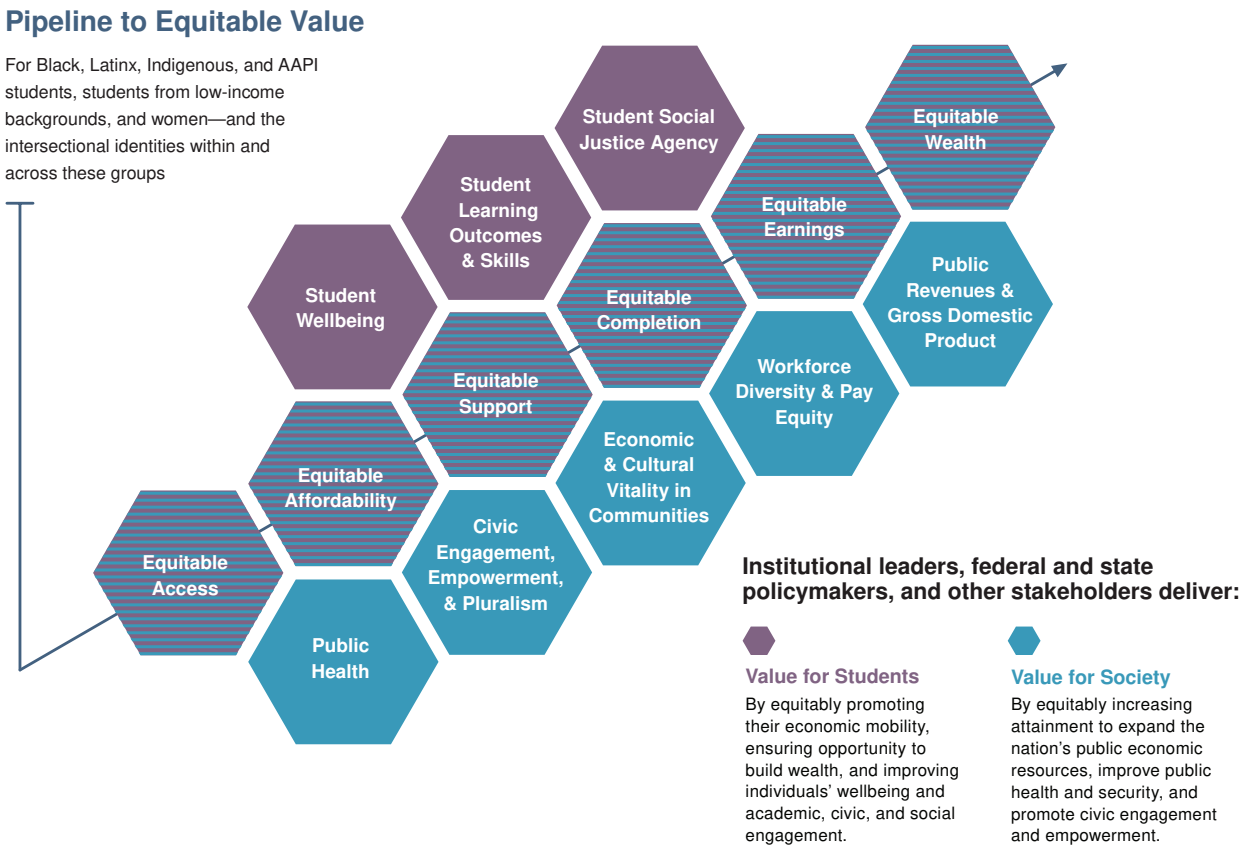
Students experience postsecondary value when provided equitable access and support to complete quality, affordable credentials that offer economic mobility and prepare them to advance racial and economic justice in our society.

Equity matters.	In a country where college is crucial to economic and social mobility, it is not acceptable that some students—especially Black, Latinx, Indigenous, and Asian American and Pacific Islander (AAPI) students, students from low-income backgrounds, and women—face systemic barriers as costs continue to grow, completion rates remain low, and wage inequities persist that prevent them from realizing the full value of postsecondary education.
Institutions and programs matter.	While there is overwhelming evidence that a college education is indeed "worth it," institutional leaders, faculty, and staff must deliver a quality education by intentionally constructing valuable learning experiences and career pathways with employers to ensure all students develop the knowledge, skills, and networks needed to be successful in work and life, including the ability to navigate and influence society to promote equity and justice.
Policy matters.	To remove systemic barriers to equitable postsecondary value, federal and state policymakers should work with institutional leaders to develop funding, financial aid, and accountability mechanisms that incentivize creating coherent P-12, postsecondary, and workforce pathways and improving educational experiences and outcomes for Black, Latinx, Indigenous, and Asian American and Pacific Islanders (AAPI) students, students from low-income backgrounds, and women.
Public returns—and investment—matter.	While equitable postsecondary value yields clear returns for students and families, public investment in closing racial and socioeconomic attainment gaps also benefits the broader society through increases in tax revenues and GDP, decreases in public health and other expenditures, and increases in voting, volunteerism, and civic participation, which builds a more just society.
Measuring value matters.	Collecting and using the necessary data to understand whether and how institutions and programs deliver value to Black, Latinx, Indigenous, and Asian American and Pacific Islander (AAPI) students, students from low-income backgrounds, and women, in comparison to their peers, is critical because the nation can no longer afford to ignore inequities in the system if we are to fulfill the promise of postsecondary education to students and society.

The Postsecondary Value Framework

The commission relied on a wide body of research—some conducted prior to the project, and much of it led by the Research Task Force—to construct a framework for understanding the many interconnected components of postsecondary value. The Postsecondary Value Framework seeks to outline the clear value-add that postsecondary education can provide to students and society, in both economic and non-economic terms (Figure 2.3). Details about the framework are described in the sections that follow.

Figure 2.3. The Postsecondary Value Framework



Value for Students

The Postsecondary Value Framework measures the value that a student experiences from their postsecondary education by examining the difference between the investment they make and the estimated economic and non-economic returns they receive beyond what they would have experienced otherwise without that credential. To uncover and address inequities, postsecondary returns should be disaggregated specifically for Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, and women, in comparison with their peers.

The Postsecondary Value Framework includes a series of economic value thresholds that measure whether students experience different economic returns over time. To account for access and institutional diversity, the framework uses two additional methods: a set of disaggregated thresholds and a set of indices—the Economic Value Index (EVI) and the Economic Value Contribution (EVC). These thresholds and indices—which are grounded in work the field has conducted as part of, before, and alongside the commission's research—are discussed in greater detail in Chapter 3.

Chapter 4 delves into how institutions and programs can make meaning of their performance against the thresholds and how they address inequities by considering factors that affect performance on the thresholds such as net price, completion rate, time to credential, and expenditures per student. Research conducted by David Troutman at The University of Texas (UT) System and Jordan

Matsudaira at Columbia University's Teachers College tested these thresholds using UT System data and publicly available data. These analyses demonstrate the usefulness of the thresholds for understanding and uncovering inequities in the value institutions and programs offer their students, and illuminate trends in and across the field.

In addition to these economic indicators, the Postsecondary Value Framework also incorporates key individual and societal non-economic benefits of a postsecondary education, like wellbeing, learning outcomes, skills development, and racial justice orientation and competencies. Chapter 6 discusses this important research in more depth.

Value for Society

The value of a postsecondary education is important for not just students who receive a credential, but also their families, communities, and broader society. If postsecondary education can ensure equitable attainment for students of color and students from low-income backgrounds and increase the number of these students who reap the economic benefits of a postsecondary credential, it will have a tangible payoff for society in terms of a stronger economy, an increased tax base, a more diverse and prepared workforce across middle- and high-skill jobs, a healthier populace, and less reliance on taxpayer dollars for public assistance programs.[11]

Furthermore, stronger postsecondary outcomes among Black, Latinx, Indigenous, and underrepresented AAPI communities, individuals from low-income backgrounds, and women chip away at longstanding and deep-seated wage and wealth inequities in this country. To quantify these societal benefits, the commission worked with researchers from the Georgetown University Center on Education and the Workforce (CEW) to model the economic returns that society would reap through more equitable postsecondary attainment by race/ethnicity, income, and gender—measured along the framework's economic value thresholds (Chapter 5). The commission also worked with Georgetown University CEW to explore the societal nonpecuniary benefits of postsecondary education (Chapter 6).

Throughout the Postsecondary Value Commission's work, commissioners and researchers have noted that many of the societal inequities the commission aims to remedy are impacted by other societal systems as well (e.g., discrimination within the labor market, the healthcare system, and P-12 education). However, the existence of these confounding factors does not absolve postsecondary institutions—and the bodies that govern them—of responsibility for the factors that are within their control, such as removing affordability barriers, reducing reliance on debt among students of color and low-income students, supporting students equitably through completion, and preparing students with the learning and skills needed to secure a job that pays a sustainable wage and allows for building wealth.

Providing an affordable, accessible postsecondary education that prepares students—especially Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, and women—for the workforce should be top priority for postsecondary institutions. However, institutional commitment to producing equitable value should not stop there. Institutions can diminish societal inequities by educating culturally-competent, equity-minded future leaders in all industries, by implementing equitable employment practices on their own campuses to ensure they do not perpetuate employment and pay inequities within the substantial portion of the labor market that they control, and by partnering with their local communities to propel economic and cultural

vitality. With this in mind, the commission identified and explored how to potentially measure the ways in which institutions can and should advance a more just society (Chapter 6).

Action Agenda

The purpose of the Action Agenda (Chapter 7) is to encourage the widespread application of the value definition and framework to spur action that delivers more equitable value to students. The agenda outlines key practices and policies that institution leaders and federal and state policymakers should take to deliver equitable value.

Institutional leaders not only have the power, but also the responsibility, to increase college and program access, promote completion, and strengthen post-college outcomes for Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women, to equitably serve those students historically left behind by our education systems, and to do their part in addressing larger societal injustices, including racial and gender wage inequality. They can also help tackle these injustices by preparing their graduates to be successful in the workforce and by combatting—rather than perpetuating—these inequities on their own campuses and communities.

Federal and state policymakers also hold power and responsibility to influence postsecondary value through decisions about which students and which institutions receive support and investment, which institutional behaviors and practices to encourage, how to measure and bring transparency to student outcomes and institutional performance, and how to build collaborations across education and the workforce. Most importantly, policymakers have the ability to prioritize issues of equity.

The Action Agenda also outlines critical questions that students and families deserve answers to as they determine which institutions and programs can provide them with the most value. As implied by its name, the Action Agenda creates a roadmap for postsecondary stakeholders to actively engage in the creation of equitable value for all students, and empowers students and families to make important decisions through a value lens. More information on the agenda can be found in Chapter 7.

CHAPTER 2 ENDNOTES

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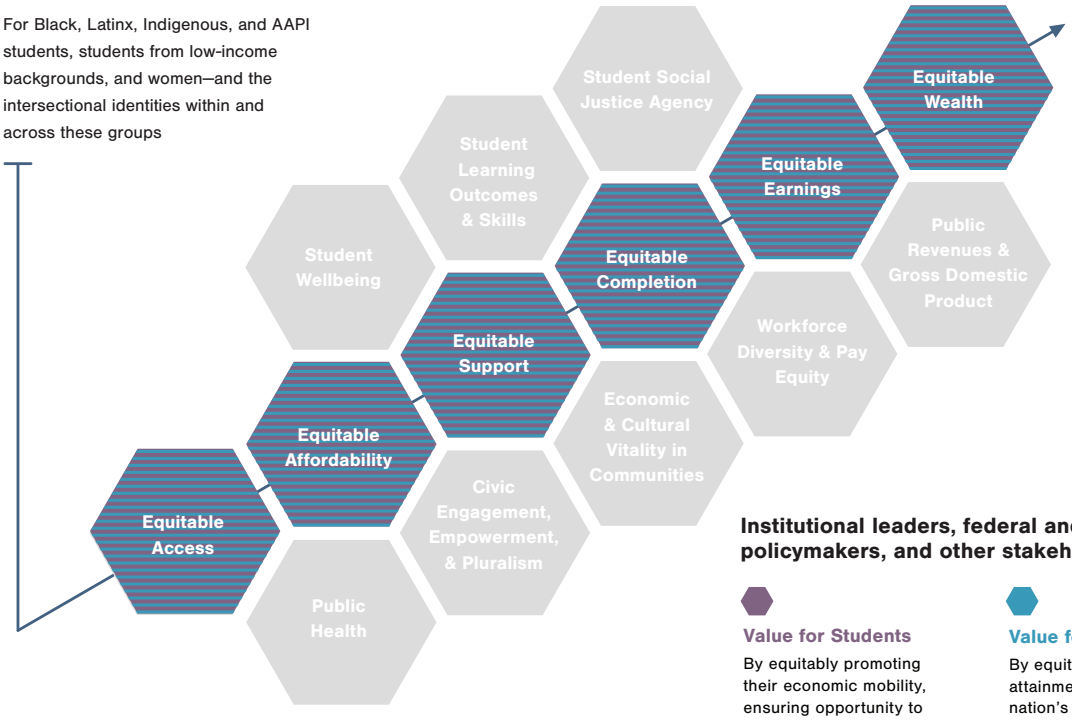
CHAPTER 3:
ASSESSING POSTSECONDARY VALUE TO STUDENTS

The Postsecondary Value Framework

Pipeline to Equitable Value

For Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women—and the intersectional identities within and across these groups



Institutional leaders, federal and state policymakers, and other stakeholders deliver:

Value for Students

By equitably promoting their economic mobility, ensuring opportunity to build wealth, and improving individuals' wellbeing and academic, civic, and social engagement.

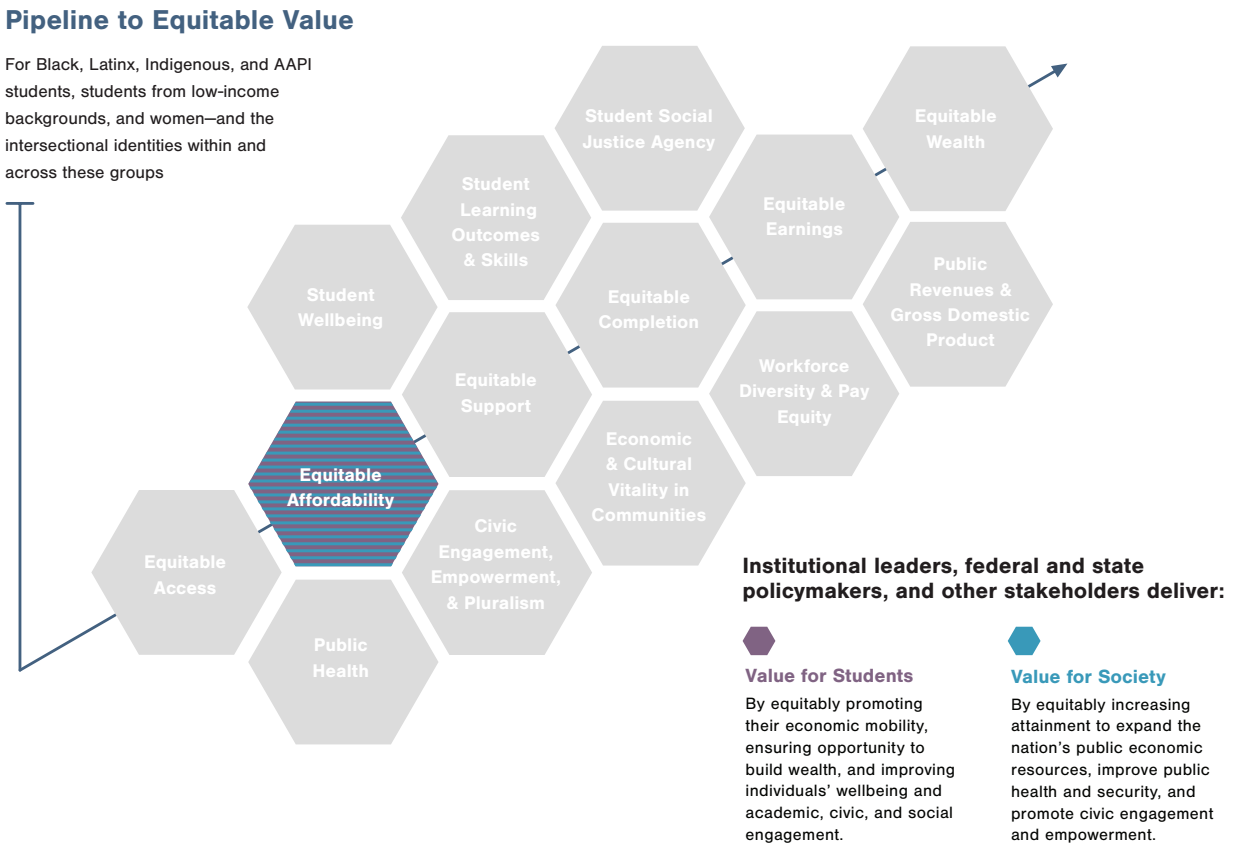
Value for Society

By equitably increasing attainment to expand the nation's public economic resources, improve public health and security, and promote civic engagement and empowerment.

The Postsecondary Value Framework (also referred to as the framework) is designed to help institutions identify and measure their own inequities in access, completion, and post-college outcomes in ways that spur concrete action to better deliver equitable postsecondary value. This chapter describes the framework, including how student investment is defined; how student economic returns are conceptualized along a series of thresholds that measure both earnings and wealth; and how disaggregated data analyses can further uncover deep-seated inequities in post-college outcomes.

Defining Student Investment in the Postsecondary Value Framework

The Postsecondary Value Framework



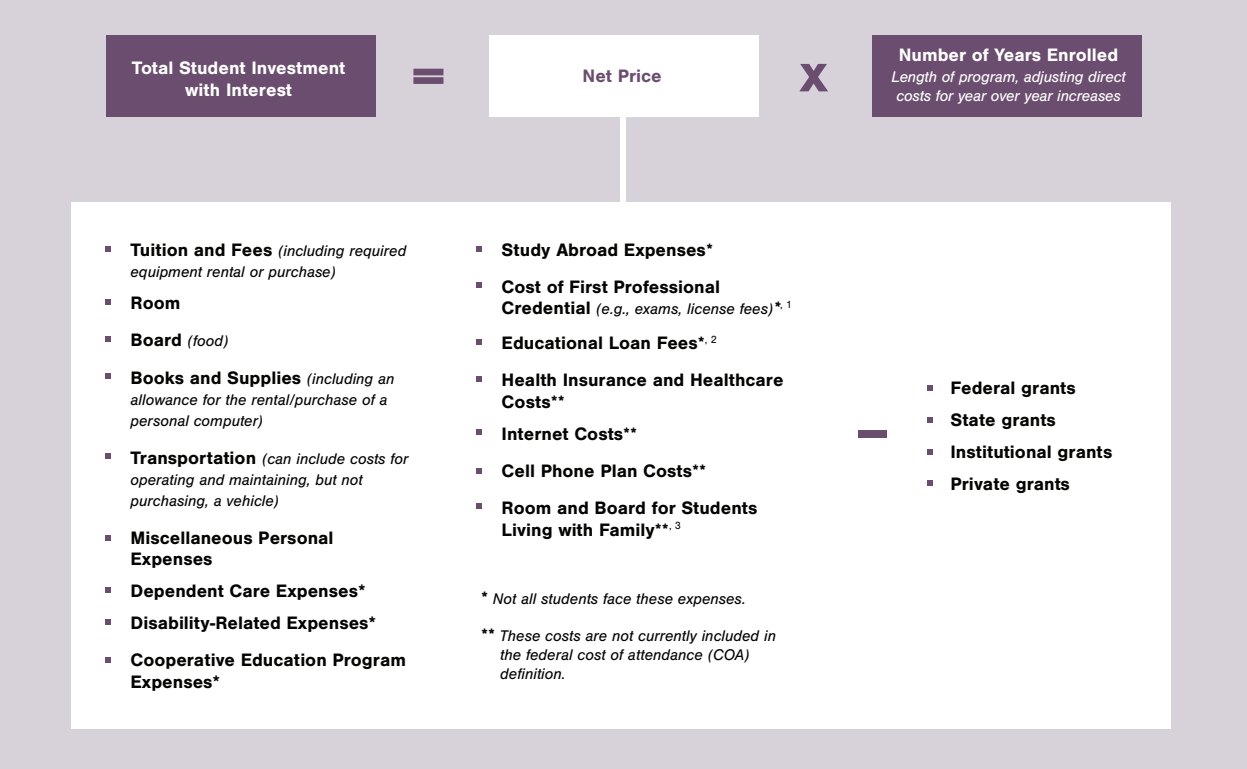
In order to understand the value of postsecondary education to students, the Postsecondary Value Framework considers students' investment in college in relation to their returns. To provide a realistic view of students' expenses, this measurement must account for the full cost of attendance (COA)—including tuition and non-tuition expenses—as well as all grants and scholarships received and the length of time enrolled. In effect, the framework **defines total student investment as net price over the entire length of enrollment in a given credential or program, including student loan interest** (Figure 3.1).[a]

While the concept of an investment definition may be simple, its measurement is complex due to both the array of circumstances that can impact a student's costs, grants, and time to credential, and limited data availability. The Postsecondary Value Commission relied on the expertise of noted financial aid researcher Diane Cheng to better understand the nuances associated with defining investment. To maximize practicality across institutions, the Postsecondary Value Framework defines investment using

a The commission's work on student investment was informed by research from Diane Cheng, detailed in: Cheng, D. (2021). Recommendations for measuring student investment in college. Postsecondary Value Commission. Retrieved from: *https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-Cheng-FINAL.pdf*. To help inform the commission's work, Cheng investigated three ways to measure student investment: net price, sticker price, and foregone earnings. Based on this research, the commission recommends net price. For additional information on these three metrics, see *The Ideal Approach for Measuring Student Investment* and *Appendix A* in Cheng (2021), this volume.

publicly available data, while also offering recommendations to improve publicly available data with refinements that institutions and states can make to add precision to their own calculations.

Figure 3.1. Defining Student Investment in the Postsecondary Value Framework



Source: Table in Cheng (2021), this volume.

Notes: [1]The cost of first professional credentials are currently optional in the federal definition of COA but the Consolidated Appropriations Act of 2021 specifies that they will be required starting in 2023.

[2]Educational loan fees are required for federal loans. Private loan fees are currently optional but are not allowed after 2023 per the Consolidated Appropriations Act of 2021.

[3]While room and board are already included in the COA definition, colleges are currently not able to report those costs for students living with family to the U.S. Department of Education's Integrated Postsecondary Education Data System (IPEDS). As a result, public COA data do not include those expenses. Note that the Consolidated Appropriations Act of 2021 specifies that, starting in 2023, this room and board allowance for dependent students living with parents cannot be zero.

Cost of Attendance: Current Components and Recommendations to Improve the Definition

When considering students' COA in the context of the Postsecondary Value Framework, it is important to include their costs beyond tuition.[b] To be successful in school, students need to be able to cover the costs of books, supplies, and transportation to and from class. Additionally, having sufficient resources for housing and food is crucial for allowing students to focus on their coursework without needing to work long hours to cover those expenses.[1] Food and housing insecurity were barriers to student completion prior to the COVID-19 pandemic, and the pandemic has amplified

b For a more detailed discussion of the expenses that should be added to COA (i.e., health insurance and healthcare, internet, cell phone plans, and room and board for students living with family), see: *Cost of Attendance (COA)* in Cheng (2021), this volume.

these insecurities and put a spotlight on additional challenges,[2] including lack of access to a household computer/laptop or reliable home internet connection.[3]

Institutions rely on the federal definition of COA to calculate student expenses, and COA data are reported publicly through The Integrated Postsecondary Education Data System (IPEDS) to measure tuition and non-tuition costs for first-time, full-time (FTFT) degree/certificate-seeking undergraduates.[4] However, federal guidelines do not currently require institutions to include some expenses that students must incur to be successful in college in their COA calculations (Figure 3.1), including living expenses for students living off-campus with family, health insurance and healthcare costs, internet costs, and cell phone plan costs.

The U.S. Department of Education (ED) does not currently allow colleges to report room and board costs for students living with family to IPEDS.[5] Research demonstrates, however, that a large share of students living at home still contribute to rent and food costs, and some institutions include these expenses in the COA figures they report on their websites, outside of IPEDS.[6] Even if students do not pay for these costs themselves, their families are still responsible for them, and therefore, they represent a real student expense. This omission deflates COA at colleges with large shares of students living with family, making the institutions look more affordable than they are in reality. The Consolidated Appropriations Act (2021) took a step toward fixing this inconsistency by requiring institutions to assign an amount greater than $0 for living expenses accrued by students living off-campus with family. The Postsecondary Value Commission encourages ED to make these adjustments in IPEDS as well to better reflect students' true expenses and to account for this legislative change.[7]

Additional non-tuition expenses that students regularly incur also should be added to federal COA estimates. Health insurance and healthcare costs are a critical element of student budgets. Research has shown how health issues and unexpected healthcare costs impact students' ability to succeed in college,[8] and the COVID-19 pandemic has shown how truly critical it is for students to have access to quality, affordable healthcare. Similarly, internet costs and cell phone plan expenses have become increasingly necessary for students to succeed in college,[9] especially during the pandemic, with many classes moving to online platforms.[10] While colleges are currently allowed to include these costs, and some already do, it is not required. As such, it is not always clear whether or not an institution includes them. Because these expenses are critical to students' success, the Postsecondary Value Commission recommends specifically adding them to the federal COA definition.

These seemingly technical details about COA specifications are critical, because they impact students' postsecondary choices, pathways to success, and broader value estimations. For instance, if colleges underestimate COA, students may struggle to cover unexpected expenses and be forced to make choices that reduce their ability to succeed, such as working more hours, forgoing needed books and supplies, or skipping meals.[11] Conversely, if COA is set too high, students may choose not to enroll or may borrow more than necessary.[12] The accuracy of colleges' COA estimates also impact the Postsecondary Value Framework calculations. If the framework underestimates student investment, the return to education will appear inflated; if the framework overestimates investment, then the value will appear to be less than it is.[c]

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c For greater detail on the limitations and implications of COA measurements, see: *Cost of Attendance (COA)* in Cheng (2021), this volume.

The Cost of Borrowing

The Postsecondary Value Framework incorporates the cost of borrowing because the postsecondary education system saddles too many students—especially Black, Latinx, Indigenous, and underrepresented AAPI students and students from low-income backgrounds—with debt. Student loan fees already are counted through the statutory COA definition, and consistent with prior models in the field,[13] the framework applies interest over the course of 10 years to account for the additional cost of financing college through borrowing.[d] Additional research is needed to determine a more precise methodology to estimate students' actual interest accumulation.[e]

How to Measure Net Price Using IPEDS

Although IPEDS includes distinct net price variables that report net price for aided students, the dataset offers a variety of other options for calculating net price as well. Using IPEDS data, Cheng (2021) modeled several different ways to calculate net price to ensure that the Postsecondary Value Framework captures price in a way that is as accurate as possible, for as many students as possible, despite current data limitations.

Based on the results of this modeling,[f] the Postsecondary Value Commission recommends calculating net price by subtracting the average grant aid received by all FTFT undergraduates from the total COA for FTFT undergraduates.[g, h] The COA should be weighted by living arrangement, using the living arrangement distribution of FTFT grant aid recipients, and apply the off-campus not with family living expenses to students living off-campus with family.[i] To capture costs over multiple years, the annual net price should be multiplied by an approximation of the time to credential.[j]

While this formula is the commission's recommended best option for measuring net price, it still faces the limitations of publicly available data. For instance, much of the IPEDS data—including this recommended measurement—are limited to FTFT undergraduates, which might not be representative of the total undergraduate population. However, as described in more detail in Cheng (2021), measuring net price for all undergraduates with IPEDS data presents its own, more significant

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d The framework applied the current (as of 2021) undergraduate federal loan interest rate of 2.75 percent per Jordan Matsudaira's recommendation to use the most recent available data.

e See Cheng, D. (2021), this volume, including *The Ideal Approach for Measuring Student Investment*.

f See Cheng, D. (2021), this volume, including *The Ideal Approach for Measuring Student Investment*, *Measuring Student Investment with Publicly Available and Nonpublic Institutional Data*, *Appendix A*, and *Appendix B*.

g IPEDS includes two measures of grant receipt, both of which were initially considered as measurement options for the Postsecondary Value Framework: total grant aid awarded to FTFT students and total grant aid awarded to all undergraduates. Each data point can be combined with enrollment data (FTFT and all undergraduate, respectively) to calculate an average grant award at the institution. It is important to account for the likelihood that students receive grant aid, rather than only looking at averages for those who received grant aid. Calculating grant aid for all undergraduates (rather than just FTFT students), captures a broader population of students, incorporates data from colleges that do not enroll FTFT students, and avoids overstating grant aid for colleges that provide larger grants to first-year students than other undergraduates. However, COA is based on FTFT attendance, so combining grant aid for all undergraduates with COA for FTFT students could introduce inconsistencies, particularly given in the inclusion of part-time students. Based on Cheng's modeling of both options (see Cheng 2021, this volume, including *Appendix B*), the Postsecondary Value Commission chose total grant aid awarded to FTFT students.

h The Postsecondary Value Commission does not recommend using the net price by income calculation in IPEDS because those data are limited to students receiving Title IV financial aid, which underestimates costs for students who do not receive financial aid (see Cheng 2021, this volume, including *Measuring Student Investment with Publicly Available and Nonpublic Institutional Data* and *Appendix B*).

i Based on Cheng's research (see Cheng 2021, this volume, including *Measuring Student Investment with Publicly Available and Nonpublic Institutional Data* and *Appendix C*), the Postsecondary Value Commission recommends calculating costs weighted by living arrangement because it allows for more precision than using costs associated with the predominant living arrangement.

j While the commission recommends estimating time to degree using IPEDS Graduation Rate Survey data, Diane Cheng recommends using the expected time to credential instead. For a discussion on the methodological details of measuring Time to Degree (TTD), see: Cheng, D. (2021), this volume, including *Measuring Student Investment with Publicly Available and Nonpublic Institutional Data*.

limitations. Furthermore, all IPEDS net price measurements must rely upon institutional estimates of COA, which may not fully represent students' actual expenses, and institution-level averages may mask cost differences by program.[k]

A More Precise Student Investment Estimate Using Institutional Data

Public data limitations inhibit a fully accurate calculation of students' total investment in college—especially for some students, such as those who attend part-time or transfer. While a comparison of TTD estimated using IPEDS graduation rate data and institution-level data from The University of Texas (UT) System found that the estimates were generally within three months of one another, institutions should use the non-public data available in their own data systems to calculate more precise student investment estimates. Ideally, net price would be based on how much all students—not only FTFT or aided students—actually pay to colleges over the length of their enrollment and how much students should expect to pay to cover living expenses while enrolled. Institutions can use their own data to calculate these figures. Furthermore, institutional data on student investment should: be disaggregated by at least program of study, completion status, race/ethnicity, gender, and family income; include the student's actual student loan amounts and interest rates; and account for periods of non-enrollment and actual time to credential.

As part of the Postsecondary Value Commission's work, researchers at The University of Texas (UT) System were able to use student-level data to measure students' actual payments to the institution each semester. This calculation better reflects students' true investment over time, including accounting for $0 investment during periods of stop-out. This research is discussed further in Chapter 4, and is the basis of the commission's recommendation for institutions to use their own data to calculate this investment more precisely than public data allow, and to disaggregate costs for more specific subgroups of students.[l]

k For additional limitations of publicly available data, see: Cheng (2021), this volume, including *Measuring Student Investment with Publicly Available and Nonpublic Institutional Data.*

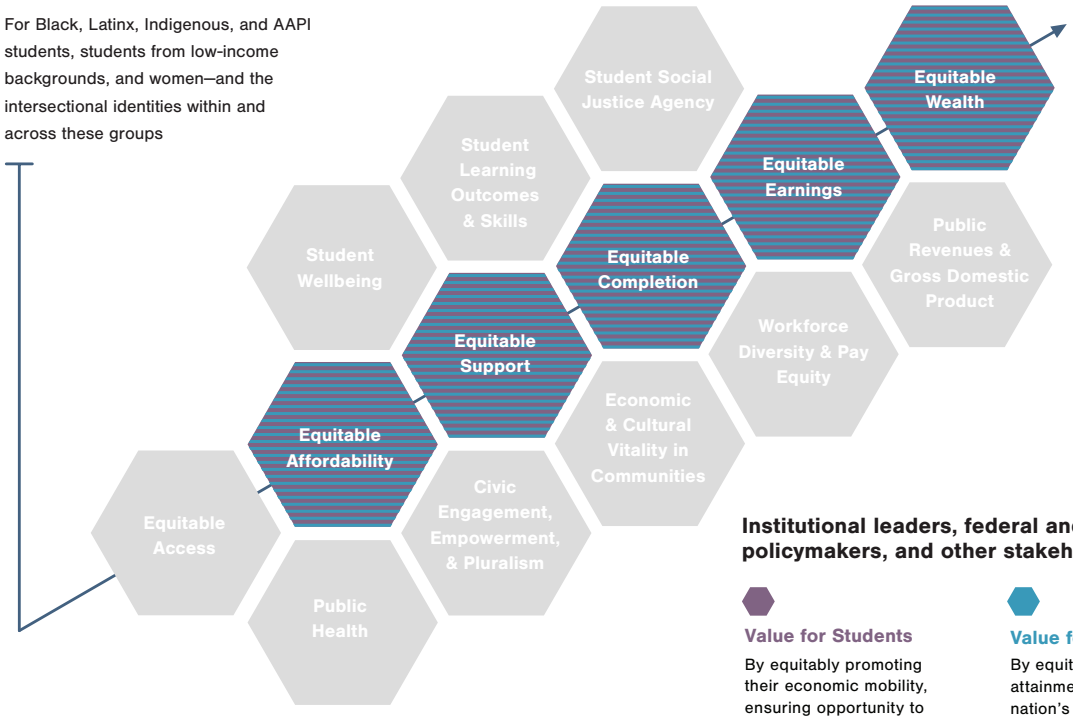
l For examples of how institutions can apply their data to the student investment calculation, see: Cheng (2021), this volume, including *Measuring Student Investment with Publicly Available and Nonpublic Institutional Data.*

Defining Student Returns: The Economic Value Thresholds

The Postsecondary Value Framework

Pipeline to Equitable Value

For Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women—and the intersectional identities within and across these groups



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Economic returns from higher education are often illustrated on a national level using broad brush strokes. For instance, relative to a person with a high school diploma, associate's degree holders earn 22 percent more, and bachelor's degree holders earn 66 percent more on average per year.[m] However, the payoff from higher education can vary widely by institution, program, and student demographics. On top of earnings differences by field and institution, Black, Latinx, Indigenous, and underrepresented AAPI students and women face entrenched workforce discrimination and pay differences relative to their White, male peers.

Yet the payoff from higher levels of postsecondary education can have an even more meaningful effect on mobility for students facing these workforce inequities. For example, the transformative economic impact of a college degree will be felt far more extensively by a student raised in a household that earned $30,000 per year than a student who grew up in a household earning $100,000 per year. As a result, higher education has the potential to be the "great equalizer." The Postsecondary Value Framework therefore emphasizes this mobility potential in its metrics and encourages the maximum possible value from higher education, especially for students of color, students from low-income backgrounds, and women.

m Earnings of an individual with a High School Diploma is $32,000; Associate's Degree is $39,000; and Bachelor's Degree is $53,000. IHEP analysis of 2018 Current Population Survey Data. Data reflect the median earnings of employed adults (ages 22-65).

To measure how different institutions and programs return economic value to their students over time, the Postsecondary Value Framework uses a series of thresholds (see Figure 3.2), informed by prior research, and extensive deliberation among members of the Postsecondary Value Commission and Research Task Force. The first four thresholds (0 through 3) measure individuals' earnings outcomes and the final two (4 and 5) measure wealth outcomes. The ultimate goal is for students to reach economic security and wealth parity, whereby a person has sufficient earnings and wealth to withstand life's economic shocks, and their race/ethnicity, income, or gender does not predict their ability to accumulate earnings or wealth.[n]

At each threshold, the commission recommends that institutions and programs measure both their overall and disaggregated median earnings against these thresholds, as well as the overall and disaggregated percentages of students who meet the thresholds. Each threshold is adjusted by geography at the state level so that earnings benchmarks are higher in high-wage states and lower in low-wage states.[o] Additionally, thresholds are calculated at multiple points in time: at 1, 3, 5, 10, and 15 years after completion for thresholds 0 through 3 and at 10, 15, 20, and 30 years after completion for thresholds 4 and 5 to account for the time required to accumulate wealth.

Figure 3.2. Measuring Economic Returns Via Thresholds

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).[1]
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).[2]
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.

Notes: Thresholds 0-3 can be estimated at the national level using College Scorecard data with some caveats. Institutions and systems with advanced data collections can measure these thresholds with greater specificity. Due to a lack of quality data to measure wealth, Thresholds 4 and 5 are currently understood as conceptual goals rather than operable analyses.

[1]If field of study data is not available, then the framework turns to the predominant degree level (e.g., median earnings among bachelor's degree holders). To calculate this, researchers can use pooled 5-year American Community Survey data.

[2] Publicly available data do not presently support the production of this threshold for low-income students.

n Because a college degree primarily affects the earnings the individual holding the degree, the framework primarily focuses on personal earnings. For examples of other related studies that also used personal earnings see: Chetty et al. (2017) Mobility report cards: The role of colleges in intergenerational mobility. Retrieved from: *https://opportunityinsights.org/paper/mobilityreportcards/*, and Itzkowitz, M. (2020). Price-to-earnings premium: A new way of measuring return on investment in higher ed. Retrieved from: *https://www.thirdway.org/report/price-to-earnings-premium-a-new-way-of-measuring-return-on-investment-in-higher-ed*

o State-level medians do not always capture within-state variance. To develop even more precise benchmarks, institutions could customize this calculation further with regional variations.

The Economic Value Thresholds: A Field-Driven Approach to Measurement

The economic value thresholds represent a convergence of research from experts within the fields of education, economics, and public policy, among others. While it has long been understood that a typical person's earnings increase with a postsecondary credential,[14] scholars have proposed many different ways to operationalize this return.[15] Each threshold is inspired by, and in some cases extends, this existing research. For instance, Threshold 0 requires that institutions provide returns to students that are at least greater than what they would have received had they not enrolled in any postsecondary education. Therefore, a student receives the bare minimum economic return in part if they at least earn more than the median earnings of a person who did not complete any education after graduating from high school, a concept derived from the College Scorecard's threshold metrics.[p] However, in order to at least break even, the student will also need to recoup any costs that they have incurred to attain the credential plus interest (amortized over 10 years in the Postsecondary Value Framework).[16] A similar return on investment concept is proposed by Third Way[q] and the 10-year repayment period reflects Federal standard loan repayment. The College Board also uses a 10-year repayment period and incorporates student loan interest into their investment calculations.[r] These costs incorporate the full price over the length of enrollment.[17]

Similarly, a student meets Threshold 1 when they reach median earnings in their field of study (or, if field of study data are unavailable, the median earnings for the institution's predominant degree type). This concept, derived from work from the Georgetown University Center for Education and the Workforce (CEW) as well as the UT System, accounts for expected variations in pay across fields or degree types and measures whether an institution prepares students to earn what they would expect within their field.[18, 19] Pushing this concept further, Threshold 2 requires that students reach the median earnings of their most privileged peers, a concept that is informed by the UT System's research on in-field pay inequities.[s, 20]

Meeting Threshold 3 requires that students attain the income necessary to enter at least the fourth income quintile (60th percentile). This was inspired by measurements of economic mobility introduced by the Opportunity Insights mobility report cards, though their metrics focused on reaching the top income quintile, which may not reflect all students' personal or career aspirations.[t, 21] However, we recognize that for students already in the fourth- or fifth-income quintile, achieving this level of income represents economic stability, rather than mobility. The intention of this threshold is not to move already high-income students into lower-income brackets, but instead to raise the bar for earnings overall and encourage upward mobility for students from low-income backgrounds.

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p The College Scorecard has a similar metric among its threshold earnings. See: Department of Education. (2020). Data documentation. Accessed at: *https://collegescorecard.ed.gov/assets/FullDataDocumentation.pdf*

q Third Way used a similar approach for their Price to Earnings Premium, measured as the "total average net price" (net price * 4 years if it is a 4-year institution) divided by the earnings premium a graduate receives 10 years after graduation as compared to a high school graduate. For more detail, see: *https://www.thirdway.org/report/price-to-earnings-premium-a-new-way-of-measuring-return-on-investment-in-higher-ed*

r College Board also used an amortized repayment schedule of 10 years in their investment calculations. See: College Board. (2019). Education pays: The benefits of higher education for individuals and society. Accessed at: *https://research.collegeboard.org/trends/education-pays*

s If field of study data are not available, then the framework turns to the predominant degree level (e.g., median earnings among bachelor's degree holders). To calculate this, researchers can use pooled 5-year American Community Survey data. Publicly available data do not presently support the production of this threshold for students from low-income backgrounds.

t Quintiles are a commonly used metric for economic stratification. While some might argue that the movement of a student into the fourth income quintile inherently means that someone previously in that stratum is dropped into a lower quintile, the Postsecondary Value Commission seeks an overall raising of the economic bar for all individuals as well.

These first four thresholds focus on earnings, which can be measured beginning when a student leaves the postsecondary institution. However, the Postsecondary Value Framework also deliberately includes wealth because it has an inextricable link to postsecondary education and equity, particularly racial equity. Indeed, familial wealth is an important determinant in college access and the accumulation of education-related debt, and education-related debt has an impact on wealth accumulation. For instance, evidence shows that households with outstanding education-related debt are more likely to experience adverse financial outcomes compared to those without debt.[22] Furthermore, a gulf of over $150,000 exists between the median wealth for White households ($171,000) and the median for Black ($17,600) and Latinx ($20,700) households.[23]

Over the course of the Postsecondary Value Commission's work, the RTF and commission have wrestled with the difficulty of conceptualizing and measuring postsecondary education's impact on wealth accumulation. First, commissioners and researchers debated whether postsecondary education can impact the racial wealth gap. Many factors that contribute to this gap—such as discrimination in labor, housing, and financial markets, as well as the intergenerational nature of wealth building—are seen as outside of higher education's immediate sphere of influence. Yet, education debt is a form of negative wealth that directly impacts students' ability to build wealth, especially early in their careers when savings are so crucial.[24] Additionally, higher earnings facilitate wealth accumulation, and those earnings are directly impacted by postsecondary attainment.

Second, the commission and RTF struggled with challenges related to measuring wealth. Unfortunately, even the best datasets (ranging from nationally-representative College Scorecard data, to elite student-level data such as those available at the UT System or The City University of New York) have little to offer on students' pre-college or post-college wealth accumulation.[25] Similarly, the best federal datasets are cross-sectional, and thus do not allow for over-time analysis.[26] Clearly, additional work is needed to integrate high-quality wealth data into postsecondary education analyses.[u] The Postsecondary Value Framework includes wealth metrics to pave the path for future research and use.

u For additional discussion on the current and ideal datasets for measuring wealth, see: Addo (2021), this volume, including *How to measure wealth and the preferred and ideal dataset(s).*

Measuring Postsecondary Access as a Component of Equitable Value

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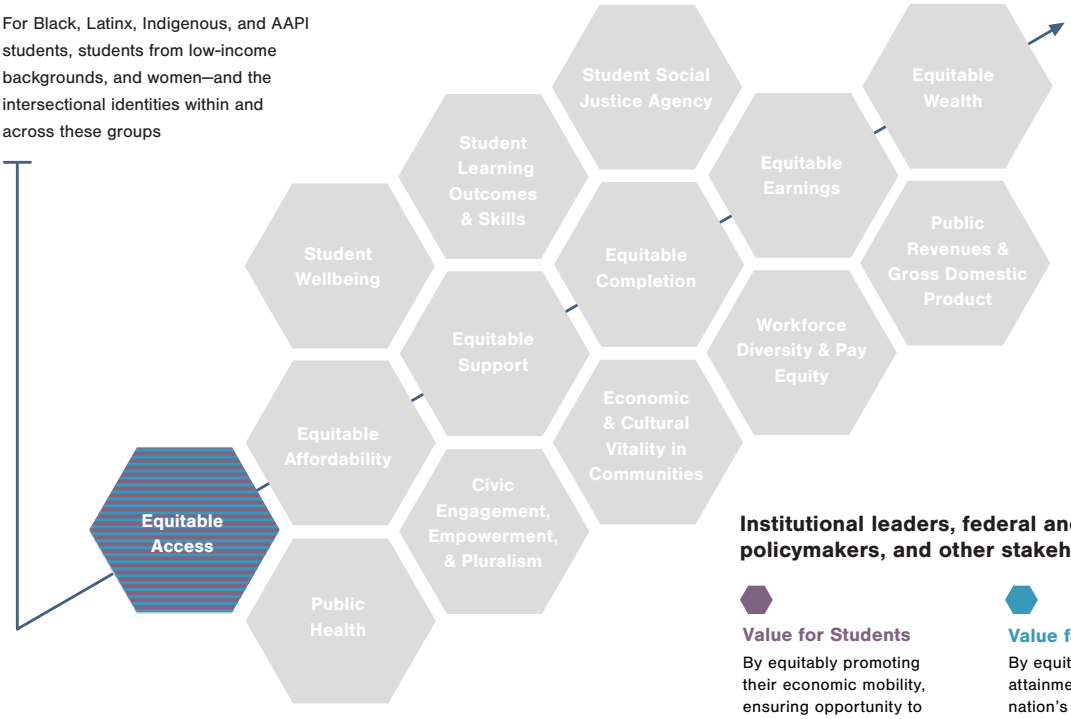

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Postsecondary education cannot reach its full potential as an engine of economic mobility without providing access to underserved students — especially at those institutions that offer the highest economic returns. Creating *equitable* value requires institutions to both provide access to Black, Latinx, Indigenous, underrepresented AAPI students, students from low-income backgrounds, and women as well as prepare them for workforce success. The data show that many highly-selective institutions meet the economic value thresholds but serve incredibly small numbers of students of color and students from low-income backgrounds. At the same time, many less-selective, open access institutions enroll students equitably, but do not fare quite as well against the thresholds. That is why it is imperative that the Postsecondary Value Framework accounts for access and institutional diversity. It does so through a set of disaggregated thresholds and a set of indices—the Economic Value Index (EVI) and the Economic Value Contribution (EVC).

Disaggregated Economic Value Thresholds

The first method of accounting for access involves using disaggregated thresholds for Black, Latinx, Indigenous, underrepresented AAPI students, students from low-income backgrounds (where available), and women. Designed to account for the systemic wage discrimination facing students of color and women, the disaggregated thresholds (marked as "#D" in Figure 3.3) aim to treat students of color and women—and the institutions that serve them—fairly without lowering the overall bar on institutional performance. These within-group thresholds serve to ensure that institutions are providing economic premiums that advance within-group mobility, while ensuring overall mobility remains the expectation by also measuring against overall thresholds. Chapter 4 describes this methodology in greater detail using data from the College Scorecard and the UT System.

Figure 3.3. The Postsecondary Value Framework: Quantifying the Thresholds

Thresholds		Earnings or Wealth Threshold for Key Subgroups		
		Students of Color (disaggregated by race/ethnicity where data allow)	**Students from Low-Income Backgrounds**	**Women**
0	**Minimum Economic Return**	Median earnings of HS graduates in their state (~$26K nationally) plus total net price with interest amortized over 10 years		
0 D	**Minimum Economic Return (Disaggregated)**	Median earnings of HS graduates in their state who are [race/ethnic group], plus total net price with interest divided by 10	Median earnings of HS graduates in their state from low-income backgrounds, plus total net price with interest divided by 10 (if available)[1]	Median earnings of female HS graduates in their state plus total net price with interest divided by 10
1	**Earnings Premium**	In-state median earnings for graduates within their field ($35K for AA holders and $48k for BA holders nationally)		
1 D	**Earnings Premium (Disaggregated)**	In-state median earnings in field for AA or BA holders from [race/ethnic] group[2]	In-state median earnings in field for AA or BA holders for students who were low-income (1st and 2nd income quintile) while in college (if available)[3]	In-state median earnings in field for female AA or BA holders
2	**Earnings Parity**	In-state median earnings in field for Whites ($38K for AA holders and $49K for BA holders nationally)	In-state median earnings in field for students who were high-income (4th and 5th income quintile) while in college (if available)[3]	In-state median earnings in field for men ($43K for AA holders and $56K for BA holders nationally)
3	**Economic Mobility**	Earnings aligned with 4th income quintile in state ($42K nationally)		
3 D	**Economic Mobility (Disaggregated)**	Earnings aligned with 4th income quintile within race/ethnic group, in state	Earnings aligned with 4th income quintile among students from low-income backgrounds, in state (if available)[1]	Earnings aligned with 4th income quintile among women, in state
4	**Economic Security**	Median wealth ($102K nationally),[4] in state (if available)		
5	**Wealth Parity**	Median White wealth ($171K nationally), in state (if available)	Median wealth among students who were high-income (4th and 5th quintile) in college, in state (if available)[3]	Median male wealth, in state (if available)

Notes: [1] The data necessary to calculate these benchmarks are not available in the American Community Survey or other Census Bureau datasets. However, they can be calculated with a P20W/SLDS system based on cohorts of students completing high school.

[2] Certificate earnings are not captured in American Community Survey data due to the categorization of education attainment (which ordinally includes "some college, no degree" and then "associate's degree"). Alternative datasets featuring certificate earnings are not available by geography. Based on these data, the commission applied a flat 0.89 multiplier to each geography's AA-level earnings to proxy certificate-level earnings.

[3] Similarly to Threshold 0, the data necessary to calculate these benchmarks are not available in the American Community Survey or other Census Bureau datasets. However, they can be calculated with a P20W/SLDS system based on cohorts of students completing college. Otherwise, earnings and wealth for high-income students within the relevant institution or system may be used instead.

[4] See: Horowitz, J.M, Igielnik, R., & Kochhar, R. (2020). Trends in income and wealth inequality. Pew Research Center. Retrieved from: https://www.pewsocialtrends.org/2020/01/09/trends-in-income-and-wealth-inequality/

Economic Value Index (EVI) and Economic Value Contribution (EVC)

To measure the combination of economic returns *and* access, the Postsecondary Value Framework applies two indices to each institution: the Economic Value Index (EVI), and the Economic Value Contribution (EVC ($) and EVC (%) (Sidebox 3.1). These simple formulas each serve a distinct purpose. First, the EVI, which is based on the Opportunity Insights' mobility index, multiplies an access rate by the percentage of completers from that group who meet Threshold 0.[27] The resultant index, for Latinx students as an example, can be interpreted as the percent of completers at the institution who are Latinx and receive a minimum economic return.

Second, the EVC ($) is measured in dollars by multiplying the median earnings exceeding Threshold 0 for completers in a target subgroup (i.e., Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, or women) by the number of completers in that subgroup. An EVC (%) reflects the share of the total EVC ($) for the institution that comes from the given subgroup. In other words, an EVC ($) represents the economic contribution that an institution generates by boosting economic returns for a specific population, and the EVC (%) reflects how much of that economic return is the result of improved economic outcomes for the underserved population of interest. Chapter 4 describes these indices in more detail and demonstrates their impact using data from the UT System.

Sidebox 3.1. EVI, EVC ($), and EVI (%) Formulas

The following formulas are disaggregated for each of the target populations.[1]

- **Economic Value Index (EVI)** = (% of student-group completers passing Threshold 0) x (% of completers represented by selected student group)
- **Economic Value Contribution (EVC $)** = (actual median earnings of completers in student-group – Threshold 0) x (# of completers within student group)
- **Economic Value Contribution (EVC %)** = student-group EVC / Total Economic Contribution

Total Economic Contribution uses the same formula applied to ALL completers to control for institutional size.

[1] For University of Texas System data, these indices were calculated using students' median earnings three years after exit.

Measuring Value to Address Inequities

The Postsecondary Value Framework includes helpful parameters for measuring student investment as well as key economic factors that are critical to students' realizing the value of their postsecondary education. Furthermore, it is intended for institutions and policymakers to uncover deep-seated inequities in access, completion, and post-college outcomes, in order to build a system in which Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, and women accrue equitable postsecondary value.

It is particularly important that institutions understand their own performance within this context as purveyors of education. The following chapter brings data to bear on this framework, demonstrating

how it can unearth inequities and point toward solutions. As the Postsecondary Value Commission's underlying research shows, combating the inequities that plague our current postsecondary system—and society at large—can lead to enormous local and societal benefits (see Chapters 5 and 6 for a review of benefits to society through an economic and non-economic lens, respectively).

Going forward, the Postsecondary Value Commission hopes that experts within and outside of higher education will test the economic value thresholds using institutional, state, and federal data to advocate for more robust and higher quality institutional and publicly available data. In so doing, we will better ensure that all students—but especially students of color, students from low-income backgrounds, and women—are equitably reaping the full economic value of the college credentials they are investing so much of their time and resources to obtain.

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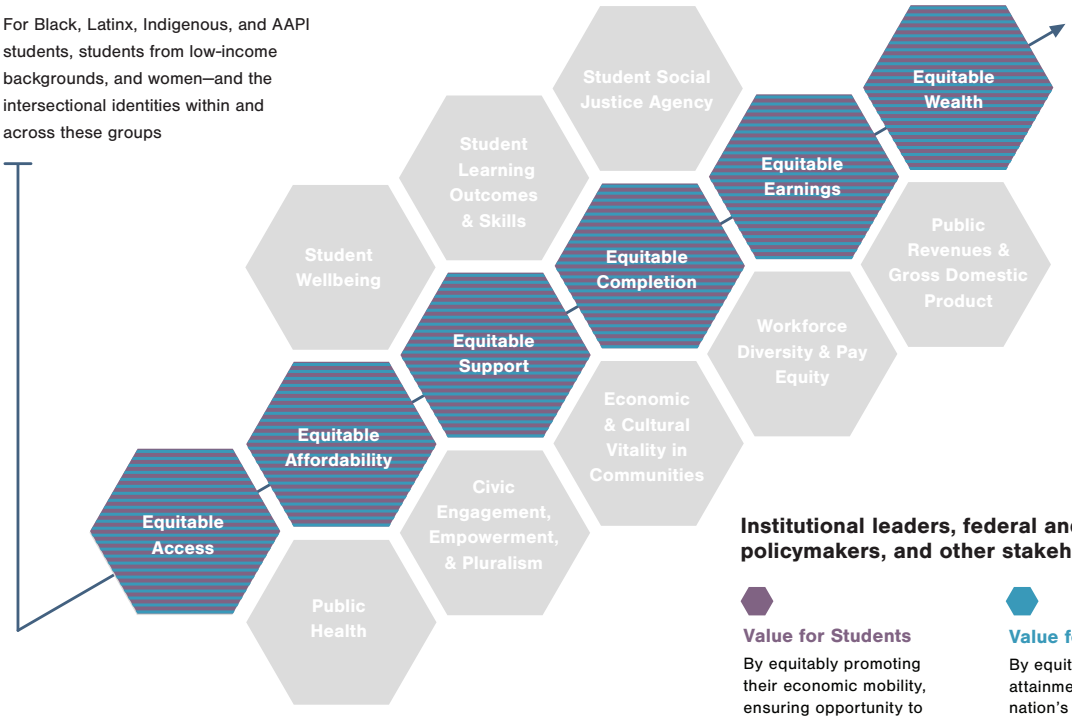
CHAPTER 4:
HOW INSTITUTIONS AND PROGRAMS DELIVER EQUITABLE VALUE

The Postsecondary Value Framework

Pipeline to Equitable Value

For Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women—and the intersectional identities within and across these groups



Institutional leaders, federal and state policymakers, and other stakeholders deliver:

Value for Students

By equitably promoting their economic mobility, ensuring opportunity to build wealth, and improving individuals' wellbeing and academic, civic, and social engagement.

Value for Society

By equitably increasing attainment to expand the nation's public economic resources, improve public health and security, and promote civic engagement and empowerment.

Wealth and earnings disparities are deeply entrenched in American society, but they are not insurmountable. While policymakers and employers have an important role to play in ensuring fair earnings and professional advancement, higher education institutions also have the power and the responsibility to equitably serve historically disadvantaged students to give them the greatest chance for economic success. This chapter delves deeper into the economic value thresholds and indices introduced in Chapter 3, drawing on analyses using system and national data to demonstrate how the Postsecondary Value Framework can uncover inequities in post-college outcomes and assess institution and program return on investment and value. The chapter will then explore the institutional role in addressing existing equity gaps by considering factors that affect performance on the thresholds such as net price, completion rate, time to credential, and expenditures per student.

Testing the Economic Value Thresholds with Institutional- and Publicly Available Data

The Postsecondary Value Commission worked closely with David Troutman at The University of Texas (UT) System (Sidebox 4.1) and Jordan Matsudaira at Columbia University's Teachers College, to test the thresholds using UT System and College Scorecard data respectively.[a] These analyses, explored throughout this chapter, were essential for defining, understanding, and demonstrating the usefulness of the economic value thresholds for uncovering inequities within and across institutions.

Sidebox 4.1. About The University of Texas System

The University of Texas (UT) System is one of the largest public university systems in the United States, comprised of 14 academic and health institutions within the state of Texas. The UT System is diverse, with institutions serving students from a vast array of backgrounds. In Fall 2020, half (50 percent) of UT System undergraduates were Latinx, 7 percent were Black, and 41 percent received Pell Grants. This diversity allows for broad disaggregation to better understand the unique experiences that different students face before, during, and after college.

In fact, the UT System maintains one of the most complete and dynamic postsecondary data systems in the country. Its robust student-level data are linked to workforce data due to best-in-field partnerships with the U.S. Census Bureau and agencies across the state of Texas, which makes the UT System data well-suited to measure post-college outcomes.

Testing the thresholds with student-level data from a large public system allowed for a robust assessment of whether and how the economic value thresholds uncover inequities in the value that students receive from specific institutions and programs. The results make clear that the economic value thresholds equip institutional leaders with the data necessary to make informed decisions about improving outcomes for students of color, students from low-income backgrounds, and women.[b] Similarly, testing institutional performance on the economic value thresholds using publicly available College Scorecard and Integrated Postsecondary Education Data System (IPEDS) data demonstrates the potential the thresholds provide for understanding differences in performance throughout higher education. Indeed, the analyses using public data illuminate important trends about the extent to which sectors and institutions are providing equitable value to students.

These analyses also illustrate the vital need for higher quality public data to better understand the extent to which postsecondary education is delivering equitable value. There are a number of limitations associated with publicly available College Scorecard data (Sidebox 4.2); namely that institutional earnings data are not disaggregated by completion status, which limits our ability to

a We attempted to test the economic value thresholds using data from a community college system, but data limitations did not allow for this analysis within the commission's timeline, especially due to the impact of COVID-19 on community college capacity. Future research must examine the economic value thresholds in other postsecondary sectors, with a focus first and foremost on the public two-year sector.

b There are several caveats to consider when interpreting the UT System analyses presented in this chapter, including that the cost component of Threshold 0 is based only on the four UT System campuses with adequate data available and earnings results capture only those individuals who work in Texas and are included in unemployment insurance (UI) records with non-zero earnings. Census data from the UT System-Census partnership were not used due to data limitations.

fully attribute earnings outcomes to program quality, nor are they disaggregated by race or ethnicity, meaning it is not possible to report on all target subgroups in the national analyses.[c] While these limitations are important context for interpreting the results discussed in this chapter, they do not diminish the benefit of using currently available data to reveal inequities in postsecondary value or for engaging institutions in the value conversation now. Furthermore, these findings spotlight the need for the U.S. Department of Education to continuously improve the College Scorecard, including by adding completion and race/ethnicity disaggregates as soon as such data are available.

Sidebox 4.2. Predominantly Certificate Institutions in College Scorecard Data

Trade programs and certificates are essential components of the nation's postsecondary system, yet existing federal data on these institutions is incomplete. Of more than 2,750 institutions identified as predominantly certificate-granting institutions, only 1,617 (59 percent) have median earnings data. Furthermore, only 451 institutions (16 percent) have the cost data necessary to produce Threshold 0 because many predominately certificate-granting institutions report costs on a program rather than on an academic-year basis.[1] As a result, throughout this chapter, unless otherwise noted, the commission combines predominantly certificate granting institutions with predominantly associate's degree granting institutions and refers to them all as two-year institutions.

Finally, the analyses described in this chapter examine equity gaps by comparing outcomes for Black, Latinx, Indigenous, and AAPI students, and women to those of students who are White and men. Comparisons across racial/ethnic/gender groups are critical for identifying, assessing, and ultimately addressing disparities in outcomes. However, this approach implies that the outcomes of students who are White and men represent the aspirational goals for all students, which reinforces historical inequities found throughout society, including in our higher education system. While imperfect, we use this approach with recognition that disaggregation is critical to identifying disparities and as one step in the broader quest for equity. As institutions and systems set goals for achieving equitable value, they should not base "success" on any one student group's outcomes, but rather on the outcomes they would like all students to achieve.[2]

c Additional limitations associated with College Scorecard and IPEDS data include: Program-level College Scorecard earnings data are only available up to two years after exit, whereas institution-level earnings are limited to 10 years after entry and only capture those who receive federal financial aid. Furthermore, institution-level earnings are not currently being updated by the Department of Education, although that may change in the future. IPEDS data are limited for part-time and transfer students, credential mix within institutions can lead to imprecise calculations, graduation rate data are an imperfect proxy for time to degree, and data do not capture changes (usually reductions) in grant aid after a student's first year.

Making Meaning of the Economic Value Thresholds

Testing the economic value thresholds with both UT System and publicly available College Scorecard data demonstrates their usefulness for measuring how well institutions and programs, sectors, and the nation's postsecondary system as a whole deliver equitable postsecondary value. Analyses by Troutman and Matsudaira reveal four key findings:

1. Institutional performance varies considerably within and across sectors.
2. Economic returns are not equitable across race/ethnicity, gender, and income groups, and these gaps differ by program of study.
3. Students in low-wage, high social value fields can experience at least a minimum economic return and some economic mobility.
4. Completing a postsecondary credential is instrumental for higher earnings growth, especially for underrepresented students.

Testing the economic value thresholds with both UT System and publicly available College Scorecard data demonstrates their usefulness for measuring how well institutions and programs, sectors, and the nation's postsecondary system as a whole deliver equitable postsecondary value.

These analyses reveal that the economic value thresholds effectively distinguish performance between institutions and programs of study, highlight critical racial and gender inequities, and illuminate key levers for potential institutional interventions, discussed later in this chapter.

Institutional Variation Within and Across Sectors

Threshold 0: Minimum Economic Return

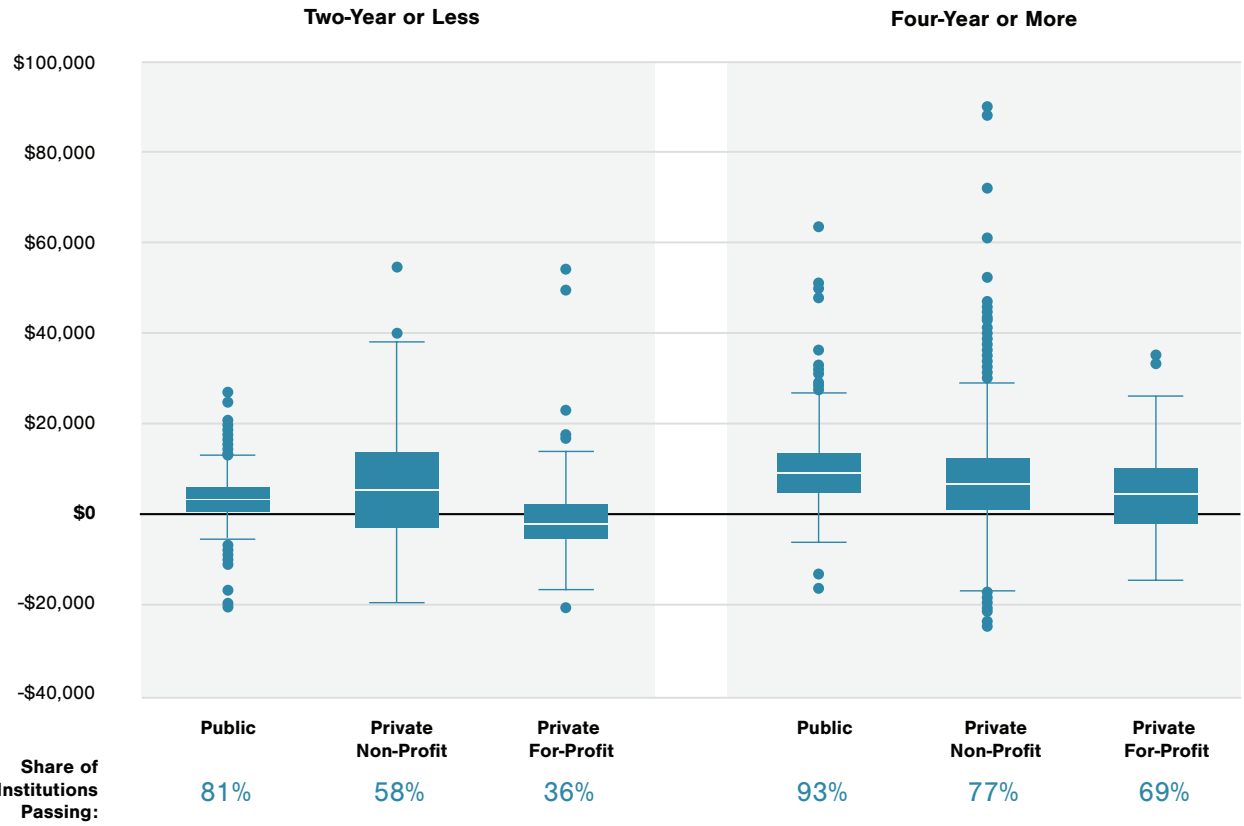
National College Scorecard data reveal that institutional performance varies considerably within and across sectors (Sidebox 4.3). The majority of institutions—including more than three-quarters of public and private non-profit institutions—put students on a path to earn more than a high school graduate and to recoup their total investment within 10 years of entry, offering them at least a minimum economic return as measured by Threshold 0. Yet 649 institutions, including about half of for-profit institutions, do not achieve this; with nearly one-third (31 percent) of four-year and almost two-thirds (64 percent) of two-year for-profit institutions failing to meet this basic benchmark (Threshold 0). In each sector, however, the percentage of institutions passing the threshold increases over time; indicating that if data were available to measure outcomes over a longer time horizon, more institutions would likely pass it, consistent with what was observed among students in the UT System data.

Sidebox 4.3. Visualizing Performance on the Economic Value Thresholds Using Publicly Available Data

Figures 4.1, 4.3, and 4.4 display institutional performance on the economic value thresholds using publicly available College Scorecard data. Figure 4.1, for example, depicts the distribution of institution-level median earnings relative to Threshold 0 (minimum economic return). Each bar shows the distribution of outcomes (median earnings) 10 years after enrollment for that sector.

The shaded box represents the middle two quartiles (from the 25th percentile to the 75th percentile) of the distribution and the median is marked by the center line. The minimum and maximum values are noted with horizontal lines and individual outlier institutions are represented by circles that appear above and below those lines. Institutions reach Threshold 0 if their median earnings exceed the Threshold 0 benchmark (which is unique for each institution based on cost and geography) or—in this figure—the $0 "break even" line.

Figure 4.1. Distribution of Median Student Earnings Relative to Threshold 0 Ten Years After Entry, by Institutional Type

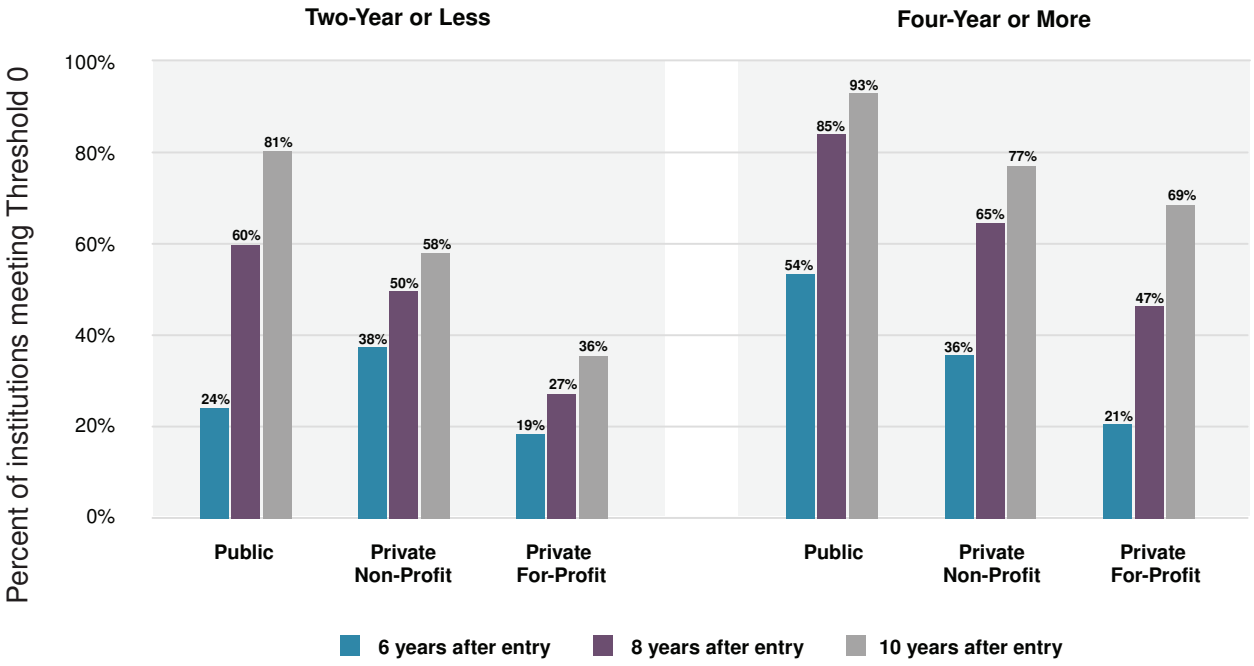


Source: IHEP analysis of College Scorecard and American Community Survey data. Median earnings measured ten years after entry for each institution. Threshold 0 measured by median earnings of high school graduates in the state where the institution is located, plus the cumulative net price of the predominant degree awarded amortized over 10 years.

On average, it is evident that, at the median, public four-year institutions perform somewhat better against Threshold 0 ten years after entry than their two-year counterparts, although research shows that many certificate and associate's degree programs prepare students to earn more than typical bachelor's degree holders and the majority of public two-year institutions do pass Threshold 0 (Figure 4.1).[3] The higher median performance of four-year institutions likely is due to the higher earnings available to those holding a four-year degree on average and the higher completion rates at four-year institutions, which are influential because these earnings data include non-completers. Also, the higher performance of public four-year institutions against Threshold 0 relative to their private peers is influenced by their substantially lower costs.[d] Even at only six years after entry, more than half of public four-year institutions (54 percent) have median earnings passing Threshold 0, but only one-fifth (21 percent) of for-profit institutions meet the same standard (Figure 4.2).

d The average total net cost of attendance at public four-year institutions is $82,891, substantially lower than $117,774 at private non-profit four-year institutions and $127,913 at private for-profit four-year institutions. These figures represent the cost over the full length of the credential.

Figure 4.2. Proportion of Institutions Meeting Threshold 0 by Predominant Degree and Control by Year



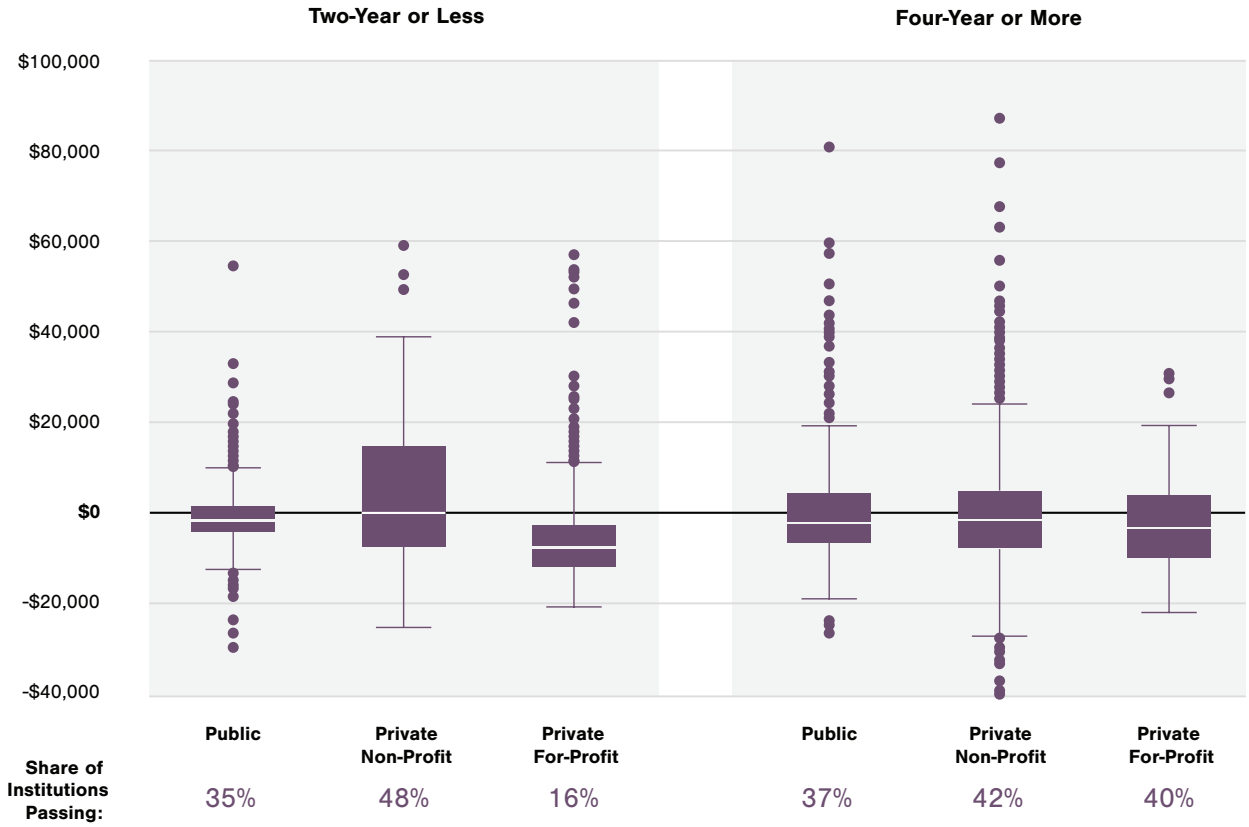
Source: IHEP analysis of College Scorecard and American Community Survey data. Median earnings measured 10 years after entry for each institution. Threshold 0 measured by median earnings of high school graduates in the state where the institution is located, plus the cumulative net price of the predominant degree awarded amortized over 10 years.

Threshold 1: Earnings Premium

Most institutions across all sectors do not boost median student earnings to the median earnings of associate's or bachelor's degree holders in their state 10 years after initial enrollment (Threshold 1; Figure 4.3).[e] While this is due in part to the inability to disaggregate earnings for completers and non-completers in College Scorecard data, it is also because the analysis examines a relatively short time frame for students to reach median earnings in their field (whereas the UT System data can measure up to 15 years after exit). Regardless, this represents a real and concerning outcome for the millions of students who invest in their postsecondary education but do not complete a degree[4] *and* for some who do but do not reap enough financial benefit from the degree.

e A student meets Threshold 1 if they reach at least the median earnings in their field of study. When program-level data are not available, as is the case in this analysis since only two years of program level data are available in the College Scorecard, a student meets Threshold 1 if they reach at least the median earnings for their credential level.

Figure 4.3. Distribution of Median Student Earnings Relative to Threshold 1 Ten Years After Entry, by Institutional Type



Source: IHEP analysis of College Scorecard and American Community Survey data. Median earnings measured ten years after entry for each institution. Threshold 1 measured by median earnings of those the predominant degree awarded by the institution in the state where the institution is located.

Especially concerning are the 139 institutions at which Threshold 0 exceeds Threshold 1. This means that the net cost to attend these institutions is so high that a student will not start to "break even" (Threshold 0) even if they reach median earnings of similarly credentialed workers in their state. Perhaps unsurprisingly, the vast majority of institutions for which Threshold 0 is higher than Threshold 1 are higher cost private non-profit (73 percent) or for-profit (27 percent) institutions. See Sidebox 4.4 for a discussion of analyzing Threshold 2 using College Scorecard data.

Sidebox 4.4. Analyzing Threshold 2 with Publicly Available Data

Thresholds 0, 1, and 3 set benchmarks based on median statewide earnings for students of all races/ethnicities, income backgrounds, and genders combined. Threshold 2, however—designed to measure Earnings Parity—assesses the extent to which an institution boosts the earnings of students of color, students from low-income backgrounds, and women to the median earnings of their more privileged counterparts who hold similar credentials (e.g., comparing median earnings for women graduates with median statewide earnings to those of men with the same credential). While Census data allow for the calculation of a race/ethnicity and gender (though not income[f]) for Threshold 2, College Scorecard earnings data are not disaggregated by race/ethnicity and have limited gender disaggregations (e.g., the dataset only provides means, not medians) to measure institutional performance against Threshold 2, which is based on medians.

However, Scorecard data do allow for a gender and income-based analysis of *mean* earnings and the gaps are stark. The average earnings gap between men and women at four-year institutions is nearly $14,000 (at two-year institutions the gap is nearly $10,000). Between individuals from high- vs. low-income backgrounds the gap at four-year institutions is approximately $8,500 and it is about $11,000 at two-year institutions.[g] These overarching gaps demonstrate how important it is for institutions to use their own data to examine the level to which they are moving their students toward earnings parity.

Threshold 3: Economic Mobility

Many four-year institutions set up their students to earn enough to achieve economic mobility, with students at approximately two-thirds of public and private non-profit four-year institutions (68 percent and 64 percent, respectively) earning enough to enter the fourth income quintile within 10 years of entry (Threshold 3; Figure 4.4). It should be noted that this mobility threshold (Threshold 3) is lower than the median earnings threshold (Threshold 1) for four-year institutions nationally because the median earnings of individuals with a bachelor's degree exceed the fourth quintile of all earners, which serves as the Postsecondary Value Framework's mobility benchmark. Bachelor's degree programs in some lower-paying fields likely have median earnings below the mobility threshold. However, this could not yet be assessed with the College Scorecard program-level data given limited data availability (e.g., data are only available for two years after completion at this time).

Just six percent of public two-year institutions meet the economic mobility benchmark, and for these institutions, Threshold 3 sets a higher bar than Threshold 1 (median earnings) because the fourth income quintile of all earners is higher than median earnings of associate's holders overall.

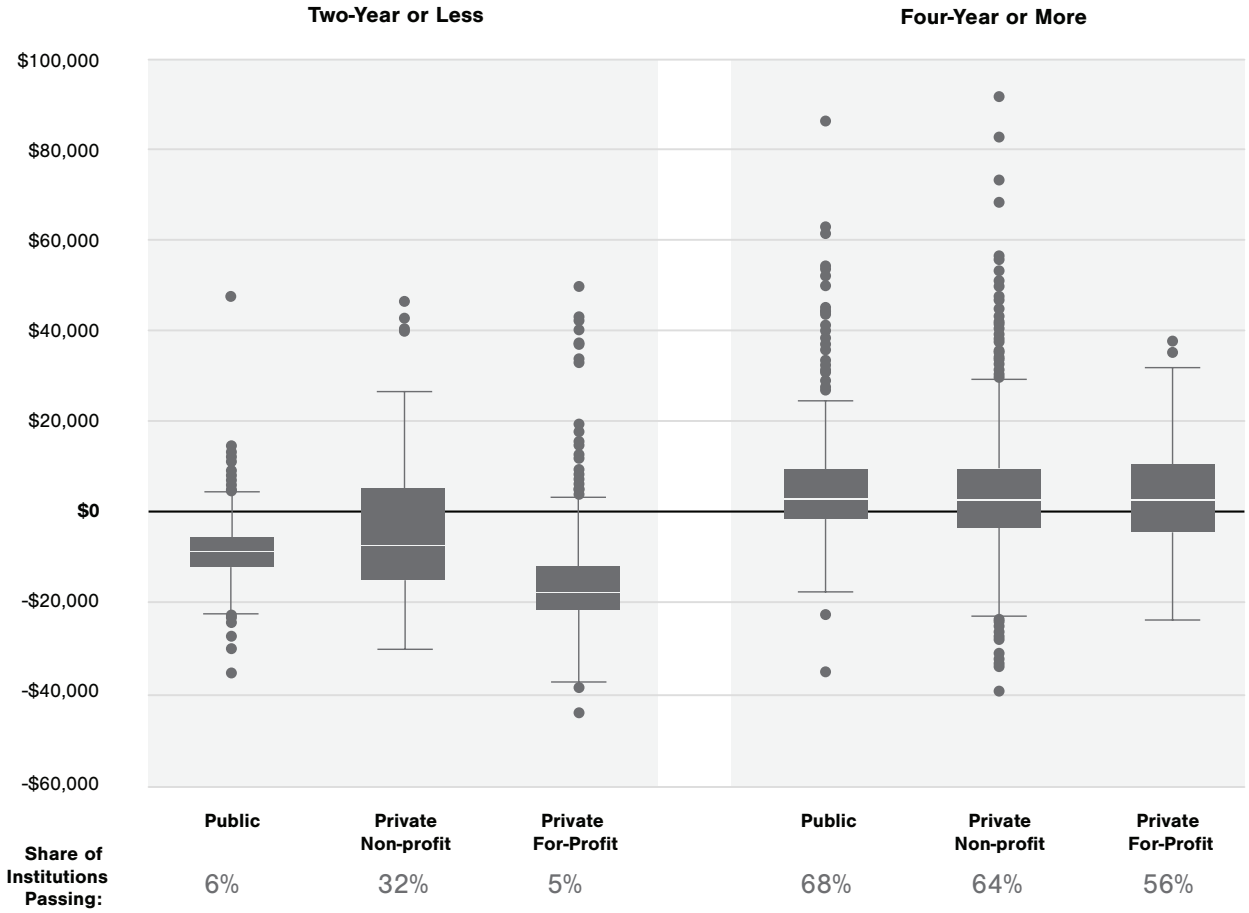
f The data necessary to calculate low-income benchmarks are not available in the American Community Survey or other Census Bureau datasets. However, they can be calculated with a P20W/SLDS system based on cohorts of students completing high school.

g At the four-year level, mean income gaps are substantially wider at proprietary institutions relative to their private non-profit or public counterparts. Low-income students at for-profit institutions face a $26,000 earnings gap relative to high-income students. At public and private non-profit institutions, the gaps are $6,400 and $7,500 respectively.

However, trend data show that the percent of students meeting this benchmark tends to increase over time, so one can anticipate that more two-year institutions will meet this benchmark when measuring labor market outcomes further after college (Figure 4.4). Also, some associate's degree programs in higher-paying fields likely have median earnings above the mobility threshold but cannot be assessed with the publicly available Scorecard data at this time. And, as described later in this chapter, community colleges serve as vehicles for mobility—and may perform well on measures that take both access and earnings into account—because they enroll large numbers of students of color and students from low-income backgrounds. Furthermore, many students enroll in community colleges as an affordable entry point to the bachelor's degree and the mobility it can provide; yet, as noted in the Action Agenda, policy reform is needed to make these pathways a reality for more students and to collect and report the data to measure the value generated by transfer.

Many four-year institutions set up their students to earn enough to achieve economic mobility, with students at approximately two-thirds of public and private non-profit four-year institutions (68 percent and 64 percent, respectively) earning enough to enter the fourth income quintile within 10 years of entry.

Figure 4.4. Distribution of Median Student Earnings Relative to Threshold 3 Ten Years Years After Entry, by Institutional Type



Source: IHEP analysis of College Scorecard and American Community Survey data. Median earnings measured ten years after entry for each institution. Threshold 3 measured by 60th percentile of earnings in the state where the institution is located.

Institutional performance on each of these thresholds varies widely overall and within each sector, demonstrating that institutional policies and practices make a difference in student outcomes. However, the results also show that postsecondary education as a whole is struggling to reach reasonable economic benchmarks. Overall, nearly 650 institutions do not meet Threshold 0—the minimum economic return students should be able to expect from institutions—within 10 years of entry. Furthermore, based on the inequities in labor market outcomes that the UT System data unearth (see below), these national-level results would be even more concerning if the data were disaggregated by race/ethnicity, income, and gender. These economic value thresholds—especially if strengthened with disaggregated data—provide a mechanism by which the postsecondary community can identify top performing institutions that point the way toward system-wide improvements.

Differing Economic Returns and Gaps by Program

Just as performance against the thresholds varies across institutions, the analysis of UT System data reveals that similar variation exists at the program level (Sidebox 4.5).[h] Importantly, the UT System data can spotlight inequities in post-college outcomes, and these data do show racial, socioeconomic, and gender earnings gaps across most programs of study, especially in higher-paying fields. For example, most UT System students who complete degrees in computers, statistics, and mathematics can expect to receive relatively high earnings when they enter the labor market. In fact, almost three quarters (73 percent) of these graduates earn a minimum economic return (Threshold 0) one year after graduation, and nearly all (92 percent) do so after 10 years. However, racial and gender gaps exist as early as one year after graduation and grow over time.

Three years after completing from a UT System institution, White graduates in computers, statistics, and mathematics earn enough to reach Threshold 2 with median earnings of $64,001—approximately $6,000 more than Black graduates ($57,644) and over $11,000 more than Latinx graduates ($52,924). Meanwhile, it takes between 5 and 10 years for most Black graduates and up to 15 years for most Latinx graduates to meet these same earnings levels. By 15 years after completion, White graduates earn roughly $28,000 more than Black graduates and $43,000 more than Latinx graduates (Figure 4.5).

Earnings gaps are similarly staggering when examining gender. Three years after completion, women completers in computers, statistics, and mathematics earn a median of approximately $52,800; nearly $10,000 less than their male counterparts ($62,164). Similarly, in architecture and engineering—other high-paying STEM fields—the gender gap is over $7,500 three years after completion. However, these gaps grow to more than $37,000 by 15 years after completion in computers, statistics, and mathematics, and to approximately $18,000 in architecture and engineering.

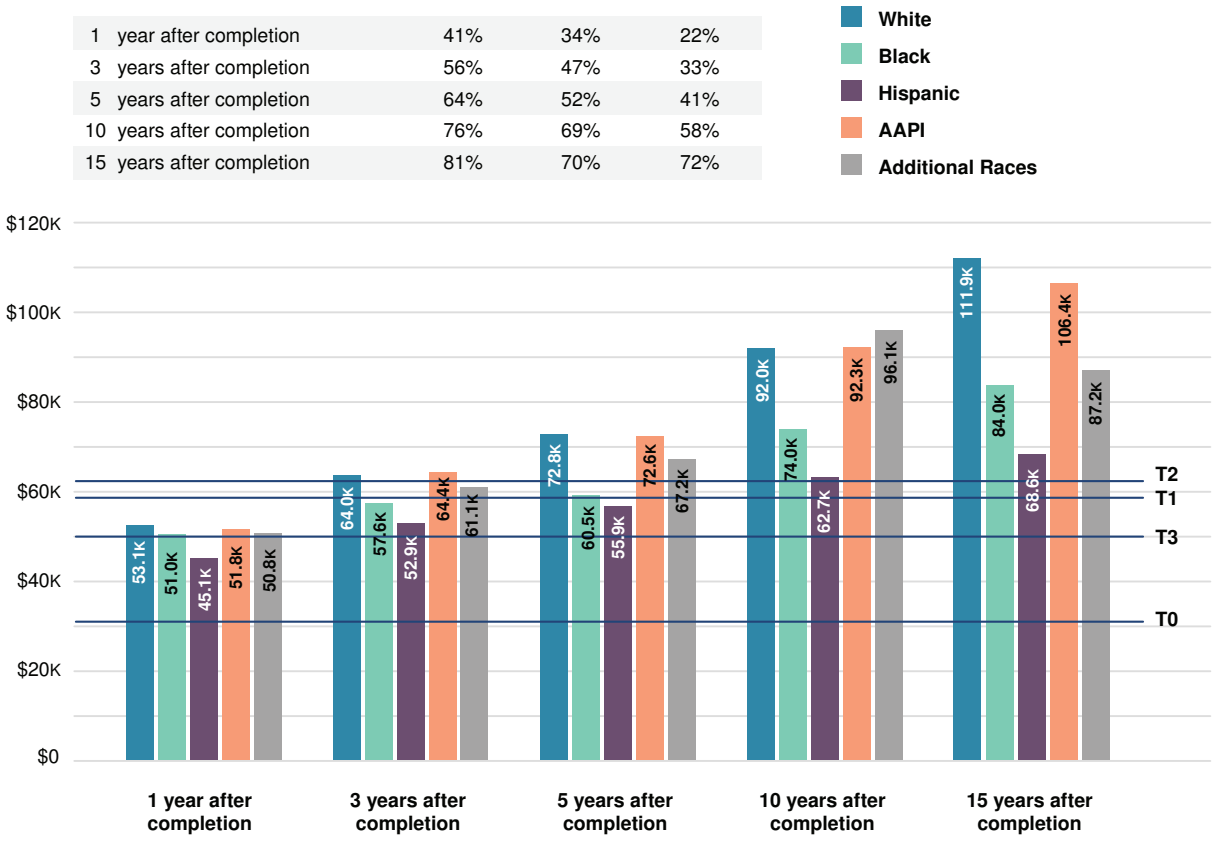
h Due to the need for privacy suppression, the analysis of UT System data does not include Indigenous students and the distinct AAPI communities are aggregated to “AAPI students.”

Sidebox 4.5. Visualizing Performance on the Economic Value Thresholds Using UT System Data

Each threshold is displayed as a horizontal line (labeled T0, T1, T2, and T3). Thresholds 1-3 represent median earnings for that threshold, and Threshold 0 represents median earnings of a high school graduate plus total student investment amortized over 10 years. Bars display median earnings for completers by race, in Figure 4.5 for example, and years since completion. Most students in a group (50 percent) have met the threshold when the bar hits the horizontal threshold line. For bachelor's degree programs, Threshold 3 (economic mobility) is often a lower bar than median earnings in that field; for associate's degree programs (not represented in the UT System data) it is often a higher bar. In the UT System, Threshold 0 (minimum economic return) is lower than median earnings overall and by program, but this is not true for every program at every institution nationally.

Figure 4.5. Median Earnings of UT System Completers in Computers, Statistics, and Mathematics by Race/Ethnicity

Share of Students Passing T1	White	Black	Latinx
1 year after completion	41%	34%	22%
3 years after completion	56%	47%	33%
5 years after completion	64%	52%	41%
10 years after completion	76%	69%	58%
15 years after completion	81%	70%	72%



Source: IHEP analysis of University of Texas System and American Community Survey data, provided by University of Texas System. Median earnings measured among completers working in Texas. Thresholds calculated using inflation-adjusted 2018 American Community Survey data. Costs estimated based only on four University of Texas campuses with adequate data available.

While these wage gaps—especially the large gaps 10-15 years after completion—are impacted by labor market discrimination, they translate into lower proportions of Black and Latinx students and women reaching earnings premiums (Threshold 1) than their White and male counterparts—even if they complete the same major. For example, five years after completion, Black computers, statistics, and mathematics graduates are 12 percentage points less likely to pass this threshold than White graduates in the same field of study (Figure 4.5). At the same time, Latinx graduates are 23 percentage points less likely to pass this threshold than their White peers. These trends hold in other high-paying fields and for other thresholds. For instance, while women are most likely to achieve economic mobility (Threshold 3) if they major in architecture and engineering; or computers, statistics, and mathematics, they are still five to six percentage points less likely than men to reach Threshold 3 system-wide, even 15 years after earning the bachelor's degree.

Economic Returns for Low-Wage, High Social Value Fields

It is true that individuals who enter socially valuable careers may expect to earn lower wages than if they pursued a more lucrative profession. Regardless, institutions should ensure that all students, including those who go on to be early childhood educators, teachers, or social workers, are at least better off than if they had not attended (Threshold 0) – if not offer them some degree of economic mobility (Threshold 3), especially since many students of color and women pursue these careers. And even while graduates who enter these professions earn less than the average for their degree level, these jobs bring substantial benefits to society and can offer students non-economic benefits, such as enhanced wellbeing (see Chapter 6).

The UT System analyses demonstrate that such majors can provide most graduates with economic value and mobility, while meeting vital social needs. For example, nearly two-thirds (64 percent) of all UT System education graduates earn a minimum economic return by one year after graduation. More than half of Latinx students, students from low-income backgrounds, and women who complete education degrees reach Thresholds 0 and 3 by three years after graduation, and nearly half of Black education graduates reach these thresholds within three years. Racial/ethnic, socioeconomic, and gender gaps in reaching the thresholds are much smaller in education than they are in the higher paying fields discussed above.

By 15 years after graduation, every single demographic subgroup of education majors in the UT System, regardless of race/ethnicity, gender, or income background, has median earnings that provide economic mobility (Figure 4.6). In fact, more than half of completers across every program of study in the UT System earn enough to achieve economic mobility (Threshold 3) within 15 years of graduation, counter to the common narrative that certain programs, such as liberal arts or education, do not provide a path to economic mobility.

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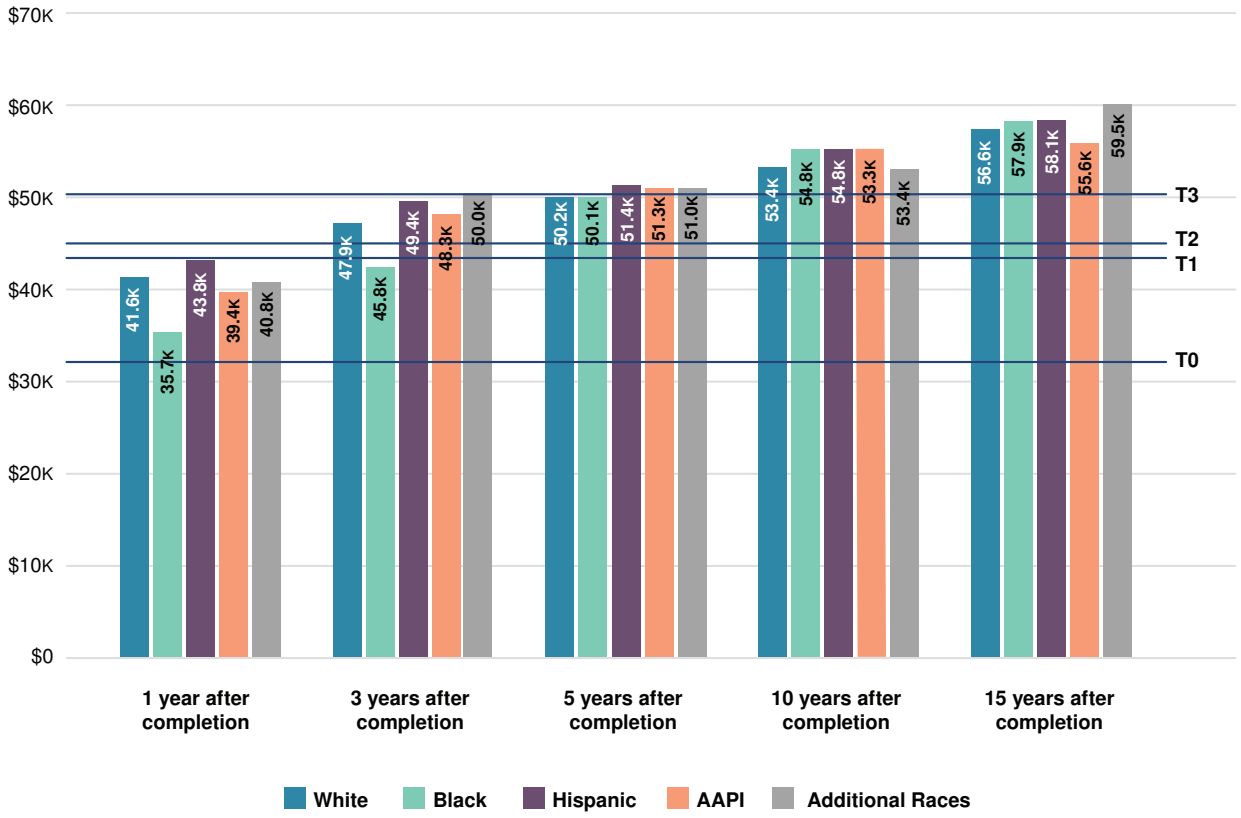
Figure 4.6. Median Earnings of UT System Completers in Education by Race/Ethnicity



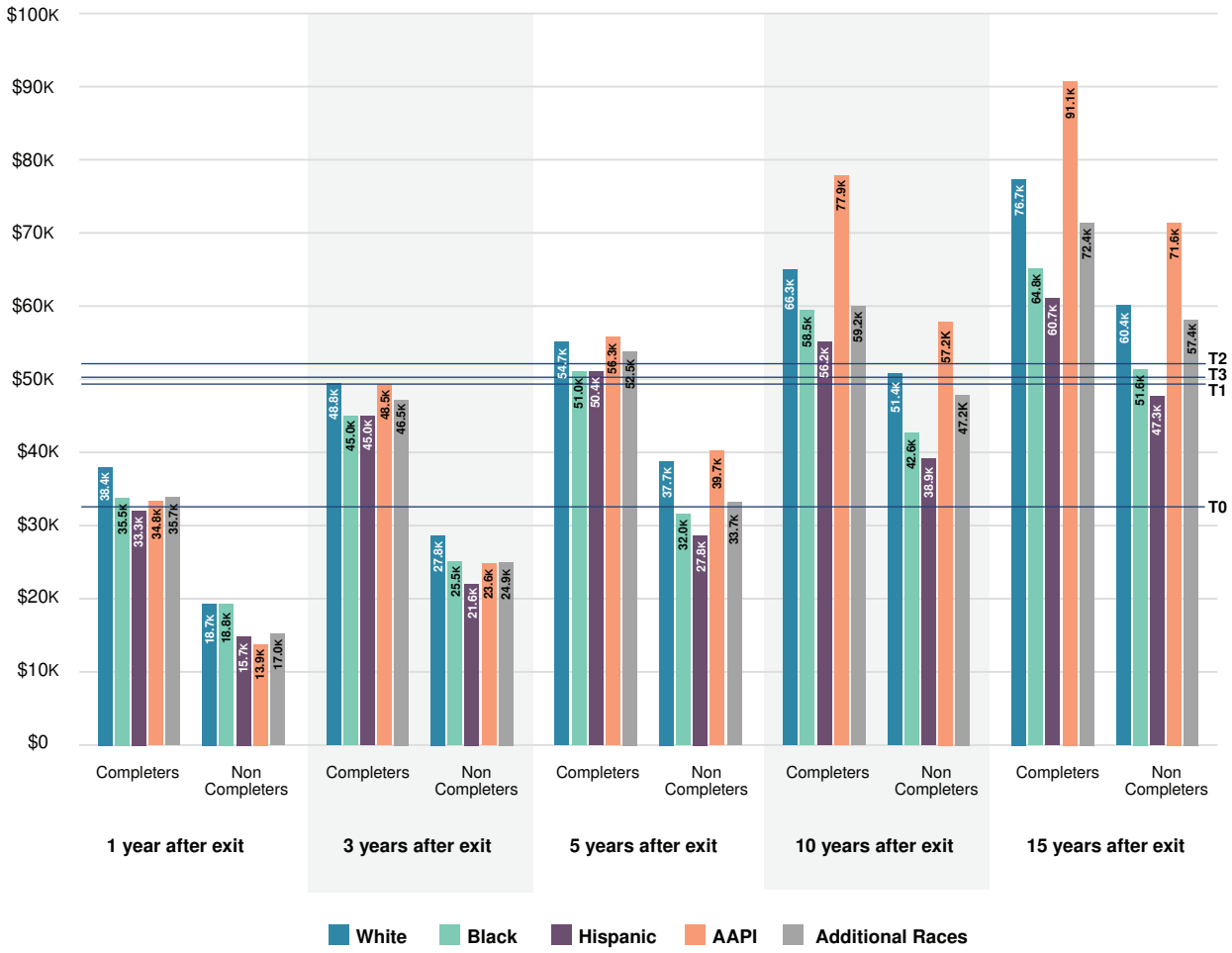
Source: IHEP analysis of University of Texas System and American Community Survey data, provided by University of Texas System. Median earnings measured among completers working in Texas. Thresholds calculated using inflation-adjusted 2018 American Community Survey data. Costs estimated based only on four University of Texas campuses with adequate data available.

However, the UT System data are not representative of all postsecondary institutions, and other institutions may have greater variance in economic returns across programs. Still, these analyses in Texas show that minimum benchmarks can be used thoughtfully and responsibly to measure outcomes within relatively low-wage fields. The commission actively sought to avoid devaluing fields of study that prepare students for high-social value but lower-wage careers.[5] As such, broader societal conversations are worthwhile about the proper, adequate compensation for individuals serving their communities through these critical professions — professions primarily dominated by women and especially women of color.[6] And, any equity-driven assessment of postsecondary value must also consider the economic consequences of societal cues, such as traditional views about women's role in society, that may steer women into lower-paid professions.[7]

The Power of Completion

For both completers and non-completers, earnings gaps by race/ethnicity, income, and gender exist upon entering the workforce and grow over time. One year after graduation, White UT System graduates are already earning nearly $3,000 and over $5,000 more than their Black and Latinx counterparts, respectively. Similarly, one year after dropping out, a gap of $3,000 exists between Latinx former students and their White peers (Figure 4.7), and a gap of $1,700 exists between men and women.

Figure 4.7. Median Earnings of UT System Completers and Non-Completers by Race/ Ethnicity



Source: IHEP analysis of University of Texas System and American Community Survey data, provided by University of Texas System. Median earnings measured among completers working in Texas. Thresholds calculated using inflation-adjusted 2018 American Community Survey data. Costs estimated based only on four University of Texas campuses with adequate data available.

These troubling gaps are present across nearly all programs of study and reflect both deep-seated wage inequities in society and the ways in which institutions prepare their students for success in the labor market — especially whether they support them through to completion. Over time it becomes apparent that completion matters immensely for the economic outcomes of Black and Latinx students. Relative to their non-completer peers, Black and Latinx UT System completers realize substantial premiums for their degree. Five years after graduation, the median Latinx completer earns $50,421, which is 81 percent more than their Latinx peers without a degree; median earnings are $51,068 (a 59 percent premium) for Black completers. In contrast, White students receive a lower (45 percent) premium for completion likely due to higher wages for White high school graduates (Figure 4.7). Ten years after graduation, UT System graduates from low-income backgrounds also experience larger earnings premiums from completing, compared with their higher-income peers (42 percent compared with 30 percent). As a result, the relative net gain in earnings can be substantially higher for completers from underrepresented groups.

In some fields, completion can mean the difference between small earnings gaps and massive earnings canyons. For instance, among Health majors, Black completers consistently have higher median earnings than their White peers (from 1 year after completion to 15 years after completion), and Latinx completers close a $10,000 gap at year 1 to less than $3,000 by year 15. In contrast, among non-completers, Black students face a $4,000 deficit at year 1, which grows to a $14,000 deficit by year 15. Latinx non-completers face a gap of nearly $15,000 at year 1, which grows to approximately $23,800 by year 5.

Entrenched earnings gaps can make repaying one's college investment difficult, especially for non-completers. At the median, both Black and Latinx non-completers in the UT System do not *start* to earn enough to repay their investment (amortized over 10 years) until between five and ten years after leaving college. White students, however, are more insulated from non-completion since they receive higher earnings regardless of whether they complete. For instance, White students make enough to start repaying their investment between three and five years after leaving and earn enough after ten years to experience mobility despite not completing their degree. After 15 years, White non-completers earn about the same amount as Latinx completers ($60,498 and $60,732, respectively; Figure 4.7).

Accounting for Institutional Diversity

Some colleges and universities demonstrate a commitment to equitable access by enrolling substantial shares of students of color and low-income students, while others do not. Creating equitable value requires institutions to both provide access to Black, Latinx, Indigenous, and underrepresented AAPI students and students from low-income backgrounds and prepare them for success in the workforce. However, many selective institutions that perform well on the economic value thresholds serve too few students of color and students from low-income backgrounds. And many less-selective, open-access institutions enroll a more diverse student body, but do not perform quite as well on the thresholds because of chronic and critical underfunding, among other reasons.[8] That is why it is imperative that the Postsecondary Value Framework accounts for access and institutional diversity.

The commission's researchers tested a series of potential methods to account for institutional diversity, including comparing predicted and actual performance, assembling peer groups for comparisons, adjusting the thresholds based on student and institutional characteristics, creating disaggregated thresholds that provide within-group comparisons (i.e., comparing Latinx student outcomes with Latinx earners in the state), creating indices that reward institutions for providing access to target students, and calculating the economic contribution that institutions provide to the economy by successfully educating more students from target populations. Sidebox 4.6 discusses the methodological options in greater detail, including an explanation of why predicted vs. actual comparisons and peer group comparisons were not selected.

Sidebox 4.6. Alternative Methods to Account for Access

Given the importance of accounting for access in the Postsecondary Value Framework, the commission carefully considered a number of methods for doing so before landing on the economic indices and disaggregated thresholds explained in this chapter. The alternative approaches listed below proved to be overwhelmingly opaque or impractical with existing data, or they inappropriately lowered expectations for institutions.

Input Adjustment: Commission researchers explored this method using a regression model that estimated predicted earnings based on input variables (e.g., selectivity, % Pell). This method can identify institutions that perform above/below predicted levels, similar to *The Washington Monthly's* annual college rankings.[9] Regression analyses were used to test adding a predicted threshold to the framework or adjusting institutions' thresholds based on predicted values. While this approach can be a useful tool for institutional leaders to model how changes in different characteristics might improve future student outcomes, using this method in this context reinforces the status quo of the currently low performance in the postsecondary system and sets the bar unacceptably low for some colleges enrolling large numbers of underserved students.[i] Additionally, the nature of producing a predicted value for each institution makes this method complex and challenging to understand. Finally, publicly available data, which are institution-level rather than student-level, result in models with poor fit.

Peer Grouping: Peer grouping could be used to cluster a set of similar institutions based on input variables (e.g., selectivity, % Pell) to produce a "peer average" threshold in the Postsecondary Value Framework. This approach is similar to the method The Education Trust uses to assess graduation rates in College Results Online.[10] While this methodology presents a comparable set of institutions, peer grouping is complex and some institutions do not have an adequate number of peers due to specialization or other unique characteristics such as being tied to a broader university system or corporate entity (in the case of some proprietary institutions). Similar to the challenges with input adjustment, peer grouping can reinforce the status quo and set an unacceptably low bar for high-access institutions. Furthermore, existing peer grouping methodologies (e.g., College Results Online) only account for four-year institutions, leaving community colleges out of the analysis. And institutions may want to compare their performance to colleges and universities outside of a mathematically-derived peer group.

Weighted Means: This approach has some similarities to the disaggregated thresholds employed by the Postsecondary Value Framework. However, instead of setting a separate threshold for each demographic group, it would calculate a single new threshold that weighted the earnings of each subgroup by each subgroup's relative representation within the institution's student body. However, to be statistically valid, this approach would require weighting mean earnings as opposed to median earnings. This would be problematic because medians are the accepted measure of central tendency among economists (because medians are less susceptible than means to skew from outliers). Thus, while a weighted benchmark would be less blunt and more streamlined than the fully disaggregated thresholds, introducing a weighted mean could result in statistical imprecisions.

i Some predicted values for Tribal colleges and other Minority Serving Institutions with large shares of students of color were extremely low, meaning that these institutions would pass an adjusted Threshold 0 with median earnings well below living wage estimates of about $20,000 per year, which reinforces unacceptable outcomes for our target populations.

Based on this extensive research, the Postsecondary Value Framework employs two techniques: a set of disaggregated thresholds and a set of indices. Disaggregated thresholds—for each race, income, and gender group—aim to control for the systematic racism and sexism that place students of color and women at a disadvantage in the labor market by comparing students' post-college outcomes to median earners within the same race/ethnicity or gender group in their state. This approach gives colleges credit for raising the earnings of students of color or women relative to labor market trends for students with similar demographic backgrounds, while still setting the expectation that the institution must also meet the aggregate, overall thresholds for these subgroups. The Equitable Value Index (EVI) and Equitable Value Contribution (EVC) are two indices designed to give institutions credit for the proportion of students of color, students from low-income backgrounds, and women they enroll and the proportion of these students who experience positive economic returns. These dual approaches to accounting for access are designed to measure variation in institutional performance driven by an institution's added value rather than simply by differences in student characteristics.

The Equitable Value Index (EVI) and Equitable Value Contribution (EVC) are two indices designed to give institutions credit for the proportion of students of color, students from low-income backgrounds, and women they enroll and the proportion of these students who experience positive economic returns.

Disaggregated Thresholds

Disaggregated thresholds (introduced in Chapter 3) offer important insights into how institutions that enroll large shares of students of color, students from low-income backgrounds, and women provide them with economic mobility.

These disaggregated thresholds are particularly important for contextualizing the performance of Minority Serving Institutions, like Historically Black Colleges and Universities (HBCUs). While HBCUs serve an important role in educating Black students across the country, about 60 percent do not pass the overall Threshold 0 (as measured ten years after students' initial enrollment using College Scorecard data) due, in part, to workforce discrimination (Table 4.1). However, when compared to a disaggregated threshold that recognizes where Black students start—which is at a notable economic disadvantage due to racial discrimination in education and the workforce—65 percent of HBCUs do pass Threshold 0, although some private HBCUs still do not, due to their higher costs. A similar story exists for Predominantly Black Institutions (PBIs) as well – while 60 percent of PBIs pass Threshold 0 ten years after students' entry, 95 percent pass the disaggregated Threshold 0 in this same time frame. It is worth noting that institutions where Black and Latinx students disproportionately get their credentials have about 15 to 20 percent less per student to spend, compared with institutions where White graduates receive their credentials,[11] highlighting the critical need to rectify the funding gaps for MSIs so they can have the appropriate resources to invest in their students' success to help them reach overall thresholds.

Table 4.1. HBCU Median Earnings relative to Overall Threshold 0 and Disaggregated Threshold 0 (Black), Ten Years After Entry

	Overall Threshold 0		Disaggregated Threshold 0 (Black or Hispanic)	
	# of Institutions Passing	% of Institutions Passing	# of Institutions Passing	% of Institutions Passing
Historically Black Colleges and Universities	36	40%	59	65%
Predominantly Black Institutions	45	60%	71	95%
Hispanic Serving Institutions	318	84%	331	88%
Predominantly Latinx Institutions	34	81%	35	83%

Notes: For an analysis of Tribal Colleges, see Sidebox 4.7. See footnotes j and k, respectively, for a discussion of AANAPISIs and Predominantly Latinx Institutions.[j]

Source: IHEP analysis of College Scorecard and American Community Survey data. Median earnings measured ten years after entry for each institution. Threshold 0 measured by median earnings of high school graduates in the state where the institution is located, plus the cumulative net price of the predominant degree awarded amortized over 10 years.

When examining institutions that are predominantly Latinx,[k] the impact of measuring against a disaggregated threshold may not be as stark, but it still is notable. While the vast majority of predominantly Latinx institutions already meet the base Threshold 0, almost all these institutions perform better against the disaggregated threshold, sometimes improving by $2,000 to $3,000. This analysis illustrates the substantial opportunity for economic mobility provided to Latinx students by the institutions that are most likely to serve them. While these gaps are often smaller, the disaggregated thresholds are also valuable for assessing performance relative to gender gaps. Among women's colleges, 88 percent pass the overall Threshold 0, but 97 percent pass a women's Threshold 0.

j While Census data collects detailed information on Asian respondents' heritage that would allow for the examination of outcomes for different AAPI groups, IPEDS data does not have similar levels of disaggregation, making it challenging to identify which institutions are serving predominantly underrepresented AAPI populations, and what disaggregated threshold to test those institutions against.

k The commission mirrored the Predominantly Black Institution criteria from the U.S. Department of Education to identify institutions that are predominantly Latinx. These institutions must be at least 40 percent [Black/Latinx], have at least 1,000 undergraduate students, maintain at least 50 percent students from low-income backgrounds or first-generation students, and maintain a majority of students as 'degree-seeking.' This differs from the federal criteria for Hispanic Serving Institution (HSI) designation, which requires 25 percent Latinx representation among the total full-time and part-time enrollment.

Sidebox 4.7. Tribal Colleges

While Census data are limited for earnings of American Indian/Alaska Native (AIAN) populations, there are enough data to produce Threshold 0 estimates for some of the states with the largest AIAN populations. Most of the nation's Tribal Colleges fall within several states.[l] Out of 27 Tribal Colleges tested, all but one did not pass the overall Threshold 0. However, when tested against a disaggregated threshold—one based on statewide earnings for the American Indian/Alaska Native population—eight of the institutions pass; again illustrating the contextual value of testing against both the overall threshold and appropriate disaggregated thresholds. It is important to note that many Tribal Colleges are located in regions with low wages and high poverty rates.[m]

Overall, by accounting for the systemic wage discrimination facing students of color and women, the disaggregated thresholds paint a clearer picture of how institutions offer within-group economic mobility, without lowering the bar for overall institutional performance.

Economic Indices: Equitable Value Index (EVI) and Equitable Value Contribution (EVC)

The Equitable Value Index (EVI), introduced in Chapter 3, measures institutions' performance on the thresholds in the context of who they serve. To illustrate the EVI, consider two institutions within the UT System (Table 4.2). Institution A has a more diverse undergraduate student body, where 86 percent of its graduates are Latinx, and 64 percent of its Latinx graduates meet Threshold 0 by year three. Institution B is far less diverse—13 percent of its graduates are Latinx—but 76 percent of them meet Threshold 0. However, due to the high proportion of Latinx students at Institution A, and their reasonably good performance on Threshold 0, it performs far better than Institution B on the EVI (55 percent vs. 10 percent). In other words, 55 percent of Institution A's graduates are Latinx students who earn enough three years later to pass Threshold 0, compared with just 10 percent of Institution B's graduates. Therefore, using the EVI to account for access more accurately demonstrates the equitable value that Institution A delivers. It also demonstrates that Institution B can improve its delivery of equitable value by enrolling more students of color given its already strong performance on the economic value thresholds.

An institution's Equitable Value Contribution ($), also introduced in Chapter 3, increases as both the number of students in a focus population who complete and the economic returns they receive increase. In Table 4.2, Institution A has a high EVC ($) relative to Institution B ($19.8 million vs. $4.9 million) since Institution A serves substantially more Latinx students—even though the median

l These states are: Alaska, Arizona, Nebraska, Michigan, Minnesota, Montana, North Dakota, New Mexico, Oklahoma, South Dakota, Washington, and Wisconsin. Kansas also has a Tribal College but Census data does not have a sample size large enough to support a disaggregated Threshold 0 estimate.

m Many Tribal colleges are located in regions with low wages and high rates of poverty. While the framework adjusts thresholds based on state-level earnings, it does not yet use regional thresholds—although future work could explore this more fine-grained regional approach. A larger proportion of Tribal colleges may pass a regional threshold, which likely would be lower than the state threshold and more reflective of the circumstances facing Indigenous students.

earnings of its Latinx graduates are about $8,000 lower. In practical terms, this means that Institution A creates a greater—and more equitable—financial benefit for its region based on the earnings from their Latinx graduates.

However, EVC ($) does not account for an institution's size, meaning that an institution with 50,000 students will typically produce a higher EVC ($) than an institution with 1,000 students – regardless of the demographics of the students served or the economic returns they receive. To account for size, and allow for viable comparisons across institutions, the EVC (%) calculates what percentage of the total economic contribution (the combined EVCs from all groups) from an institution is due to its success in serving the selected population. An institution's EVC (%) ensures that institutions that serve students well who are from a minoritized subgroup will reflect this performance, as seen in Table 4.2, where Institution A has a much higher EVC (%) score than Institution B (81% compared to 13%).

Table 4.2. Comparison of Key Value Metrics Among Select UT System Institutions

	Institution A	Institution B
% Latinx Among Graduates	86%	13%
Median Earnings for Latinx Graduates *3 years after graduation*	$42,017	$50,052
Latinx Graduates Passing Threshold 0 *Threshold 0 = Median state-level high school earnings + cost (over 10 years)*	64%	76%
Equitable Value Index for Latinx Graduates *% of Latinx graduates meeting Threshold 0 x % of Latinx students among graduates*	55%	10%
Equitable Value Contribution ($) for Latinx Graduates *Median Latinx graduate earnings minus Threshold 0 x number of Latinx graduates*	$19.8M	$4.9M
Equitable Value Contribution (%) for Latinx Graduates *Equitable Value Contribution ($) for Latinx Graduates / Total Economic Contribution of All Graduates*	81%	13%

Source: IHEP analysis of University of Texas System and American Community Survey data, provided by University of Texas System. Median earnings measured among completers working in Texas. Threshold 0 calculated using inflation-adjusted 2018 American Community Survey data. Costs estimated based only on four University of Texas campuses with adequate data available.

While UT System data present the ideal application of these indices, College Scorecard data also provide valuable—albeit limited—information. While access rates are available, earnings data are not disaggregated by race/ethnicity; earnings data are disaggregated by gender and income, but only means are provided instead of medians, which creates a measurement issue when comparing to the thresholds based on medians. Also, overall earnings data are only available by quartile, which does not allow for calculating the actual percentage of students passing the thresholds. The College Scorecard did previously publish the percentage of students exceeding median earnings for high school graduates, so it is possible to calculate performance against the thresholds with the underlying data, but those data are not publicly available at this time.

Due to the limitations with College Scorecard data, the commission developed a modified EVI based on the range of earnings data available.[n] As a result, the estimated percentage of students meeting or exceeding Threshold 0 at each institution cluster at 37.5 percent, 62.5 percent, and 87.5 percent because of the limited information on the earnings distribution available in the dataset. While the University of Texas System's data produces a more robust EVI, one can still leverage Scorecard data to produce a valuable result. For instance, at HBCUs, about 80 percent of graduates are Black, and the average estimated percentage of students passing Threshold 0 at these institutions is 47 percent (Table 4.3, below). As a result, on average, they score substantially higher on the estimated EVI (36 percent compared to seven percent for non-HBCUs). Similarly, while Predominantly Black Institutions have a slightly higher proportion of students exceeding Threshold 0 compared with HBCUs, a lower proportion of their graduates are Black, and thus they have an average estimated EVI of 26 percent (compared with seven percent for non-PBIs) (Table 4.3).

Table 4.3. Estimated Equitable Value Index for Black Students by Institution Type

		Avg. % of Students Passing Threshold 0	Avg. Access Score (Black)	Average EVI (Black)
HBCU	HBCU	47%	80%	36%
	Non-HBCU	59%	17%	7%
PBI	PBI	53%	51%	26%
	Non-PBI	59%	18%	7%
Overall		59%	18%	8%

Source: IHEP analysis of College Scorecard and American Community Survey data.

These institutions also contribute substantial amounts to the economy in regard to the earnings premiums graduates receive (and spend back into the economy); premiums that are of extra value to underrepresented communities, given their role in wealth building. The Black Economic Value Contribution of HBCUs among students 10 years after entry is $43.8 million, annually, and Predominantly Black Institutions contribute another $65.5 million, annually, resulting in nearly $100 million of additional earnings in the Black community (per cohort) from these institutions. Furthermore, if data allowed for the assessment of earnings 15 or 25 years after entry, the EVC of these institutions would continue to grow.

Deeply entrenched systemic advantages provide students with racial, economic, or gender privilege with greater access to institutions of higher education and a greater likelihood of meeting the economic value thresholds. As a result, it is essential that the Postsecondary Value Framework accounts for differences in access across institutions. By using disaggregated thresholds and the equitable value indices, the Postsecondary Value Commission leverages available data to examine current inequities in college value in light of both institutional diversity and systemic racism as well as sexism in the workforce.

n To determine the earnings component of the EVI, overall institutional earnings at the 25th, 50th, and 75th percentile were tested against the Threshold. If the 25th percentile earnings is less than Threshold 0, the institution is assigned 12.5 percent as the percent of students over the threshold (the midpoint of the category). If Threshold 0 is between the 25th and 50th percentiles of earnings, the institution was assigned 37.5 percent, and so on.

How Institutions Can Influence Performance on the Economic Value Thresholds

Through careful evaluation of the thresholds, the indices, and other contextual data, institutions can identify the levers available to them to maximize their capacity to deliver equitable economic value. While ensuring that students complete their degrees may be the most important determinant of providing value, other levers including selectivity and diversity, time-to-degree and price, institutional expenditures (Sidebox 4.8), and program mix (Sidebox 4.9) are all factors that institutions[o] can control and can have meaningful impacts on post-college outcomes.

Selectivity & Diversity

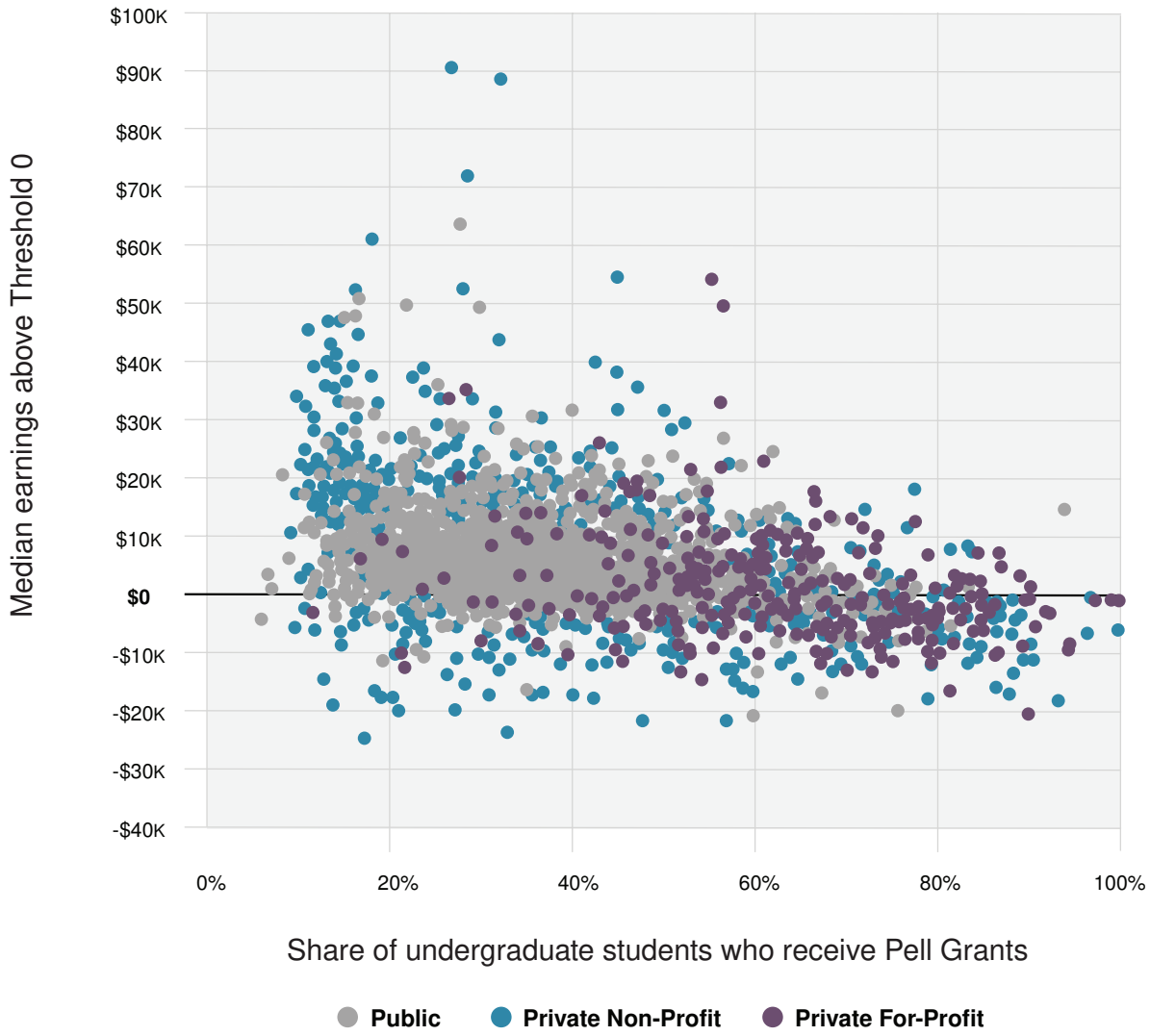
The most selective institutions typically have massive pools of privileged White and wealthy students seeking entry. These students often have had access to expensive test preparation and college counseling services, as well as advanced level coursework during high school. They also have access to extensive social networks that facilitate career opportunities during and after college. Therefore, it is unsurprising that institutional selectivity and average SAT scores have moderately strong correlations with institutional median earnings. However, these indicators are also highly correlated with socioeconomic and racial inequity. Black and Latinx students are disproportionately funneled into high schools without advanced coursework programs like Advanced Placement or International Baccalaureate; or, if their school has these programs, they often are tracked away from them.[12] Similarly, standardized test scores are correlated with socioeconomic status.[13]

Putting these factors together clarifies the ties between selectivity and institutional diversity. Serving predominantly White and high-income students makes it easier for these institutions to perform well against the economic value thresholds. The share of White enrollment has a modest positive correlation with the likelihood of passing Threshold 0. In contrast, due in part to the systemic workforce discrimination facing people of color and women, the share of Black enrollment, Indigenous enrollment, Pell enrollment, and the share of women all have modest to moderate negative correlations with performance against Threshold 0 (Figure 4.8).[p] These negative effects present a clear argument for why serving racially minoritized students, students from low-income backgrounds, and women well is essential for driving economic mobility and why it is important to account for access when assessing equitable value.

o Throughout this section, we will refer to institutions that provide predominantly certificates as well as institutions that provide predominantly associates degrees as “two-year” institutions, and institutions that provide predominantly bachelor’s level degrees as “four-year” institutions.

p The share of students who are Latinx has a near-zero correlation with the likelihood of an institution passing Threshold 0.

Figure 4.8. Pell Enrollment Share Relative to Median Earnings Over Threshold 0



Source: IHEP analysis of College Scorecard and American Community Survey data. Median earnings measured ten years after entry for each institution. Threshold 0 measured by median earnings of high school graduates in the state where the institution is located, plus the cumulative net price of the predominant degree awarded amortized over 10 years.

While much attention is given to highly selective institutions, many fail to deliver equitable postsecondary value due to low enrollments of Black, Latinx, Indigenous, and underrepresented AAPI students and students from low-income backgrounds, which is why they tend to fare poorly on measures like the Equitable Value Index that take both access and economic success into account. More commendable are the many institutions that simultaneously provide access to a diverse range of students and deliver positive post-college outcomes. For instance, the University of Nevada-Reno (UN-R)—a public land-grant university—has an admissions rate of over 80 percent, more than a quarter of UN-R students are Pell recipients, and one-in-four are Black or Latinx. Yet, ten years after entering, UN-R students' median earnings exceed Threshold 0 by more than $11,000, which means UN-R performs better on Threshold 0 than more than half of public four-year institutions. Similarly, St. Mary's University, a private liberal arts college in Texas, has a 75 percent admissions rate, nearly 70 percent of the student body is Latinx, and 46 percent of their

students receive Pell Grants. Ten years after entering, the median student from St. Mary's earns about $12,500 more than Threshold 0 – placing this HSI in the top quartile of private four-year institutions in terms of performance against Threshold 0.

Price

For an institution to produce equitable economic value for students, it must ensure that the financial investment required of students is reasonable relative to their likely earnings. Notably, in the aggregate, total average net price does not have a strong correlation with the likelihood of passing Threshold 0, even though that threshold directly incorporates price.[q] Net price does have a stronger, positive relationship with the extent to which an institution's median earnings surpass Thresholds 1 and 3, with more expensive schools seemingly producing greater earnings for students (which may lead to simplistic assumptions that price is a proxy for quality in postsecondary education). However, the correlation alone does not tell the full story. Highly-selective institutions with high net prices often do readily pass the thresholds, though as previously noted, this is largely due to the overrepresentation of privileged White and wealthy students on their campuses (so instead price is a proxy for selectivity).

Figure 4.9 shows the relationship between cumulative net price (the total net price over the full length of the credential) and median earnings above Threshold 0 for two-year institutions and four-year institutions. In both plots, two patterns are apparent: 1) public institutions are clustered together and tend to be the most affordable institutions at either level; and 2) while some of the high-priced private four-year institutions provide some of the highest median earnings relative to Threshold 0, many of the lower-cost public institutions still provide comparable value at a fraction of the cost. For instance, 76 percent of public four-year institutions have a cumulative net price of less than $100,000 while providing median earnings surpassing Threshold 0 ten years after entry. In contrast, only 25 percent of private non-profit four-year institutions, and less than 16 percent of proprietary four-year institutions, meet these same standards. Similarly, among two-year and less-than-two-year institutions, public institutions meeting at least Threshold 0 cost approximately $15,000 less than proprietary institutions. And recall, 81 percent of public two-year institutions meet Threshold 0 ten years after students' entry compared to only 36 percent of proprietary two-year schools.

Institutions that keep prices low for students can deliver exceptional economic value. For instance, Galveston College, a diverse public institution in Texas that predominantly grants certificates, keeps its cumulative net price at just under $11,000 for a credential (compared to an average among public less-than-two-year institutions of $13,736), helping it surpass Threshold 0 by nearly $7,000 ten years after students' entry. Copiah-Lincoln Community College, a two-year institution that predominantly grants associate's degrees, offers median earnings passing Threshold 0 by nearly $4,000 per year, while only costing $15,028 total – less than half of what a typical two-year college costs ($36,041). Finally, at the four-year level, a high-access public institution like the University of Central Florida costs, on average, approximately $65,000 for a bachelor's degree (compared to an average among public four-year institutions of $82,891), and student earnings surpass Threshold 0 by more than $16,000 per year 10 years after enrolling in college.

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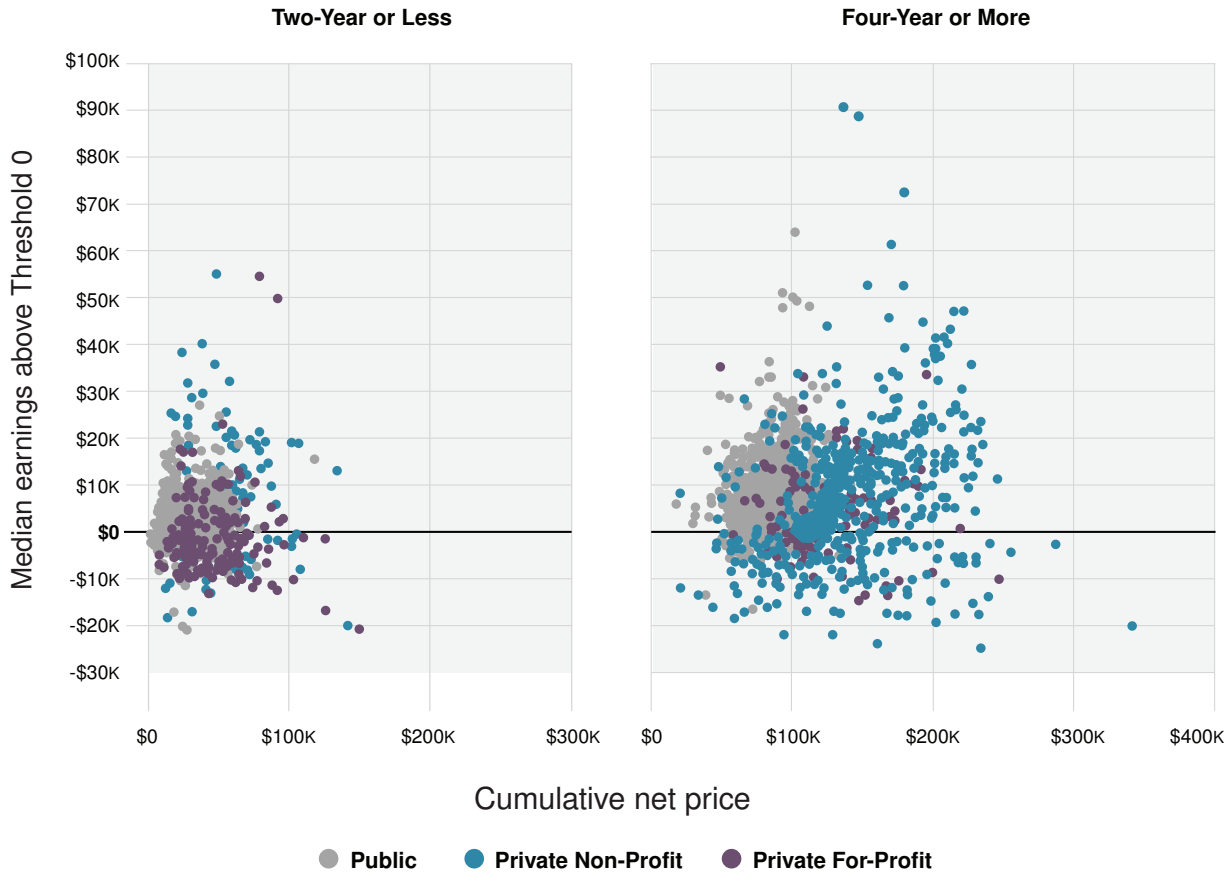
q When using publicly available IPEDS data, the Postsecondary Value Commission recommends calculating net price by subtracting the average grant aid received by all first-time, full-time (FTFT) undergraduates from the total COA for FTFT undergraduates. The COA should be weighted by living arrangement, using the living arrangement distribution of FTFT grant aid recipients, and apply the off-campus net with family living expenses to students living off-campus with family. To capture costs over multiple years, the annual net price should be multiplied by an approximation of the time to credential.

Figure 4.9. Cumulative Net Price Relative to Median Earnings Over Threshold 0



Source: IHEP analysis of College Scorecard and American Community Survey data. Median earnings measured ten years after entry for each institution. Threshold 0 measured by median earnings of high school graduates in the state where the institution is located, plus the cumulative net price of the predominant degree awarded amortized over 10 years.

Sidebox 4.8. Instructional Expenditures

One could reasonably believe that institutions that spend more on instruction per student will deliver better results. Indeed, there is a modest positive correlation between per-student instructional expenditures and an institution's likelihood of offering median earnings above Threshold 0 (especially at four-year institutions). Instructional expenditures are higher among institutions that pass Threshold 0 and Threshold 1, compared with those that do not pass these thresholds. Of particular interest is the trend for HBCUs. Public four-year HBCUs that pass Threshold 0 spend about 18 percent more on instruction than those that do not pass Threshold 0, and private HBCUs that pass have instructional expenditures that are about twice as high as those that do not pass. The differences in expenditures for non-HBCUs that do or do not pass is much less pronounced. This trend indicates that increased public investment in HBCUs may help to promote greater economic outcomes for Black students.[r]

r Title III of the Higher Education Act of 1965 was enacted to provide additional federal resources directly to institutions that serve large numbers of underrepresented and low-income students. These resources are to be used to strengthen academic, financial, and administrative capacity through facilities improvement, faculty and course development, and expansion of student services. All institutions receiving Title III funds are designated as "Minority Serving Institutions" or MSIs.

Completion & Time to Degree

It is well established that, on average, completion accounts for a significant portion of the economic benefits of postsecondary education.[14] For students to reap the full value of their postsecondary investment, institutions must support them through to completion, as students who leave college without a credential are less likely to experience strong economic outcomes and will likely leave with debt but a limited education premium to help pay it off. Table 4.4 demonstrates the importance of completion in delivering postsecondary value, a trend that is especially pronounced among four-year institutions.[s] The completion rate (at 150 percent regular time) among four-year institutions that pass Threshold 0 is 57 percent, driven primarily by public institutions (with an average completion rate of 54 percent) and private non-profit institutions (62 percent), rather than proprietary institutions (29 percent).

In contrast, the completion rate among institutions that do not pass Threshold 0 is only 44 percent. Among those institutions that fail to pass Threshold 0, public and private non-profit four-year institutions have lower completion rates (29 percent and 47 percent, respectively). At proprietary four-year institutions, however, the completion rate is higher for those institutions that fail to meet the threshold than those that do (39 percent relative to 29 percent). Put another way, at proprietary institutions, the effect of completion on passing Threshold 0[t] is practically eliminated – perhaps due to higher prices, but also potentially due to some of these institutions' unfavorable reputation among employers, which limits the labor market value of the credential for students who do complete.[15]

s Note that this trend will be especially notable in Scorecard data, which aggregates earnings outcomes for completers and non-completers and cannot allow for differentiation.

t When testing against Threshold 1 and 3, the public and private non-profit institutions maintain a similar pattern—much higher completion rates among institutions passing the Thresholds, compared with institutions that do not pass. Again, for-profit institutions have higher completion rates among the institutions failing these Thresholds.

Table 4.4. Average Completion Rate by Sector and Performance on Threshold 0

		Public		Private Non-Profit		For-Profit		All Sectors	
		Does not meet Threshold 0	Meets Threshold 0	Does not meet Threshold 0	Meets Threshold 0	Does not meet Threshold 0	Meets Threshold 0	Does not meet Threshold 0	Meets Threshold 0
Two-Year or Less	Overall Completion Rate	27%	30%	38%	53%	51%	57%	37%	33%
Two-Year or Less	Pell	24%	27%	41%	45%	52%	60%	35%	30%
Two-Year or Less	Black	17%	18%	37%	36%	44%	51%	29%	21%
Two-Year or Less	Latinx	27%	27%	39%	42%	49%	69%	36%	30%
Two-Year or Less	American Indian or Alaska Native	19%	21%	33%	46%	56%	58%	27%	23%
Four-Year	Overall Completion Rate	29%	54%	47%	62%	39%	29%	44%	57%
Four-Year	Pell	26%	48%	43%	56%	38%	26%	41%	51%
Four-Year	Black	26%	43%	36%	48%	33%	22%	34%	45%
Four-Year	Latinx	27%	49%	43%	56%	34%	31%	40%	52%
Four-Year	American Indian or Alaska Native	25%	46%	36%	50%	41%	32%	35%	48%

Source: IHEP analysis of College Scorecard and American Community Survey data. Median earnings measured ten years after entry for each institution. Threshold 0 measured by median earnings of high school graduates in the state where the institution is located, plus the cumulative net price of the predominant degree awarded amortized over 10 years. Completion rate data measured at 150 percent of expected time to completion.

Getting students across the finish line is important, but how long it takes an institution to get them there also impacts postsecondary value, because each additional semester a student spends in college is a semester that adds costs for the student (and the institution). Therefore, it is unsurprising that those institutions that are most likely to pass Threshold 0 and pass it by the largest margins are the institutions with time to credential as close to 100 percent of regular time as possible (i.e., four years for a bachelor's degree, two years for an associate's degree, or one year for a certificate).[u] While many institutions with longer average times to completion are still able to meet or surpass the threshold, they may do so by a lesser amount. For instance, at public four-year institutions with an average time to degree between four and five years, the average institution passes Threshold 0 by over $10,000 (at private non-profit institutions, this value is approximately $7,600). However, at institutions with an average time to degree longer than five years, this return diminishes to $5,300 at public institutions and only $70 at private non-profit institutions because the longer time to credential adds to the total cost to students and increases the minimum economic value threshold.

u The Postsecondary Value Commission calculated time to credential using IPEDS Graduation Rate Survey data, deriving an average from survey responses and imputing institutions without applicable data at 150 percent of regular time (e.g. 3-years for a 2-year degree, or 6-years for a 4-year degree). For a more in-depth discussion on the methodological details of measuring Time to Degree (TTD), see: Cheng, D. (2021), this volume, including *Measuring Student Investment with Publicly Available and Nonpublic Institutional Data.*

Sidebox 4.9. The Role of STEM

STEM fields are well established as producing some of the highest-paid college graduates.[16] At four-year institutions, the percentage of students receiving STEM degrees is strongly correlated with the likelihood of passing Threshold 0. Also, the majority of two-year and four-year STEM institutions (defined as institutions in which more than 80 percent of degrees are awarded in STEM fields) prepare students to earn well over $30,000 higher than their respective Threshold 0. However, despite STEM's capacity to produce high economic value, STEM fields, and STEM-dominant institutions have long been associated with a lack of diversity.[17] Women and students of color are consistently underrepresented in these fields, and those who do enter STEM fields often face significant pay gaps (see section 4.3).[18] But, some institutions, such as Harvey Mudd College (where 86 percent of degrees awarded are STEM), have more diverse student bodies. Here, 49 percent of undergraduates enrollees are women, and twenty percent are Latinx, yet only 3.5 percent are Black and 13.4 percent are Pell recipients. Ultimately, most predominantly STEM institutions can and should do more to serve more students who are Black, Latinx, or Indigenous, from low-income backgrounds, or women.

The Power of the Postsecondary Value Framework

While, on average, higher education can impart economic value to students, these analyses, taken together, illustrate two key findings: 1) where students go to college substantially impacts the extent to which they realize economic value from their postsecondary investment, especially for Black, Latinx, and Indigenous students and students from low-income backgrounds; and 2) what institutions *do* greatly affects the extent to which they provide value to the students who can most benefit from it. Institutions can proactively increase access, reduce prices and better target aid dollars, and provide resources to help students complete and complete in less time. Institutions can also counsel students about the economic returns of different fields of study, promote equitable access to high-paying fields, and focus greater resources on instruction and student supports. Doing so will not only help students to achieve equitable economic value, but (as illustrated in Chapter 5) will provide society with substantial, measurable benefits as well.

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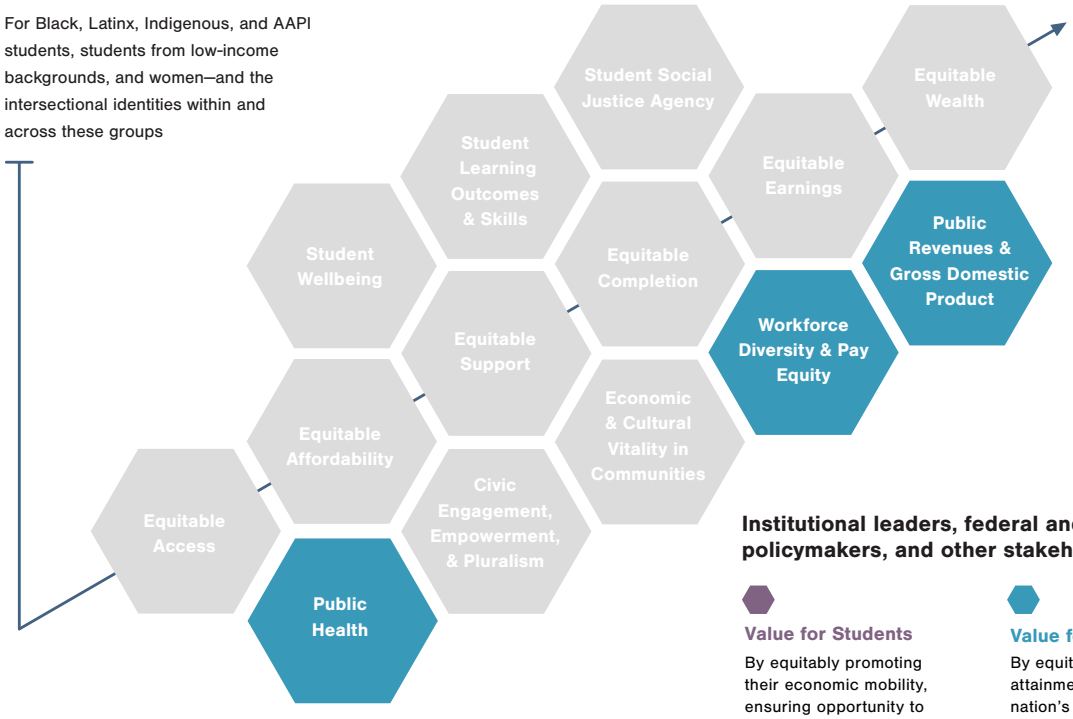
CHAPTER 5:
MODELING THE ECONOMIC RETURNS TO SOCIETY FROM A MORE EQUITABLE POSTSECONDARY EDUCATION SYSTEM

The Postsecondary Value Framework

Pipeline to Equitable Value

For Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women—and the intersectional identities within and across these groups



Institutional leaders, federal and state policymakers, and other stakeholders deliver:

Value for Students

By equitably promoting their economic mobility, ensuring opportunity to build wealth, and improving individuals' wellbeing and academic, civic, and social engagement.

Value for Society

By equitably increasing attainment to expand the nation's public economic resources, improve public health and security, and promote civic engagement and empowerment.

Renewed nationwide activism has cast a spotlight on how rampant and deep-rooted structural inequalities are within all facets of American society. For example, discrimination against Black individuals in the form of labor market and housing discrimination and inequitable access to higher education has cost the economy $16 trillion dollars over the last two decades.[1] This cost nearly equals the 2019 U.S. gross domestic product (GDP).[a] The profound societal impact of racial/ethnic discrimination should act as a catalyst for all individuals and social institutions, including postsecondary education and the bodies that govern it, to reflect on how they perpetuate injustices and the actionable steps they can take to dismantle them.

The value of postsecondary education is often framed in terms of individual economic benefits, as explored in Chapters 3 and 4. Yet a more equitable system pays off not only for individual students, but

a The 2019 US GDP was approximately $21 trillion. For additional information, please see: Bureau of Economic Analysis. (January 30, 2020). Gross Domestic Product, Fourth Quarter and Year 2019 (Advance Estimate). Retrieved from: *https://www.bea.gov/news/2020/gross-domestic-product-fourth-quarter-and-year-2019-advance-estimate#home*

also for society as a whole. To inform the Postsecondary Value Commission's efforts, the Georgetown University Center on Education and the Workforce (CEW) analyzed the economic returns to society that emerge from closing a series of racial/ethnic, socioeconomic, and gender gaps in postsecondary attainment, earnings, and wealth. In short, they find that postsecondary education is well worth the public investment. More specifically, improvements within higher education institutions' sphere of influence—those that close attainment gaps by earnings and race/ethnicity or reduce the need to borrow among students from low-income backgrounds—will pay off profoundly for our economy. While equalizing postsecondary attainment and eliminating the need for low-income credential holders to borrow student loans would require an initial public investment of $5.99 trillion, doing so would produce societal gains of $1.18 trillion annually.[b]

This chapter summarizes the economic societal benefits of postsecondary education, starting first with an overview of the value to society of closing attainment gaps and eliminating student loan debt for students from low-income backgrounds—two levers postsecondary education can pull to advance equitable economic outcomes. The chapter then summarizes further findings from Georgetown University CEW's analysis of the rolling benefits of closing equity gaps at each of the economic value thresholds within the Postsecondary Value Framework (see Chapter 3). While postsecondary education alone will not dismantle centuries of racist policies and structures in the United States, the analyses in this chapter illustrate that a more equitable higher education system will help create a more just and fair society.[c]

Value to Society: Economic Returns and the Role of Postsecondary Education

Certainly, postsecondary education cannot eliminate the entirety of our nation's wage and wealth gaps. Stark evidence demonstrates the sustained impact of employment discrimination, housing disparities, P-12 education inequities, and injustices in our criminal justice and healthcare systems.[2] However, the existence of these confounding factors does not absolve the postsecondary system of responsibility for those within their control, such as ensuring equitable completion, program of study opportunities, and affordability.

In the first phase of this analysis, Georgetown University CEW asked two related questions that led to the measurement of the sizeable value that institutional, federal, and state policymakers can create if they invest in—and take action to create—a more equitable postsecondary system:[d]

1. If institutions closed postsecondary attainment gaps by race/ethnicity and earnings level, what would be the economic returns to society?
2. If institutions closed postsecondary attainment gaps by race/ethnicity and earnings level *and* the additional low-income students did not need to rely on student loans to finance college, what would be the economic returns to society?

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b The investments described in this chapter would not pay off immediately. Carnevale et al. (2021) model a scenario in which all costs and benefits are realized immediately, but recognize that current constraints related to capacity, readiness, and efficiency suggest that it would take at least 34 years just to equalize educational attainment. In this scenario, it would take more than nine years for annual benefits to exceed annual costs. For more detail see Carnevale et al. (2021), this volume.

c To read the full paper, see: Carnevale, A.P., Campbell, K.P., Cheah, B., Fasules, M.L., Gulish, A., Quinn, M.C., Sablan, J.R., Smith, N., Strohl, J., & Barrese, S. (2021). The monetary value of economic and racial justice in postsecondary education: Quantifying the potential for public good. Postsecondary Value Commission. Retrieved from: *https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-GUCEW-FINAL.pdf*

d See Carnevale et al. (2021), this volume, including: *Part I. The Value of Closing Postsecondary Attainment Gaps.*

Closing Attainment Gaps

As discussed throughout this report, there are currently substantial gaps in educational attainment across earnings level and race/ethnicity. This analysis therefore starts by asking the question: What would the world look like if the lowest-earning groups had the same educational attainment as those at higher earnings levels,[e] and if Black, Latinx, and American Indian/Alaska Native/Native Hawaiian/Pacific Islander (AIAN/NHPIs) groups[f] had the same educational attainment as White individuals?[g]

If low-income individuals' attainment matched the attainment of people of the same race/ethnicity from high-income backgrounds, approximately 27 million more people would hold associate's degrees or higher, and attainment would increase for people of all races.[h] Crucially, however, addressing attainment gaps among different income groups would not be sufficient to fully address gaps by race and ethnicity. If our higher education system were also designed such that—after closing attainment gaps by earnings level—Black, Latinx, and AIAN/NHPI[i] individuals also attained credentials at the same rate as White individuals, nearly 3 million more people would hold associate's degrees or higher.[j]

If our higher education system were also designed such that—after closing attainment gaps by earnings level—Black, Latinx, and AIAN/NHPI individuals also attained credentials at the same rate as White individuals, nearly 3 million more people would hold associate's degrees or higher.

Closing these earnings and race/ethnicity gaps in attainment would mean that 63 percent of Americans would hold a postsecondary credential, generating $956 billion annually in total public returns in the form of increased tax revenue and GDP, reduced criminal justice and public health expenditures, and reduced reliance on public support programs. This amount is greater than the individual GDP of 46 out of the 50 states.[k] In addition, there are gains in several personal benefits, including the narrowing of earnings and potential cumulative savings gaps, which indirectly contribute to the public good by reducing societal inequities (Table 5.1).

e In this exercise, Carnevale et al. (2021), this volume, matched the attainment distribution for non-earners and those in the bottom two earnings quintiles with the attainment distribution of those in the top three earnings quintiles.

f Asian individuals generally have higher educational attainment than White individuals, and Carnevale et al. (2021), this volume, did not adjust Asian attainment downward to match White attainment. Moreover, they recognize that specific Asian and Native Hawaiians and Pacific Islanders subgroups face educational and economic disparities, but the data did not allow for disaggregation at the subgroup level.

g Carnevale et al. (2021), this volume, did not adjust for gender equity in attainment because women already earn more degrees than men at every level of attainment while also needing one more degree than men to make similar earnings. See: Carnevale, A.P., Smith, N., & Gulish, A. (2018). Women Can't Win: Despite Making Educational Gains and Pursuing High-Wage Majors, Women Still Earn Less than Men. Georgetown University Center on Education and the Workforce. Retrieved from: *https://cew.georgetown.edu/cew-reports/genderwagegap/*

h 12.9 million more White people, 8.09 million more Latinx people, 5.15 million more Black people, 377,000 more AIAN/NHPI people, 498,000 more Asian people, and 457,000 more people from other racial or ethnic groups would hold associate's degrees or higher if attainment gaps by income were closed. Source: Carnevale et al. (2021), this volume.

i There is great variation of cultural identity and lived experiences within this American Indian/Alaska Native/Native Hawaiian/Pacific Islander category. However, they have been combined here to maintain large enough sample sizes to include them in this analysis.

j See Carnevale et al. (2021), this volume, including: *Part I. The Value of Closing Postsecondary Attainment Gaps.*

k $956B is greater than the 2020 GDP of every state except California, Texas, Florida, and New York. Source: IHEP calculations of 2020 Annual Gross Domestic Product (GDP) by State. Retrieved from Bureau of Economic Analysis website: *https://apps.bea.gov/itable/iTable.cfm?ReqID=70&step=1#reqid=70&step=1&isuri=1*

Table 5.1. Summary of Economic Impact on Society from Greater Postsecondary Education and Labor Market Equity

	Greater Postsecondary Equity		Greater Labor Market Equity[5]			
	Close attainment gaps (Threshold 1)	**And reduce student loan debt** (to impact Threshold 4)	**And close earnings parity gaps** (Threshold 2)	**And close gaps in achieving economic mobility** (Threshold 3)	**And ensure that all graduates attained median levels of wealth** (Threshold 4)	**And close wealth gaps** (Threshold 5)
Cumulative public Investment[1]	($3.97 trillion)	($2.02 trillion)	N/A	N/A	N/A	N/A
	Annual Economic Societal Gains					
Increased tax revenue	$308 billion	N/A	+ $686 billion	+ $526 billion	N/A	N/A
Increased GDP	$542 billion	+ $222 billion	+ $1.76 trillion	+ $1.35 trillion	N/A	N/A
Reduced criminal justice expenditures	$13.8 billion	N/A	N/A	N/A	N/A	N/A
Reduced public health expenditures	$58.7 billion	N/A	+ $18.1 billion	+ $10.0 billion	N/A	N/A
Reduced public assistance expenditures	$33.7 billion	N/A	+ $9.33 billion	+ $5.51 billion	N/A	N/A
Total public benefit	**$956 billion**	**+ $222 billion**	**+ $2.47 trillion**	**+ $1.89 trillion**	**N/A**	**N/A**
	Private Economic Gains that Contribute to the Public Good					
Increased annual earnings	$1.03 trillion	N/A	+ $2.29 trillion	+ $1.75 trillion	N/A	N/A
Earnings gaps narrow[2]	Between 4 and 17 pct. pts.	N/A	Between 5 and 43 pct. pts.	By an additional 1 pct. pt.	N/A	N/A
Share of population with a level of earnings associated with mobility[3]	37%	N/A	50%	65%	N/A	N/A
Increased potential cumulative savings	$3.17 trillion	+ $594 billion	+ $9.81 trillion	+ $6.62 trillion	N/A	N/A
Potential cumulative savings gaps narrow[4]	Between 2 and 19 pct. pts.	Between 1 and 7 pct. pts.	Between 11 and 88 pct. pts.	Between 2 and 4 pct. pts.	N/A	N/A
Increased personal wealth	N/A	N/A	N/A	N/A	$1.38 trillion	$2.29 trillion

Notes: [1] The public investment necessary to close postsecondary attainment gaps will likely require state and federal policy interventions.

[2] These ranges are limited to positive gap closures.

[3] For alignment with the commission's Postsecondary Value Framework, Georgetown University CEW researchers defined earnings associated with economic mobility as those at the 4th earnings quintile and above for workers with positive earnings. For an explanation of the methodology they used to calculate the share of the population with level of earnings associated with mobility, see their Appendix A, including Table A11, in Carnevale et al. (2021), this volume.

[4] These ranges are limited to positive gap closures.

[5] Because wealth does not factor into Georgetown University CEW researchers' calculations of tax revenue, GDP, criminal justice expenditures, public health expenditures, public assistance expenditures, debt levels, and earnings gaps, they did not calculate a dollar amount for additional societal gains associated with gains in personal wealth. In addition, they only explored how changes in education and earnings would contribute to closing gaps in potential cumulative savings for Thresholds 1 through 3, and explored differences in overall wealth for Thresholds 4 and 5.

Closing Attainment Gaps and Reducing Student Loan Debt

Wealth gaps (described in more detail in Chapter 3)[l] have been driven by centuries of discriminatory policies and generations of parent-to-child wealth transfers. Because of the nature of intergenerational wealth transfers, wealth gaps build upon themselves, expanding over generations as those with wealth use it to build more wealth. While the enormity and injustice of these gaps can feel insurmountable, postsecondary education is one lever that can be used to narrow them.

Student loan debt—which translates to negative wealth—has become a seemingly inextricable part of the U.S. postsecondary system. Average debt at graduation for students at four-year colleges reached $28,950 in 2019, up from $18,550 in 2004, with students of color and students from low-income backgrounds often borrowing more than their more privileged classmates and struggling more to pay it off.[3] For instance, research shows that four years after graduating from college, Black students have almost twice as much remaining student loan debt as their White peers and bachelor's recipients from low-income backgrounds were five times as likely as their higher-income classmates to default on their loans within 12 years.[4] Unsurprisingly, people with less available wealth are more likely to require loans to finance their postsecondary education. Student loan debt exacerbates the racial wealth gap, perpetuating the intergenerational wealth cycle and the inequities it supports.

Postsecondary institutions and federal and state policymakers directly influence students' debt reliance. Decisions at all levels determine how tuition is set and how grant aid is distributed. From institutional aid to state grants to free college programs to Pell Grants, policy choices result in some students borrowing more and some borrowing less. All of these choices exist within the confines of a society with substantial wealth inequities.

Since higher education can directly affect students' accrual of negative wealth via student loan debt, Georgetown University CEW researchers asked: What returns would society see if postsecondary education were to eliminate the need for students from low-income backgrounds to rely on student debt to finance their education?[m] To answer this question, the outcomes described above were recalculated with the assumption that new completers would not have to borrow to pursue their postsecondary credential.[n]

The total public investment required to eliminate debt for new low-income credential holders would be $2.02 trillion. Since debt does not directly affect tax revenue, incarceration rates, public health expenditures, expenditures for major federal public assistance programs, or earnings gaps, those outcomes remain the same as above. However, because new degree holders would have more money to spend in the economy and more money to save, both GDP and cumulative wealth from savings increase (Table 5.1). Importantly, addressing the need for students from low-income backgrounds to borrow narrows, but does not close, racial wealth gaps. For instance, Black men's potential new cumulative savings would still lag White men by $40,000 ($155,000 compared with $115,000)—assuming they can save at the same rate based on their earnings. And, discrimination in the credit market, housing market, mortgage lending market, and financial markets still affects Black, Latinx, Indigenous, and underrepresented AAPI workers' ability to save and build wealth.[5]

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l For a discussion of the relationship between postsecondary education and wealth building, see: Addo, F. (2021). Ensuring a more equitable future: Exploring and measuring the relationship between family wealth, education debt, and wealth accumulation. Postsecondary Value Commission. Retrieved from: *https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-Addo-FINAL.pdf*

m See Carnevale et al. (2021), this volume, including: *Part I. The Value of Closing Postsecondary Attainment Gaps*.

n Analysis by Carnevale et al. (2021), this volume, eliminated debt for additional credential holders without earnings and those in the bottom two quintiles.

This analysis illustrates that society stands to benefit from a more equitable postsecondary system—a system that makes it possible for students from low-income backgrounds and students of color to attain credentials at the same rate as their high-income and White peers and minimizes the need for students from low-income backgrounds to rely on student loan debt to finance their education. Put another way—this analysis shows the lost economic potential associated with continuing to accept inequities in our higher education system.

Value to Society: Economic Returns in an Ideal State

Georgetown University CEW further modeled the impact of achieving parity within postsecondary education as well as other aspects of society to imagine the combined economic impact of remedying the host of gaps aligned with the economic thresholds in the Postsecondary Value Framework.[o] In this second phase, they ask:

1. What are the economic returns to society if institutions closed postsecondary attainment gaps by race/ethnicity and earnings (Threshold 1)?
2. ... *and* society closed earnings parity gaps (Threshold 2)?
3. ... *and* all degree recipients achieved economic mobility (by reaching an earnings level associated with entry into at least the fourth earnings quintile) (Threshold 3)?
4. ... *and* society ensured that all groups attained median levels of wealth (Threshold 4)?
5. ... *and* society closed wealth gaps (Threshold 5)?

This research shows incrementally greater returns to society at each threshold, generating substantial benefits to the entire economy by addressing existing societal inequities (Table 5.1).

1. *Closing earnings parity gaps* among all workers aged 25 to 64—such that everyone at each level of education were employed at similar rates and paid the same as White men at that level of education—would result in $2.47 trillion in annual economic benefits to society above and beyond the $956 billion generated by closing attainment gaps.
2. *Closing gaps in attaining economic mobility*—such that all degree holders would achieve earnings that meet the threshold for economic mobility—would result in societal returns of an additional $1.89 trillion (Table 5.1). At least 65 percent of people in each racial/ethnic subgroup would have earnings that allow for economic mobility at this threshold.
3. *Closing gaps in attaining economic security*—such that all race/ethnicity and gender groups attain at least the median levels of wealth ($31,000 per person),[p] a proxy for being economically secure—would increase the aggregate amount of personal wealth in the nation by $1.38 trillion. Wealth gaps would narrow considerably but remain significant. Latinx, Black, and AIAN/NHPI and people of other races and ethnicities would still only have 47 cents for every dollar of wealth held by White men.[q, 6]

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o See Carnevale et al. (2021), this volume, including: *Part II. A Stepwise Model for Advancing Equity.*

p Georgetown University CEW researchers used the median wealth at the individual level from the U.S. Census Bureau's Survey of Income and Program Participation (SIPP), 2014.

q There are important caveats to keep in mind. First, marriage plays an important role in the creation of wealth: assortative mating can lead to higher family income within a household and greater opportunity to create wealth (Fry & Cohn 2010; Zagorsky 2005). Second, workers' benefits and pensions play a role in wealth accumulation. Future research should account for these factors and how they may be subject to bias (Weller 2019).

4. *Closing wealth gaps,* by raising the wealth attributable to education and earnings[r] of all racial/ethnic and gender groups to match that of White men, which would increase aggregate wealth by $2.29 trillion. Wealth gaps would narrow substantially. However, large wealth gaps would remain, particularly for Latinx, Black, and AIAN/NHPI groups. The societal value of closing gaps in the portion of wealth that is self-generated through earnings would be significant. In fact, economists at the Federal Reserve Bank of Cleveland have found that the racial earnings gap plays a larger role in maintaining the wealth gap than bequests or rates of return on investments.[7] Moreover, for those who have little or no wealth to begin with (or are on the lower end of the wealth distribution), closing earnings gaps can result in real, material improvements in their overall wealth. For the many people without wealth or savings, the increased earnings described in this experiment would represent a life-altering economic opportunity.

This analysis also illustrates the strength of intergenerational wealth transfer in maintaining racial wealth gaps, which contribute to gaps in educational and economic opportunity in a self-reinforcing cycle that perpetuates inequality for generations. Even after closing racial earnings gaps, the Federal Reserve found it would take approximately 100 years to close racial wealth gaps.[8] To fully address the disparities caused by historical injustices, we would need to do more than close the portion of the wealth gap that can be affected by education and earnings. Postsecondary education has a pivotal role to play in eliminating wealth gaps and advancing equity, but changes in postsecondary education cannot alone create a socioeconomically and racially just society.

Society Benefits from an Equitable Postsecondary Education System

The first phase of the societal economic benefits analysis shows clearly that investments in postsecondary equity—on the parts of institutions, states, and the federal government—would pay off and narrow earnings and wealth gaps for Black, Latinx, Indigenous, and underrepresented AAPI communities as well as people from low-income backgrounds, and achieving more equitable representation within higher paying fields would make a difference for women. The second phase demonstrates that higher education cannot eliminate the societal inequities that contribute to these persistent gaps by only addressing attainment and affordability. Racism, labor market discrimination, and unequal access to wealth building strategies—particularly through intergenerational wealth transfers—shape the economic benefits that individuals and society can accrue from postsecondary education.

However, institutions should not shy away from reshaping policies and practices within their control to help dismantle structural inequalities. Colleges and universities can direct their efforts toward more equitable access, affordability, and completion for students of color and students from low-income backgrounds. They can make sure that students—especially students from low-income backgrounds—are not burdened with educational debt. And they can streamline pathways to careers for marginalized students, especially people of color and women, who face labor market discrimination. As the commission's underlying research shows, combating the inequities that plague our current postsecondary system—and society at large—can lead to enormous local and societal benefits.

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r Since an estimated 45 percent of wealth is intergenerational, the analysis assumes that societal investments could affect only the 55 percent of wealth that is not associated with inheritance. See Carnevale et al. (2021), this volume: *What role can potential cumulative savings play in closing wealth gaps?*

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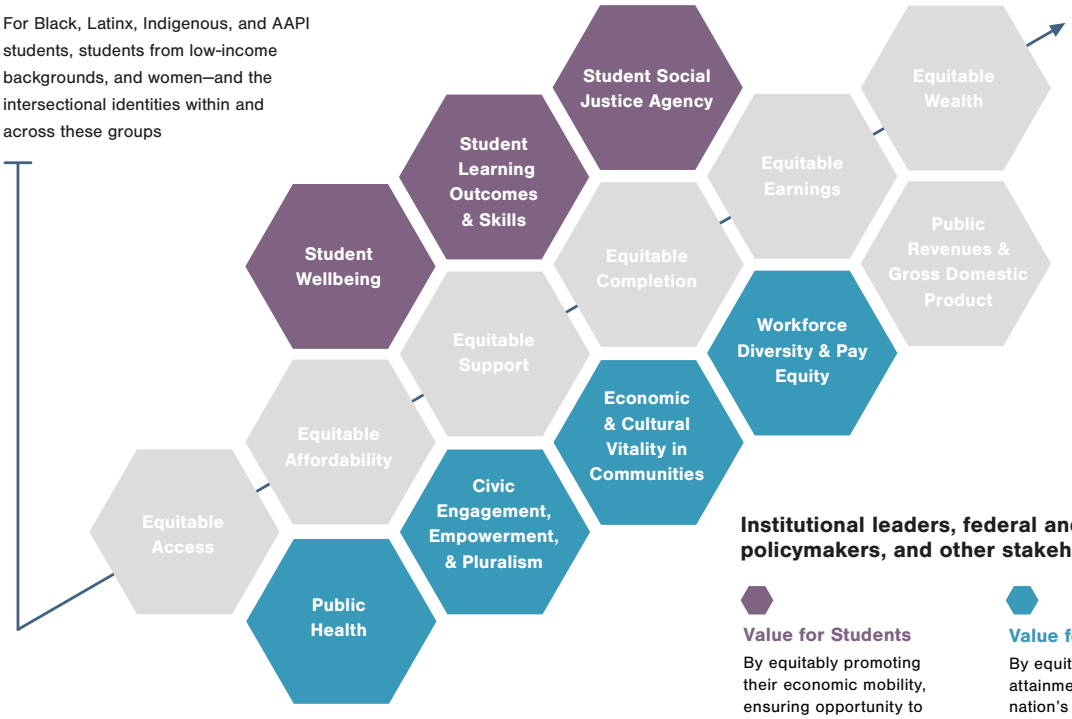
CHAPTER 6:
THE NON-ECONOMIC BENEFITS FROM EQUITABLE POSTSECONDARY VALUE

The Postsecondary Value Framework

Pipeline to Equitable Value

For Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women—and the intersectional identities within and across these groups



Institutional leaders, federal and state policymakers, and other stakeholders deliver:

Value for Students

By equitably promoting their economic mobility, ensuring opportunity to build wealth, and improving individuals' wellbeing and academic, civic, and social engagement.

Value for Society

By equitably increasing attainment to expand the nation's public economic resources, improve public health and security, and promote civic engagement and empowerment.

Individual economic outcomes are critical to building a financially secure future—for students and society. As a result, the Postsecondary Value Framework largely focuses on measuring both the individual (Chapters 3 and 4) and societal (Chapter 5) economic returns from postsecondary education. However, there is considerable evidence that postsecondary attainment also leads to an array of non-economic benefits. For example, extensive research shows that college-educated individuals engage more in their communities, vote more frequently, and live healthier and longer lives than those who did not attend college.[a, 1] Many of these non-economic returns are likely made possible by the higher earnings that result from a postsecondary credential, but they also make clear that the value of postsecondary education extends beyond pure dollars and cents.

a See also Carnevale et al. (2021), this volume, for further discussion on the relationship between educational attainment and public non-economic benefits as well as Arum et al. (2021), this volume, for further discussion on the relationship between educational attainment and private non-economic benefits.

Considering student returns beyond economic benefits is especially important to understand the full value gained by individuals with postsecondary education credentials who pursue relatively low-wage, high social value careers. While there is not full agreement on how to precisely define these occupations, examples usually include social work, the arts, theology, P-12 teaching, and early childhood education—all of which typically require at least some education beyond high school. College graduates in these occupations earn less than the average salary for their degree level, but these jobs bring substantial benefits to society and, in many cases, great personal satisfaction.[2]

These low-wage, high social value occupations are primarily dominated by women and, in many cases, women of color. For example, women make up nearly 50 percent of employed persons aged 16 and over,[3] but more than 90 percent of those employed in the early childhood care and education sector.[4] Four in ten childcare workers and a third of teacher assistants and preschool teachers are women of color.[5] It is important to recognize that while individuals may choose their professions because they value the nonmonetary satisfaction from these occupations, societal cues, such as traditional views about women's role in society, also may steer women into these lower-paid professions.[6] Furthermore, workers experience an earnings penalty when holding jobs in women-dominated occupations. For example, teachers' earnings have declined relative to other occupations over the past four decades, alongside a decline in the share of male public school teachers, providing some evidence that men's exit from a profession can reduce the economic returns in that profession.[7]

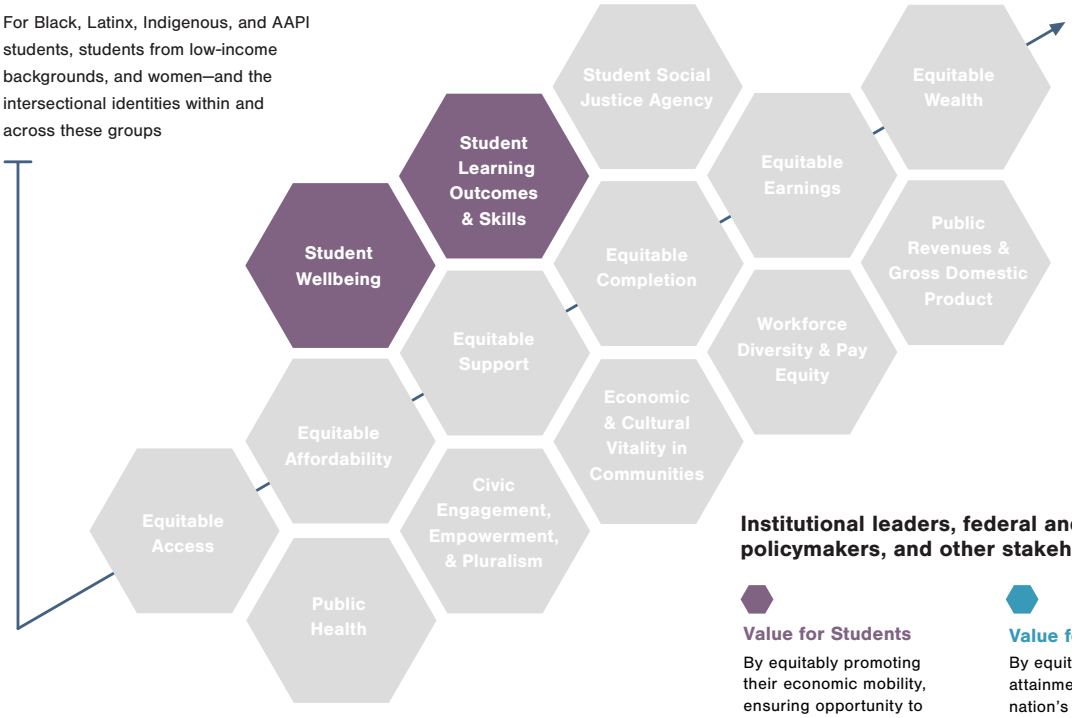
This undervaluing of careers dominated by women of color is deeply troubling and perpetuates racial and gender wage and wealth disparities. It also led the Postsecondary Value Commission to contemplate the role non-economic benefits play in the value of higher education. The Postsecondary Value Commission would have done a disservice to the field and those who benefit from postsecondary education if it had relied on economic benefits alone to measure the value of higher education.[8] It would also have done a disservice to the American public, which has grappled and continues to grapple with the idea that an educated populace is critical to the functioning of a healthy democracy.[9] As such, this chapter examines several key individual non-economic benefits of postsecondary value, including learning outcomes, skills, and wellbeing. These personal non-economic returns, in turn, translate into enormous societal benefits. This chapter summarizes postsecondary education's impact on societal-level outcomes related to health, crime and incarceration, family structure, critical thinking, civic engagement, resistance to authoritarianism, pluralistic orientation, agency and empowerment, and happiness. Finally, this chapter concludes with a discussion of the role postsecondary institutions—as educators, employers, and community members—can and should play in advancing a more just society—a society in which one's background does not predict their outcomes.

The Individual Non-Economic Benefits of Postsecondary Education

The Postsecondary Value Framework

Pipeline to Equitable Value

For Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women—and the intersectional identities within and across these groups



Institutional leaders, federal and state policymakers, and other stakeholders deliver:

Value for Students

By equitably promoting their economic mobility, ensuring opportunity to build wealth, and improving individuals' wellbeing and academic, civic, and social engagement.

Value for Society

By equitably increasing attainment to expand the nation's public economic resources, improve public health and security, and promote civic engagement and empowerment.

The following pages explore several of these individual non-economic outcomes, including learning outcomes, necessary skills for success in today's economy, and wellbeing. These non-economic concepts are not easy to measure, which is why the commission tapped national experts to illuminate ways to understand their contribution to postsecondary value. This section describes prior and emerging research on these important components of the Postsecondary Value Framework.

Learning Outcomes

Most students attend college to get a good job;[10] wages, however, are not the only factor influencing students' postsecondary decisions, as many students also report aspirations for individual growth and development.[11] Indeed, learning new things and engaging with diverse perspectives is inherently valuable, builds a more informed populace, and creates a more vibrant democracy. For these reasons, it is important to examine learning outcomes alongside the economic returns.

In the last decade, there has been a surge of interest in this area of research as illustrated by the emergence of international and national initiatives, such as:[b]

b See *Prior Work Measuring College Learning and Human Development* in Arum et al. (2021), this volume, for additional information.

- Council for Aid to Education's Collegiate Learning Assessment
- Association of Public and Land-grant Universities and the American Association of State Colleges and Universities' Voluntary System of Accountability
- Organisation of Economic Cooperation and Development's Assessment of Higher Education Learning Outcomes (AHELO)
- Association of American College and Universities' Value Rubric initiative
- Lumina Foundation's Tuning initiative
- Social Science Research Council's Measuring College Learning project
- European Union's CALOHEE (Measuring and Comparing Achievements of Learning Outcomes in Higher Education in Europe) consortium

The Postsecondary Value Commission leveraged the expertise of Richard Arum and his team from the University of California, Irvine (UCI) to provide a detailed look at one such effort: The Next Generation Undergraduate Success Measurement Project.[c] This project uses diverse forms of data (e.g., performance assessments, surveys, administrative records, and learning management system data) to assess undergraduate student experiences, behaviors, and attitudes over time, focusing on six learning outcomes:

Learning Outcome #1: Measuring Cognitive Ability and Intellectual Dispositions[d]

Critical thinking, one of the traditional measures of cognitive ability, is the most well-known postsecondary education learning outcome. But educators and employers also expect the postsecondary experience to hone students' critical intellectual dispositions, such as flexible thinking, intellectual curiosity, open-mindedness, and persistence at working through complex tasks. The Next Generation Undergraduate Success Measurement Project measures growth in critical thinking skills and intellectual dispositions—such as perspective-taking, confirmation bias, and collaborative problem solving—through multiple surveys and assessments administered at several points during a students' academic career.

Learning Outcome #2: Development of Identity and Adaptive Life-Course Agency[e]

Higher education institutions provide students with the opportunity to develop and hone the skills needed to navigate the complex modern world, such as the ability to set goals and plan as well as to organize and monitor one's own behavior. To measure these skills, the Next Generation Undergraduate Success Measurement Project developed and collected detailed longitudinal assessments that included respondents': education and occupation goals; self-perceptions of competence and values; self-reports of engagement with goals and flexibility to adjust goals if necessary; and perceptions of academic-related experiences and how these experiences might impact subsequent education, occupation, and civic engagement planning and choices.

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c For the full paper, see: Arum, R., Eccles, J.S., Heckhausen, J., Orona, G.A., von Keyserlingk, L., Wegemer, C.M., Wright, C.E., Yamaguchi-Pedroza, K. (2021). Ensuring a more equitable future: Assessing student learning and growth in higher education. Postsecondary Value Commission. Retrieved from: *https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-Arum-FINAL.pdf*

d See *Measuring Cognitive Ability and Intellectual Dispositions* and Appendix in Arum et al. (2021), this volume, for additional information.

e See *Developing Adaptive Life-Course Agency* and *Appendix* in Arum et al. (2021), this volume, for additional information.

Learning Outcome #3: Self-Regulated Skills[f]

Self-regulated learning is a self-directed process through which individuals use strategies to transform physical and mental abilities into academic skills. The Next Generation Undergraduate Success Measurement Project assessed these skills by combining survey responses about specific behaviors in course-related situations with data from Canvas, a university learning management system that provides information on students' actual learning behavior.

Learning Outcome #4: Social Capital[g]

Postsecondary education helps students build social capital by providing access to professional opportunities (e.g., internships), alumni communities, and mentors, which are related to a range of positive outcomes, including degree attainment and career success. The Next Generation Undergraduate Success Measurement Project surveyed students to assess the role of social capital development, including diverse student networks, in student success.

Learning Outcome #5: Civic Engagement[h]

Civic engagement is usually described as the knowledge, skills, values, motivation, and activities that promote quality of life within a community and society at large through political and non-political processes. The Next Generation Undergraduate Success Measurement Project assessed civic engagement through regular surveys that captured a range of student engagement experiences and included an inventory of civic attitudes, political orientation/awareness, and students' perceived trustworthiness of news sources.

Learning Outcome #6: Mental Health and Psychological Flourishing[i]

Within today's political, social, health, and economic contexts, students are experiencing higher levels of stress and anxiety, with students of color and students from lower-income backgrounds experiencing even greater wellbeing concerns compared to their White and more affluent peers. The Next Generation Project assessed mental health, perceived stress, and psychological flourishing through survey instruments combined with institutional and clickstream data to examine how activities such as substance abuse and social connectedness influence students' psychological wellbeing.

Skills

Learning outcomes and skills development are closely intertwined in helping students achieve their primary postsecondary goal: getting a well-paying job. Developing skills such as higher-order technological skills, professionalism, communications, collaboration, leadership, digital literacy, and intercultural fluency are critical to preparing students for today's job market. Yet, the rapidly changing digital landscape of today's economy makes it challenging to predict what skills individuals will need to be successful in the future. This challenge is compounded by the fact that many employers and

f See *Self-Regulated Learning Skills* and *Appendix* in Arum et al. (2021), this volume, for additional information.
g See *Social Capital* and *Appendix* in Arum et al. (2021), this volume, for additional information.
h See *Civic Engagement* and *Appendix* in Arum et al. (2021), this volume, for additional information.
i See *Mental Health and Psychological Flourishing* and *Appendix* in Arum et al. (2021), this volume, for additional information.

students believe postsecondary credentials are not preparing individuals for the workforce, creating what is known as the "skills gap."[12]

Given that the perceived value of postsecondary education is increasingly tied to workforce outcomes, the Postsecondary Value Commission relied on the expertise of Michael Collins from JFF to better understand skills gaps, why partnerships between industry and colleges and universities are critical for addressing them, and why they matter for assessing the value of a postsecondary credential. The following section draws from Collins' research.[j]

Skills Gaps and Why They Matter to Postsecondary Value

The term "skills gap" is often used to describe the difference between the skills students possess when they leave college and the skills employers expect them to have in the workplace. The focus is typically on so-called STEM skills. This standard definition assumes that the skills gap is singular and that there are quantifiable competencies or work tasks that employees can or cannot perform. Moreover, this narrow focus on STEM skills overlooks gaps faced by Black, Latinx, and Indigenous individuals and individuals from low-income backgrounds, who have not historically had access to STEM fields.[k] Four methods are typically used to demonstrate the existence of this single skills gap: (1) educational attainment as a proxy for skills, (2) labor market information, such as job postings, resumes, and worker profiles, (3) survey research of business and institutional leaders' and students' perceptions of skills gaps, and (4) competency assessments. Collins argues that while these measurements provide useful information, they do not empirically support a single skills gap.[l] Rather, the skills gap is far more complicated and nuanced. In particular, there are multiple skills gaps depending on cause, occupation, industry, and region, with each requiring its own solution.

Due to the complex and dynamic nature of the current and future economy, a combination of technical/digital and human skills—which vary by industry and occupation—is necessary for success in the workplace. As such, there is no specific credential or major that will by itself prepare students for employment. Instead, postsecondary institutions should ensure that students acquire discipline-specific content knowledge as well as a variety of technical/digital and human skills. To increase the work readiness of their students, institutional leaders at all credential levels must collaborate with industry to create work-based learning experiences for students. Furthermore, institutions must intentionally address barriers that prevent Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, and women from participating in these opportunities at the same rates as their more privileged peers.[m]

The good news is that there are already a number of institutions that are implementing strategies to address these issues, including strengthening apprenticeship programs at community colleges, creating equitable internship opportunities, restructuring internally to better deliver high-demand skills, and building strong postsecondary-industry relationships, to help their graduates cultivate skills critical to the current and future workforce.[n]

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j For the full paper, see: Collins, M. (2021). Ensuring a more equitable future: Addressing skills gaps through multiple, nuanced solutions. Postsecondary Value Commission. Retrieved from: *https://www.postsecondaryvalue.org/wp-content/uploads/2021/04/PVC-Collins-FINAL.pdf*

k For additional information, see *Introduction* in Collins (2021), this volume.

l For additional information on the four methods, see *Evidence of a Single Skills Gap Is Weak* in Collins (2021), this volume.

m For additional information on the skills that are necessary for the current and future economy, see *What Skills Are Important for the Economy, Jobs, and Civic Engagement Within an Ever-Changing Environment* in Collins (2021), this volume.

n For additional information on best practices institutions can take for addressing the skills gap, see *Institutional Best Practices for Closing Skills Gaps* in Collins (2021), this volume.

Aligning students' skills with employer needs is complex but has never been more important, especially considering that students' goals of achieving a better job and a better life through postsecondary credentials are on the line. To ensure that all students reap the benefits of postsecondary education and are successful in the workforce, Collins argues that several principles should guide best practices in closing real and perceived skills gaps:

1. *Recognize that there is not one skills gap, but many.*
2. *Respond with a diverse set of programs.*
3. *Build federal/state/institutional/industry partnerships.*
4. *Center equity at all times.*

By embracing these best practices, the postsecondary field can improve the national discourse on the skills gaps and ensure that students acquire meaningful skills and abilities in college that will enable them to lead productive and engaged lives in our democratic society.

Wellbeing

Measuring wellbeing is complex and multifaceted, so the Postsecondary Value Commission leveraged the expertise of Stephanie Marken of Gallup to assess wellbeing and how it combines with job quality and other economic measures, including income, to capture the value graduates receive from a bachelor's or higher degree.[o] The following descriptions of Gallup's wellbeing measures draw heavily on Marken's synthesis of decades of survey research.[p]

The Impact of Wellbeing on Graduates' Perceptions of Postsecondary Value

Gallup assesses wellbeing using two metrics: **current and future life evaluation via the Cantril Scale** and the **five elements of wellbeing (purpose, social, financial, community, and physical wellbeing)**.[q] Both of these metrics are closely tied to whether graduates say their degree is "worth the cost" and whether they would recommend their institution to a friend. The Cantril Scale acts as a simple, summary measure of one's overall wellbeing (categorized as thriving, struggling, or suffering), which is highly correlated with assessments of graduates' perceived value of their degree. Institutions can use the five elements of wellbeing to focus on successes and challenges in specific areas, such as evaluating specific programmatic interventions.

Wellbeing differs among college graduates based on demographics, student debt levels, post-college earnings, and characteristics of the institutions they attended. For example, non-White graduates typically report lower levels of wellbeing than their White peers. The two exceptions to this are Black graduates from Historically Black Colleges and Universities (HBCUs) and Latinx graduates from Hispanic Serving Institutions (HSIs).[r] These graduates demonstrate higher levels of

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o The research conducted by Marken (2021), this volume, used data collected among individuals with a bachelor's degree or higher. Further research is needed among those with no postsecondary education experience, those who have completed some college but no degree, and those with other types of credentials and degrees.

p For the full paper, see: Marken, S. (2021). Ensuring a more equitable future: Exploring the relationship between wellbeing and postsecondary value. Postsecondary Value Commission. Retrieved from: *https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-Marken-FINAL.pdf*

q For additional information on both Life Evaluation via the Cantril Scale and the five elements of wellbeing, see: *Assessing value: Metrics for measuring wellbeing* in Marken (2021), this volume.

r For additional information on the support and experiential learning that Black and Latinx graduates receive from HBCUs and from HSIs, respectively, see: *Assessing value: Evidence from wellbeing metrics* in Marken (2021), this volume.

wellbeing compared with their Black and Latinx peers who graduated from non-HBCUs and non-HSIs, respectively.

Research by Gallup shows that wellbeing measures influence graduates' assessment of college value beyond what income alone can explain. For example, both wellbeing measures and income predict whether graduates say their degree was "worth the cost," and wellbeing measures are more powerful than income in predicting which graduates would recommend their institution to a friend or family member. These results support that wellbeing measures are meaningful additions to income measures in assessing the value of postsecondary education by measuring important non-pecuniary aspects of a credential's value.[s]

Wellbeing clearly impacts graduates' perceptions of the value of their postsecondary education. And Gallup's research indicates that institutions can directly increase individuals' odds of experiencing high wellbeing post-college, for example, through experiential learning opportunities like participating in extracurricular activities, having an internship, or engaging in a long-term research project. Support experiences like having a mentor who encouraged them to pursue their dreams and goals, having professors who care about them, and reporting that their professors made them excited about learning are also proven to increase students' post-college wellbeing.[t] Graduates who reported that they had all of these experiences are more likely to achieve high wellbeing and employee engagement—and both of these elements, in turn, have an impact on whether graduates believe their "degree was worth the cost." Yet, just 3 percent of all college graduates from a 2014 Gallup-Purdue University study say they had all these experiences.[13] Institutional policies and practices clearly play a vital role in helping graduates experience high levels of wellbeing that enhance their postsecondary value.

s For additional information on the relationship between wellbeing and income, see: *Assessing value: Evidence from wellbeing metrics* in Marken (2021), this volume

t For additional information on experiential learning and supportive experiences, see: *College/university measurement of impact* in Marken (2021), this volume.

The Intersection of Individual and Societal Non-Economic Benefits of Postsecondary Education

The Postsecondary Value Framework

Pipeline to Equitable Value

For Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women—and the intersectional identities within and across these groups

Institutional leaders, federal and state policymakers, and other stakeholders deliver:

Value for Students

By equitably promoting their economic mobility, ensuring opportunity to build wealth, and improving individuals' wellbeing and academic, civic, and social engagement.

Value for Society

By equitably increasing attainment to expand the nation's public economic resources, improve public health and security, and promote civic engagement and empowerment.

The Postsecondary Value Commission's research demonstrates that postsecondary institutions—as vehicles of learning—play a pivotal role in shaping students' worldviews by exposing them to new ideas and individuals from diverse backgrounds, equipping them with the skills and knowledge to be successful in their personal and professional lives, and increasing civic engagement and wellbeing. Yet, these individual non-economic outcomes also provide a number of societal benefits. While it remains challenging to explicitly distinguish between personal and public benefits, the Georgetown University Center on Education and the Workforce (CEW) has identified nine public non-economic benefits that are linked to educational attainment:[u]

Critical Thinking Skills: Today, more than ever before, citizens must be able to separate fact from fiction in order to synthesize information, understand complex issues, make informed decisions about societal problems, and interact effectively with government.

Civic Engagement: Education produces an informed populace by providing individuals not only with the skills needed to distill political concepts, but also by increasing interest in politics, political

u For additional information on each of the nine public non-economic benefits, see: *Part III. The Next Frontier: The Nonmonetary Benefits of Postsecondary Education* in Carnevale et al. (2021), this volume.

engagement, community involvement, volunteerism, charitable contributions, newspaper readership, and support for free speech.

Resistance to Authoritarianism: Individuals are less likely to support authoritarianism with each successive postsecondary education attainment level, especially with college degrees in certain fields like the liberal arts, which helps to sustain a healthy democracy.

Pluralistic Orientation: Postsecondary education provides a significant opportunity to encourage thoughtful engagement with diversity and complexity, which can produce justice-minded graduates who are prepared to play a critical role in combating and dismantling systemic racism.

Health Outcomes: Postsecondary education attainment is associated with a number of positive health outcomes—including longer life expectancy, better self-reported health status, healthier behaviors, and greater investment in preventative care—which decreases public health expenditures and leads to a healthier populace overall.

Crime and Incarceration: Higher levels of educational attainment are associated with lower levels of crime and incarceration, although Black men at every level of educational attainment are still incarcerated at higher rates than their White counterparts, further illustrating how deeply entrenched injustices are within various U.S. institutions.

Family Structure: While marriage and child-rearing are intensely personal decisions, educational attainment is associated with higher marriage rates, lower divorce rates, and fewer children, though it is difficult to assess whether the latter is a positive or negative trend.

Agency and Empowerment: Higher levels of educational attainment are associated with a greater sense of control over one's life and feelings of empowerment, which may lead to individuals being more tolerant of people who are different from themselves and being less influenced by authoritarianism.

Happiness: Research suggests a positive correlation between happiness levels and educational attainment, although findings are mixed on whether or not this impact exists independently of income.

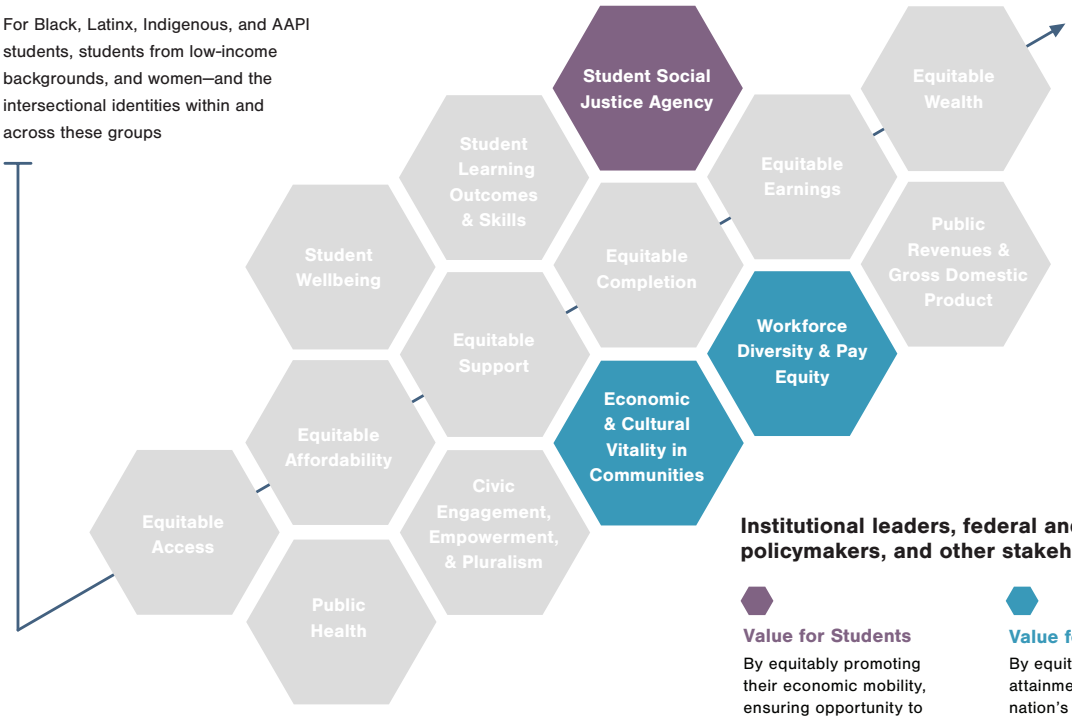
These noneconomic benefits have the potential to produce citizens who genuinely want to see a stronger, healthier, and more just democracy. Furthermore, when institutions educate students to recognize and address racism and discrimination in their careers, they can chip away at longstanding and deep-seated wage and wealth inequities that college-educated professionals have perpetuated when failing to address racist, classist, and sexist actions and policies. In other words, colleges and universities are educators of change agents. Institutions also impact societal inequities through their roles as employers and community members. In these three roles, institutions can help dismantle entrenched societal inequities, as discussed in the next section.

The Role Institutions Play in Advancing a More Just Society

The Postsecondary Value Framework

Pipeline to Equitable Value

For Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women—and the intersectional identities within and across these groups



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Colleges and universities—as educators, as employers, and as community members—play a critically important role in advancing a more just and equitable society in which one's background does not predict their outcomes. While postsecondary institutions are shaped by societal injustices, these injustices *also are shaped by institutions*. For example, the California Community College system educates 80 percent of California's police officers. By evaluating and making programmatic changes to law enforcement curricula at the community colleges to ensure they reflect the experiences of people of color in California and help students acknowledge and overcome racial and ethnic biases, postsecondary education can be a key leverage point for combating racism within the state's police force.[14]

While postsecondary institutions are shaped by societal injustices, these injustices also are shaped by institutions.

As such, institutions must prepare students to address issues of systemic racism both on campus and beyond. Also, as employers themselves, institutions can directly impact local labor market outcomes and inequities through their own hiring and compensation practices. And as influential members of their communities, institutions can work with local groups and leaders to address critical community needs.

If institutions were to thrive in all three of these roles, they could help propel transformational change within their own communities and advance a more just society. With this in mind, the remainder of this chapter outlines ways in which institutions might measure their own role as social justice educators, as equitable employers, and as engaged community members.

Institutions as Educators of Change Agents

Graduates enter a society plagued by inequitable policies and systems, a society where people of color and women—especially women of color—face labor market discrimination, healthcare disparities, housing discrimination, inequitable treatment in the criminal justice system, and more. These policies and systems are maintained by individual people, many of whom are not fully equipped to identify and combat entrenched inequities. Colleges and universities are well positioned to prepare future leaders to tackle these challenges because they educate so many members of society. Postsecondary education provides the platform to teach students about injustice and its causes and history, as well as help students cultivate skills and knowledge that allow them to engage with and combat these injustices so that future students experience a more equitable labor market that can facilitate equitable postsecondary value.[15] Institutions can do so by enrolling a diverse student body, offering culturally-responsive curricula, including diversity courses, and creating a campus climate that supports cross-cultural interactions.[16] Yet, how do institutions know they are effectively preparing their students to be change agents?

The Postsecondary Value Commission leveraged the expertise of Kayla C. Elliott (The Education Trust) and Tiffany Jones (formerly of The Education Trust)[v] to review existing national and campus-level tools to identify metrics that would help address whether and how colleges are preparing students for racial and socioeconomic justice both on campus and throughout their careers.[w] Ideally, survey instruments would measure institutional effectiveness at preparing students to:[x]

- Recognize their own biases, critically evaluate their privilege on an issue, and adjust their actions and thinking;
- Work effectively with people from various backgrounds, challenge others on issues of discrimination, and make an effort to educate others about social issues; and
- Apply a social justice lens to their postsecondary experience, critically consume and analyze data and media, and identify equity issues in their academic and professional fields.

Existing surveys include individual items that provide a good foundation for assessing these competencies. For example, the University of Southern California (USC) Race and Equity Center assessment asks students about the "extent of preparation from campus for participation in a diverse democracy that they receive."[17] However, existing survey instruments—often designed for other purposes—are imperfect tools for assessing these justice-oriented indicators. Elliott and Jones put

v Tiffany Jones is now with the Bill & Melinda Gates Foundation.

w For the full paper, see: Elliott, K.C., & Jones, T. (2021). Ensuring a more equitable future: The role of colleges in educating students to become change agents. Postsecondary Education. Retrieved from: *https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-Jones-Elliott-FINAL.pdf*

x These examples are excerpted from Figure 1 in Elliott & Jones (2021), this volume.

forward three suggestions for designing a comprehensive assessment of student preparation for combating racial injustices:

1. Assess students at multiple points in their college career to inform whether students' perspectives on diversity and racial and social justice issues evolve over time.
2. Measure how effectively various collegiate experiences teach students about issues of race/ethnicity and racism.
3. Use qualitative and quantitative methods to address different research questions including both interviews and surveys.

While the field currently lacks fully robust survey instruments to measure how well colleges and universities are educating their students to be change agents, institutions and programs should not neglect this vitally important role. The research by Elliott and Jones points to ways in which institutions can use existing tools to begin to measure their effectiveness at preparing students to combat societal injustices, as well as suggestions for building even better tools.

Institutions as Equitable Employers

In addition to educating future leaders, postsecondary institutions play an important role as employers in their communities—directly impacting workforce discrimination and pay inequities that their graduates face. Institutions should see themselves as drivers of an inclusive economy and advance justice by implementing equitable hiring, payment, and promotion practices.

However, many institutions have room to grow as equitable employers,[y] as demonstrated by research conducted by Gina Johnson at the National Center for Higher Education Management Systems (NCHEMS) using publicly-available Integrated Postsecondary Education Data Systems (IPEDS) data to highlight racial and gender inequities in current institutional hiring and compensation trends. During the 2018-2019 academic year, White men made up approximately half of all full professors (53 percent), with White women comprising 27 percent and Asian men another 8 percent. All remaining gender/race/ethnicity identities make up only 12 percent of full professors. Women tend to be concentrated in assistant professor, instructor, and lecturer roles, while men—particularly White men—account for the majority of tenured faculty. This translates to a faculty that is far less diverse than today's college students or the nation as a whole.[18] In addition to being overrepresented among the professoriate, men also earn higher salaries, on average, than women at every academic rank.

Institutions must work to close these employment and wage gaps—both to do their part in narrowing broader societal inequities and to best serve their students. Research shows a diverse faculty has positive impacts on postsecondary students,[19] since faculty of color tend to interact more frequently with students and employ a broader range of pedagogical techniques than White faculty.[20] To become more equitable employers, institutions should use their own data to understand and address existing gaps in staff and faculty recruitment, hiring, promotion, and pay. By "walking the walk," institutions can create equitable employment pathways for students who pursue careers in academia[21] and, as major employers in their own communities, lead on equitable employment practices for all staff to help address the wage inequities that depress the value students of color and women receive from postsecondary education.

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y For the full paper, see: DiBenedetto, K., Peters, E.E., & Voight, M. (2021a). Ensuring a more equitable future: Colleges as models for equitable employment. Postsecondary Value Commission. Retrieved from: *https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-IHEP-Employers-FINAL.pdf*

Institutions as Engaged Community Members

As community anchors, institutions have a responsibility to work with local residents as partners and stakeholders in building a more just and equitable community.[z] There are two ways that institutions can contribute value as engaged community members: as equitable economic engines and as partners in strengthening communities.

In the first role, institutions can produce value for local economies by: deepening the skills and knowledge of the community's residents; managing costs so students—especially students of color and students from low-income backgrounds—do not take on massive amounts of student loan debt; creating jobs and equitably hiring and paying people of color and women; supporting local businesses—especially minority- and women-owned businesses (MWOBs); and graduating students equitably, which might increase diversity of thought and business development within communities. The presence of students, faculty, and staff spurs local economies since these individuals are participating in the local consumer market, and higher percentages of postsecondary attainment within a community are associated with greater economic activity overall. Institutions also can play a large role in revitalizing local communities through partnerships with community members, city officials, and city planners, encouraging student volunteerism, and creating opportunities for faculty, student, and community engagement.

In the second role, institutions—as hubs of research, innovation, creativity, and discourse for many communities—can direct these efforts to improve the lives of those living nearby. For example, initiatives by Tribal colleges have also worked to expand internet access—both before and during COVID—to their communities, many of which would not have broadband connectivity otherwise.[22] Institutions must consult and collaborate with local residents to address key community needs in culturally competent ways and take deliberate steps to ensure that enhancements to the community prioritize those who are most marginalized. There are a number of frameworks that help institutions measure their economic and social impact (e.g., Emsi's Economic Impact Study, Initiative for a Competitive Inner City's Anchor Institution Strategic Framework, and the Carnegie Classification for Community Engagement).

Individuals and Society Benefit from Equitable Postsecondary Value

As this chapter has illustrated, there are critical personal non-economic outcomes associated with college completion, like employer- and life-relevant skills and learning, and wellbeing. These personal gains also translate into a stronger and fairer democracy through reductions in criminal justice and public health expenditures and authoritarian beliefs, as well as greater appreciation of diversity. Moreover, while institutions alone cannot eliminate structural racism in the United States, they can implement strategies to: 1) improve student outcomes in ways that combat societal injustices; 2) ensure more equitable employment practices; and 3) drive economic and cultural vitality and address local needs, creating a more just and equitable community.

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z For the full paper, see: DiBenedetto, K., Peters, E.E., & Voight, M. (2021b). Ensuring a more equitable future: How colleges can engage their communities to ensure economic and cultural vitality. Postsecondary Value Commission. Retrieved from: *https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-IHEP-Community-Members-FINAL.pdf*

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CHAPTER 7:
THE ACTION AGENDA FOR THE POSTSECONDARY VALUE COMMISSION

The ***action agenda*** is a key Postsecondary Value Commission product that outlines policies and practices that institutional leaders, federal policymakers, and state policymakers should implement to address systemic barriers that prevent Black, Latinx, Indigenous, and Asian American and Pacific Islander (AAPI) students, students from low-income backgrounds, and women from reaping equitable returns from postsecondary education and achieving economic and social mobility. The action agenda also provides key questions that students and families should expect any institution to clearly answer related to the value that students can gain from its various programs. These recommendations are organized around five key focus areas:

- Equalize Access to Increase Postsecondary Value
- Remove Affordability as an Impediment to Postsecondary Value
- Eliminate Completion Gaps and Strengthen Post-College Outcomes to Ensure Postsecondary Value
- Improve Data to Expose and Address Inequitable Postsecondary Value
- Promote Social Justice by Providing Equitable Postsecondary Value

Key Actors in Equitable Value

Institutions, states, and the federal government each play a unique role but share a common responsibility to promote equitable economic and social mobility through postsecondary opportunities. This action agenda is meant to help each stakeholder group identify and correct inequitable postsecondary practices through direct policy changes that will lead to a more just world. It also seeks to inspire stakeholders to work together to share information, align systems, scale best practices, and rebuild our postsecondary system as an instrument for dismantling systemic racial, socioeconomic, and gender-based inequities.

As leaders make important strides to improve our postsecondary system, this action agenda can also guide students and families, as well as intermediary stakeholders like college counselors and advising networks, to identify institutions and programs that provide postsecondary opportunities of value.

The action agenda also seeks to help each stakeholder group answer key questions about equitable postsecondary value and to present a **value-centered lens** to approach postsecondary decisions:

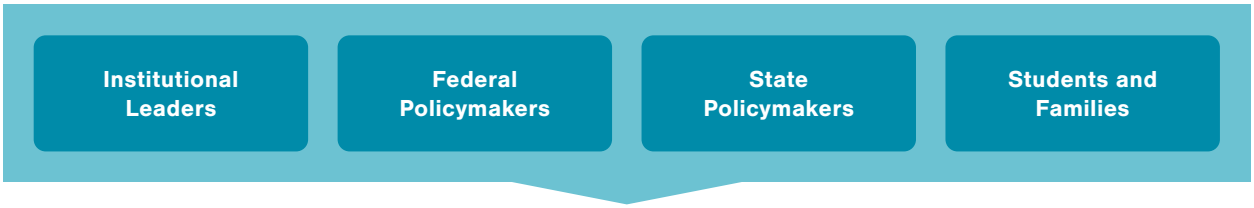
Institutional leaders:	What practices can institutions implement to ensure that they are preparing Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women to gain value in the workforce and to achieve economic and social mobility?
Federal policymakers:	What critical federal policies can help ensure that postsecondary institutions and programs provide equitable value to students?
State policymakers:	What critical state policies can help ensure that postsecondary institutions and programs provide equitable value to students?
Students and families:	What questions should every college or university be able to answer about the value that prospective students can expect to receive from their education?

Focus Areas

The action agenda outlines key challenges to ensuring equitable postsecondary value, along with examples of opportunities for institutional leaders, federal policymakers, and state policymakers to enhance postsecondary value for Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women through practice and policy change. These recommendations are organized into five key focus areas (Figure 7.1).

Figure 7.1. Action Agenda Overview

Five actions that span key stakeholder groups:



Equalize Access to Increase Postsecondary Value	**Remove Affordability as an Impediment to Postsecondary Value**	**Eliminate Completion Gaps and Strengthen Post-College Outcomes to Ensure Postsecondary Value**	**Improve Data to Expose and Address Inequitable Postsecondary Value**	**Promote Social Justice by Providing Equitable Postsecondary Value**
because where students of color, students from low-income backgrounds, and women enroll and what they study greatly impacts the quality of education they receive; and thus, their post-college outcomes.	because investing in students of color and students from low-come backgrounds promotes equitable student success, improves students' return on investment, pays dividends for society, and can serve as a critical step in compensating for the legacies of systemic racism and classism.	because earning a credential with labor market returns is the surest route to economic mobility for students of color and students from low-income backgrounds.	because current information gaps ignore critical outcomes disparities for students of color, students from low-income backgrounds, and women.	because postsecondary education has an important role to play in dismantling racism, classism, and sexism in our economy and society.

Recommendations

The recommendations outlined in the action agenda (Table 7.1) are not an exhaustive list of needed reforms, and we encourage all postsecondary stakeholders to pursue these and other bold solutions to promote social and economic mobility, freedom, and justice through postsecondary experiences.[a]

Table 7.1. Overview of the Action Agenda's Recommendations

Institutional Leaders	Federal Policymakers	State Policymakers	**Students and Families** Questions students should receive answers to about value (all measures should be disaggregated by race/ethnicity, income, and gender)
Equalize Access to Increase Postsecondary Value because where students of color, students from low-income backgrounds, and women enroll and what they study greatly impacts the quality of education they receive; and thus, their post-college outcomes.			
Interrogate and eliminate admissions requirements that could limit access for students of color and students from low-income backgrounds, including consideration of legacy status, standardized test scores, and criminal history. Implement best practices in equitable recruitment and develop robust partnerships with local schools, community colleges, and community organizations serving Black, Latinx, Indigenous, and AAPI students and students from low-income backgrounds. Equalize access to all programs and fields of study for Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, and women. Reduce barriers to enrollment for transfer students and improve credit recognition for students with transfer credits or college in high school credits.	Increase federal support for evidence-based college access programs to continue to increase postsecondary enrollment for Black, Latinx, Indigenous, and underrepresented AAPI students and students from low-income backgrounds. Offer funding incentives for institutions to increase their enrollment of Black, Latinx, Indigenous, and AAPI students and students from low-income backgrounds by setting minimum enrollment equity benchmarks that institutions must meet to receive bonus aid or competitive grants.	Build strong, reliable transfer pathways and guarantees between all public two- and four-year institutions, including the state flagship university. Improve statewide dual enrollment policies to prioritize equity, increase program participation for Black, Latinx, Indigenous, and underrepresented AAPI students and students from low-income backgrounds, and streamline credit recognition and pathways to postsecondary degree completion.	What is the racial, socioeconomic, and gender composition of the student body as well as the faculty and staff, overall and by program of study? How will my previous credits (transfer credits, college in high school credits) apply toward my degree and fulfill requirements for my program?

a For detailed examples and recommendations, please see: Postsecondary Value Commission. (2021b). Ensuring equitable postsecondary value: An action agenda. Retrieved from: *https://www.postsecondaryvalue.org/wp-content/uploads/2021/05/PVC-Action-Agenda-FINAL.pdf*

Institutional Leaders	Federal Policymakers	State Policymakers	**Students and Families** Questions students should receive answers to about value (all measures should be disaggregated by race/ethnicity, income, and gender)
Remove Affordability as an Impediment to Postsecondary Value because investing in students of color and students from low-income backgrounds promotes equitable student success, improves students' return on investment, pays dividends for society, and can serve as a critical step in compensating for the legacies of systemic racism and classism in our country.			
Allocate institutional aid toward meeting the full cost of attendance and eliminating unmet need, based on students' income and wealth, instead of awarding aid based on non-need factors, like GPA, standardized test scores, or high school ranking. Address basic needs security for students and their families.	Dramatically increase federal need-based aid for students from low-income backgrounds, including doubling the Pell Grant. Create and implement a comprehensive affordability plan, through a federal-state partnership, to stabilize and secure state and federal investment in public postsecondary institutions to promote college affordability. Increase federal investment in Minority Serving Institutions (MSIs) to strengthen financial support for students of color, students from low-income backgrounds, and the institutions that serve them. Revise the tax code to incentivize private contributions to institutions that disproportionately serve students from low-income backgrounds and students of color, including MSIs.	Increase appropriations to public institutions that serve large shares of Black, Latinx, Indigenous, and AAPI students and students from low-income backgrounds, including MSIs and community colleges, to remedy decades of insufficient and inequitable funding. Allocate all state grant aid toward meeting the full cost of attendance and eliminating unmet need, based on students' income and wealth, to remove financial barriers to student success and prevent student loan debt. Moderate tuition increases to promote affordability and increase the predictability of expenses for students with financial need.	How much are students required to pay out-of-pocket to complete their education, and how much is financed through debt?

Institutional Leaders	Federal Policymakers	State Policymakers	**Students and Families** Questions students should receive answers to about value (all measures should be disaggregated by race/ethnicity, income, and gender)
Eliminate Completion Gaps and Strengthen Post-College Outcomes to Ensure Postsecondary Value because earning a credential with labor market returns is the surest route to economic mobility for students of color and students from low-income backgrounds.			
Reform developmental education to strengthen pathways to completion. Bolster institutional supports, including robust, culturally responsive academic advising programs, to address barriers to equitable completion for Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women. Match robust advising models with additional financial assistance, including microgrants, emergency grants, and in-kind benefits to remove financial and non-financial barriers to completion in a comprehensive way. Strengthen students' pathways to degree completion and into careers by setting high standards for rigorous learning and offering opportunities that both expand students' minds and prepare them for success in the workplace.	Incentivize institutions to close equity gaps in college completion and post-college outcomes by assessing their performance on key value metrics. Invest in the development and expansion of evidence-based programs that provide for enhanced academic advising, career counseling, and financial aid and in-kind assistance to eliminate financial and non-financial barriers to completion and post-college success. Reform and target federal funding for employer incentives, supports, tuition reimbursement programs, and other non-tuition accommodations (e.g., childcare, transportation support) toward low-wage workers to narrow race and income gaps in college completion and improve college-to-career pathways. Incentivize employers to expand their workforce pipelines to include more Black, Latinx, Indigenous, and AAPI students and students from low-income backgrounds, including by recruiting aggressively from the institutions that serve them.	Develop or refocus statewide attainment goals to promote mobility and equitable value for Black, Latinx, Indigenous, and AAPI students and students from low-income backgrounds. Incentivize institutions to close equity gaps in college completion and post-college success by adopting or enhancing outcomes-based funding policies for public institutions, prioritizing institutions that equitably enroll, graduate, and deliver strong post-college outcomes for Black, Latinx, Indigenous, and underrepresented AAPI students and students from low-income backgrounds. Allocate state workforce development resources to create industry partnerships between employers and institutions that serve students of color and students from low-income backgrounds to strengthen career pathways and promote strong post-college outcomes. Develop a statewide strategy for expanding the workforce pipeline that includes and prioritizes institutions and programs that serve Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women.	What are the average completion rate and time-to-credential for students in my program, including for students who transfer in and out? What are the career and employment outcomes for students who attended my program?

Institutional Leaders	Federal Policymakers	State Policymakers	**Students and Families** Questions students should receive answers to about value (all measures should be disaggregated by race/ethnicity, income, and gender)
Improve Data to Expose and Address Inequitable Postsecondary Value because current information gaps ignore critical outcomes disparities for students of color, students from low-income backgrounds, and women.			
Leverage data assets, develop a culture of data-use, and create systems dedicated to using data to identify and remedy gaps in enrollment, completion, and value for Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, and women. Use data to reorient institutional strategic plans and institutional self-evaluations required by accreditors toward the goal of providing equitable value.	Create and implement a federal student-level data network (SLDN) that provides disaggregated information about all students' pathways and post-college outcomes, including employment, earnings, and loan repayment outcomes. Enhance the College Scorecard and other federal information websites to provide transparency into which colleges are providing value to students of color, students from low-income backgrounds, and women. Revive accreditor data dashboards to include measures of equitable completion and value. Require greater disaggregation of AAPI student groups in postsecondary data collections to capture the diversity of AAPI students' experiences and outcomes and to uncover inequities in college access, completion, and success. Increase transparency in the awarding of need- and non-need-based financial aid by states and institutions.	Strengthen connections across education, labor, and public benefits data systems to calculate value metrics for all students, programs, and institutions. Provide institutions with secure access to workforce outcomes data to monitor value for Black, Latinx, Indigenous, and underrepresented AAPI students, students from low-income backgrounds, and women. Report disaggregated value-related student outcomes data publicly.	What do graduates from my program earn at 1, 5, and 10 years out? What is the debt-to-earnings ratio for graduates of my program? How long does it take graduates at this institution to see a return on investment or experience value?

Institutional Leaders	Federal Policymakers	State Policymakers	**Students and Families** Questions students should receive answers to about value (all measures should be disaggregated by race/ethnicity, income, and gender)
Promote Social Justice by Providing Equitable Postsecondary Value because postsecondary education has an important role to play in dismantling racism, classism, and sexism in our economy and society.			
Proactively conduct and report on an equity audit—a comprehensive evaluation of policies and practices relating to admissions, enrollment, student supports and engagement, completion, post-college outcomes, and leadership, faculty, staff, and contractor diversity—to identify racial, socioeconomic, and gender-based inequities in access, participation, and success. Foster a safe, welcoming, and unbiased learning environment that facilitates excellence and attainment for Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women. Promote a more just society by preparing students to combat racial, socioeconomic, and gender-based injustice in their workplaces and communities. Institute equitable hiring, career advancement, and pay practices for all faculty and staff members. Actively engage with local community stakeholders to promote equity and justice, and actively work to remedy any harms caused to the local community in the past.	Require all Title IV institutions to conduct and report on an equity audit that assesses the impact of their policies and practices on Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women, and offer financial incentives to institutions that show evidence of improvement.	Conduct a statewide equity audit that assesses the impact of all state postsecondary policies on Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women. Require racial and gender diversity, including diverse student representation, in appointments to gubernatorially appointed boards, state higher education agency leadership, and institutional leadership roles in public postsecondary education.	Has this institution examined its own role in perpetuating and combating inequality? Are students welcomed into conversations about how the institution should design equitable curricula, policies, and practices?

Impact

Improving our postsecondary system to deliver equitable value for Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women will require the focused efforts of key postsecondary stakeholders—including institutional leaders, federal policymakers, and state policymakers.

It is abundantly clear that federal, state, and institutional policies influence both the economic and non-economic outcomes that students can expect from attaining a postsecondary degree or credential and the full impact that increased postsecondary attainment can have on our communities and our nation.

These policies—from equitable admissions policies to robust need-based financial aid to building a better postsecondary data system—can help students achieve economic mobility by ensuring that they have equitable access to degrees and credentials of value and programs of study that align with their goals, their interests, and workforce demands. These policies can help prepare students to thrive in the workforce after graduation and find fulfillment in meaningful work opportunities where they can pursue their passions and give back to their communities. These policies can create a stronger, more dynamic workforce, with employees who are equipped with key skills, like critical thinking, quantitative literacy, and intercultural knowledge. These policies can translate into greater economic returns for communities, states, and our nation by increasing GDP, increasing the tax base, and decreasing the need to spend taxpayer resources on healthcare, corrections, and public assistance.[1] And these policies can create a healthier, happier, and more civically-engaged populace.[2]

Importantly, these federal, state, and institutional policies also influence which students and communities are strengthened through our postsecondary system and which students and communities will be ignored, excluded, or even harmed; if we will harness our postsecondary system to disrupt the legacies of systemic racism, sexism, and classism; or if we will sustain them.

Combined with the value definition and framework, we hope that the action agenda will inspire key postsecondary actors at the federal, state, and institutional levels to rethink existing policies and practices. In doing so, the equitable value movement will play a key role over the next decade in rebuilding a postsecondary system centered on ensuring equitable value for Black, Latinx, Indigenous, and AAPI students, students from low-income backgrounds, and women, and reimagining our postsecondary system as an instrument to create a stronger and more just society together.

CHAPTER 7 ENDNOTES

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APPENDIX

Table A1. Access, Affordability, and Outcomes by Institutional Sector

Group	Public 4-Year	Public 2-Year	Private Not-For-Profit 4-Year	For-Profit	Total
	Enrollment[1]				
Black	30%	39%	14%	17%	100%
Latinx	31%	46%	11%	12%	100%
American Indian or Alaska Native*	33%	52%	6%	9%	100%
AAPI	40%	38%	16%	6%	100%
White	37%	37%	18%	8%	100%
Women	34%	39%	16%	11%	100%
Low-Income/Pell	35%	34%	15%	16%	100%
Total	35%	39%	15%	10%	100%
	Completion[2]				
Black	41%	13%	50%	11%	23%
Latinx	50%	17%	71%	12%	24%
American Indian or Alaska Native*	27%	-	-	-	15%
AAPI	66%	21%	85%	-	53%
White	65%	19%	78%	14%	43%
Women	63%	18%	76%	12%	39%
Low-Income/Pell	47%	18%	59%	13%	26%
Total	59%	18%	74%	13%	37%
	Net Price[1]				
Black	$12,787	$7,423	$14,974	$15,684	$11,574
Latinx	$12,567	$7,443	$18,823	$16,314	$11,393
American Indian or Alaska Native*	$11,562	$7,282	$13,684	$15,670	$9,895
AAPI	$18,365	$8,772	$31,911	$21,498	$17,098
White	$15,591	$7,587	$22,000	$16,244	$13,817
Women	$14,592	$7,707	$20,563	$16,455	$13,128
Low-Income/Pell	$12,105	$7,643	$14,975	$16,247	$11,757
Total	$14,876	$7,609	$21,348	$16,354	$13,185

Group	Public 4-Year	Public 2-Year	Private Not-For-Profit 4-Year	For-Profit	Total
	Time to First Credential (Years)[2]				
Black	4.0	3.2	4.0	1.6	3.2
Latinx	4.1	3.3	3.9	1.4	3.2
American Indian or Alaska Native*	-	-	-	-	3.0
AAPI	4.2	3.8	3.8	2.0	3.9
White	4.0	2.9	3.8	1.8	3.5
Women	4.0	3.1	3.8	1.5	3.4
Low-Income/Pell	4.1	3.1	3.8	1.5	3.2
Total	4.0	3.1	3.8	1.6	3.4
	Median Debt[1]				
Black	$27,000	$13,194	$32,423	$21,375	$23,368
Latinx	$18,500	$7,000	$25,068	$13,561	$16,000
American Indian or Alaska Native*	-	-	-	$19,036	$15,746
AAPI	$20,667	$12,625	$26,674	$18,541	$19,676
White	$25,000	$12,000	$27,000	$18,798	$21,837
Women	$25,000	$12,000	$28,000	$17,537	$21,009
Low-Income/Pell	$26,000	$13,500	$28,800	$18,254	$21,850
Total	$24,500	$12,000	$27,000	$17,875	$20,809
	Loan Default[1]				
Black	38%	41%	43%	66%	49%
Latinx	25%	22%	28%	54%	35%
American Indian or Alaska Native*	-	-	-	-	40%
AAPI	-	-	-	-	11%
White	14%	23%	11%	45%	20%
Women	16%	26%	15%	53%	27%
Low-Income/Pell	27%	29%	26%	56%	35%
Total	18%	26%	17%	53%	28%
	Median Earnings[1]				
Black	$23,850	$23,500	$26,000	$21,000	$22,500
Latinx	$28,000	$23,978	$30,000	$24,000	$25,000
American Indian or Alaska Native*	-	-	-	-	$29,000
AAPI	$28,800	$21,000	$45,300	-	$27,000
White	$33,000	$27,500	$35,438	$24,000	$30,000
Women	$30,000	$23,500	$31,776	$21,000	$25,000
Low-Income/Pell	$28,000	$24,000	$29,400	$22,000	$24,750
Total	$30,000	$25,600	$33,000	$23,000	$28,000

*Notes: *The term "American Indian or Alaska Native" is used rather than the term "Indigenous" to accurately represent the data source. While the terms "Latinx," "Latino/a," and "Hispanic" and "Black" and "African American" are often used interchangeably in data sources, this report uses the terms "Latinx" and "Black" to be inclusive of gender, cultural, and race identities.*

Estimates not available for groups with "-" due to insufficient sample sizes in the survey data.

Sources: [1]IHEP analysis of U.S. Department of Education, National Center for Education Statistics, 2015-16 National Postsecondary Student Aid Study (NPSAS:16). The names of the variables used in this table are: SECTOR4, GENDER, PELLAMT, RACE, NETCST43, PROGSTAT and BORAMT1. Median debt figures are calculated using borrowers at time of completion. Median debt amounts are among borrowers at time of completion.

[2] U.S. Department of Education, National Center for Education Statistics, 2012/17 Beginning Postsecondary Students Longitudinal Study (BPS:12/17). The variables used in this table are: PELLCU17, RACE, FSECTOR, GENDER, QTPS2AWD1, PROUT6, and SALARY17. Attainment rates measured against predominant degree type in each sector. Sector based on the first school attended.

[3] U.S. Department of Education, National Center for Education Statistics, 2003-04 Beginning Postsecondary Students Longitudinal Study, Second Follow-up (BPS:04/09). The variables used in this table are: S15PELLCUM_12Y, S15DEFYRS_12Y, FSECTOR, GENDER and RACE. Default rates calculated for borrowers only, and include those ever reported in default on federal loans. Sector assigned based on the first school attended. Loan default rates are among borrowers 12 years after enrollment.