



# **Economic Mobility, Social Justice, and Equitable Postsecondary Value**

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The **Institute for Higher Education Policy (IHEP)** is a nonpartisan, nonprofit research, policy, and advocacy organization committed to promoting access and success in higher education for all students with a focus on students of color, students from low-income backgrounds, and other historically marginalized populations.


# Overview

- What is value?
- How do we measure value?
- How can you be a part of this movement?



# Part One: What is Value?



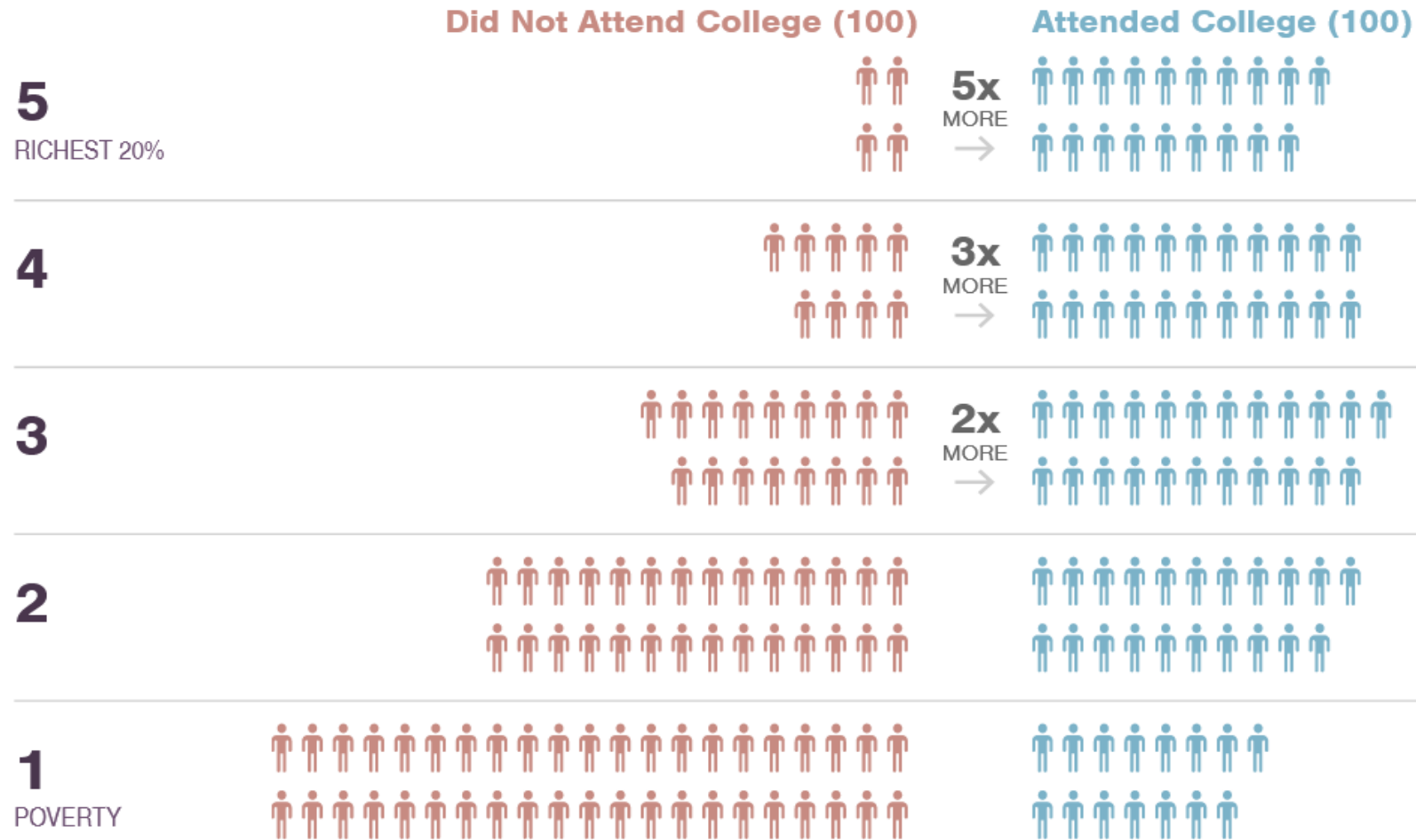


HIGHER EDUCATION SHOULD BE A PATHWAY TO A BETTER LIVING AND BETTER LIFE FOR ALL STUDENTS, REGARDLESS OF RACE, ETHNICITY, ECONOMIC BACKGROUND, OR GENDER. BUT RIGHT NOW THE RETURNS ON EDUCATION VARY GREATLY BY *WHO* A STUDENT IS AND *WHERE* THEY COME FROM—AND THAT'S NOT RIGHT.

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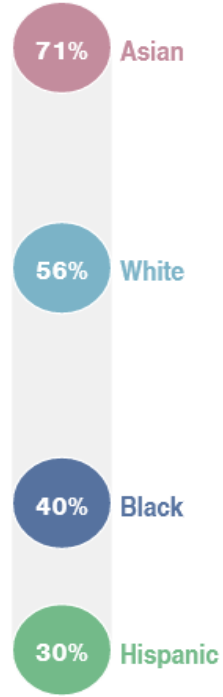
*Equitable Value: Promoting Economic Mobility and Social Justice Through Postsecondary Education*

# Lifetime Income Distribution of 100 Children Born into Poverty (Bottom Income Quintile)



### Share of Population with Associate's Degree or Higher (2020)

#### Race / Ethnicity



#### Income



There are persistent inequities in college attainment by race and family income

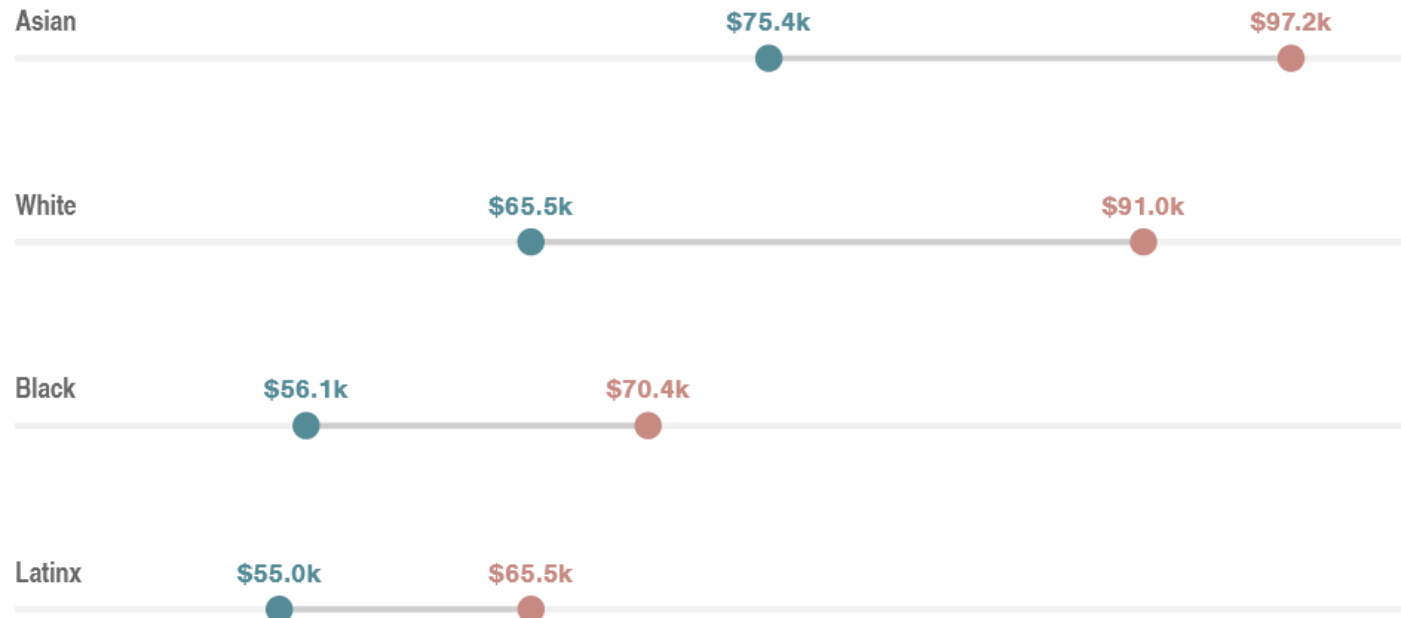


### Median Earnings of Full-Time Workers 25-64, by Race, Gender, and Educational Attainment (2019)

Select an option to explore

BACHELOR'S DEGREE OR HIGHER

● Women ● Men



Even among those with similar credentials gaps in earnings across gender and race remain.

A word cloud featuring various terms in shades of blue. The most prominent words are 'Freedom' and 'Justice', both in a large, dark blue font. Other significant words include 'Transformative', 'Purpose', 'Obligation', 'Opportunity', 'Empowerment', 'Aspirations', 'Power', 'Mobility', 'Trajectory', 'Equity', 'Seasoned', and 'Potential'. The background is a light blue gradient.

Transformative  
Passion Pathways  
**Freedom**  
Outcomes  
**Justice**  
Lifechanging  
Empowerment  
Aspirations  
Power  
Mobility  
Purpose  
Obligation  
Opportunity  
Trajectory  
Equity  
Seasoned  
Potential

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.

# Value Definition and Core Principles

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Public returns—  
an investment—  
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Measuring value  
matters.

# Postsecondary Value Framework

Minimum  
Economic  
Return

Earnings  
Premium

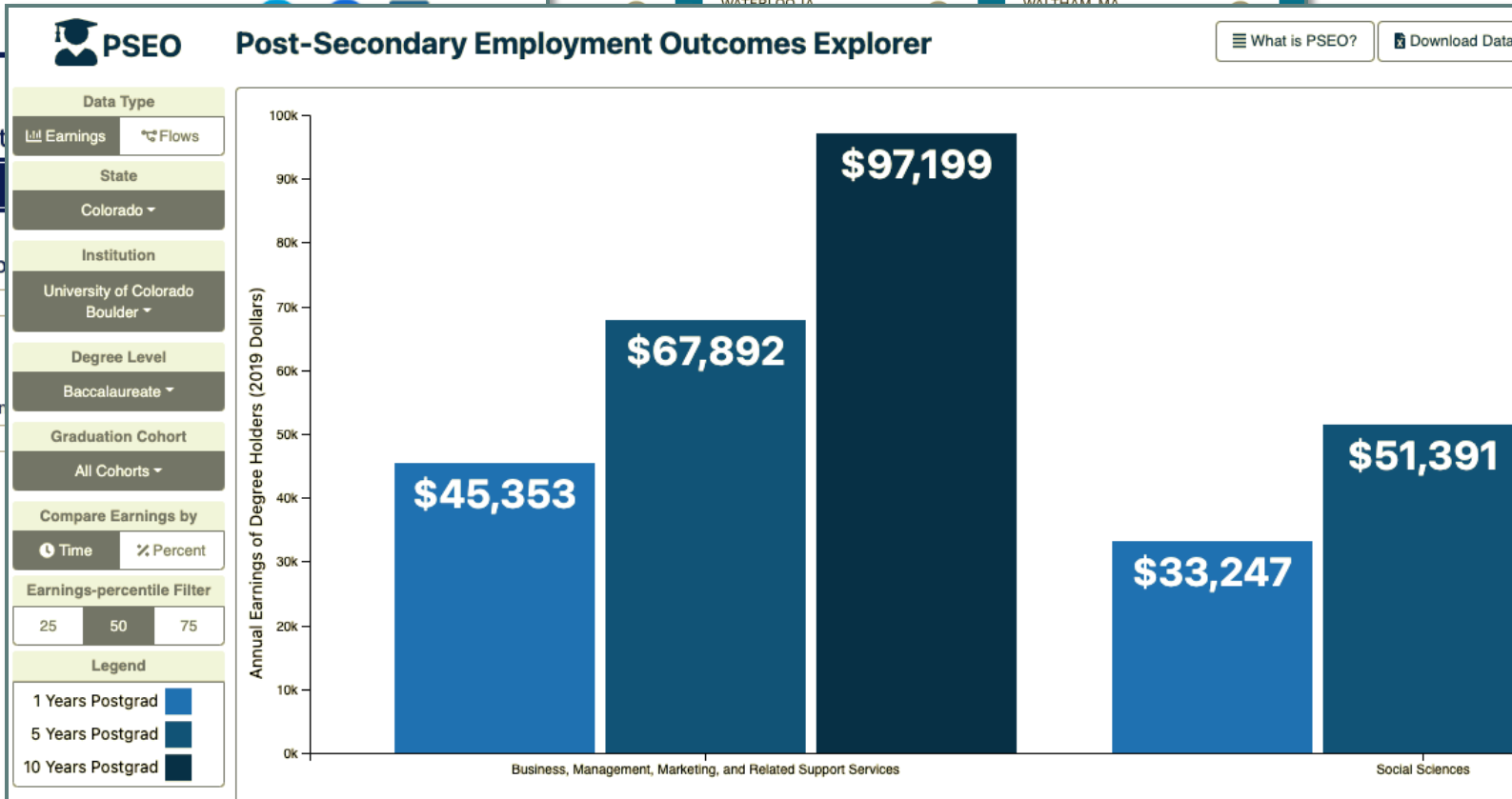
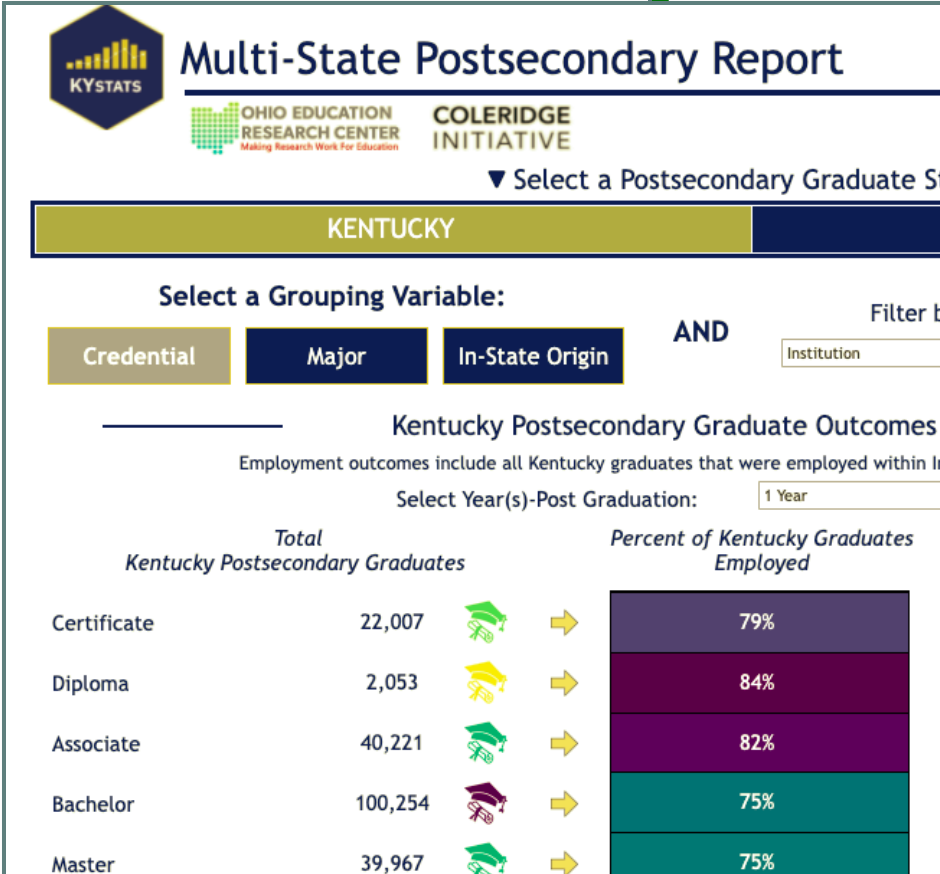
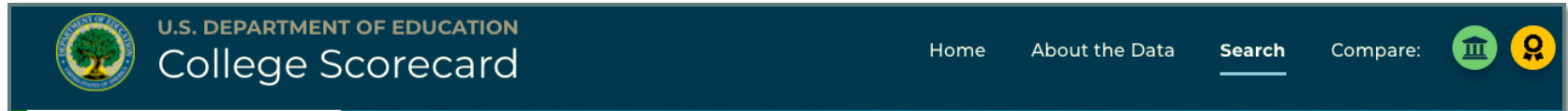
Earnings  
Parity

Economic  
Mobility

Economic  
Security

Wealth  
Parity

# The Postsecondary Value Framework Extends Existing Earnings-Based Tools







# Cumulative Net Price





# Geography



# Accounting for Access

# Measuring Economic Returns Via Thresholds

- |   |  |
|---|--|
| 0 | <b>Minimum Economic Return:</b> 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 within ten years.   |
| 1 | <b>Earnings Premium:</b> A student meets this threshold if they reach at least the median earnings in their field of study, which accounts for expected variations in pay across fields.   |
| 2 | <b>Earnings Parity:</b> Informed by the University of Texas System's research on in-field pay inequities, this threshold measures whether students of color, students from low-income backgrounds, and women meet the median earnings of their more advantaged peers (White students, high-income students, or men). |
| 3 | <b>Economic Mobility:</b> Informed by Opportunity Insights' measurement of economic mobility across institutions, this threshold measures whether students earn enough to enter the fourth (upper middle) income quintile regardless of field of study.  |
| 4 | <b>Economic Security*:</b> While sufficient earnings can create a stable life, wealth is key to building the type of security needed to withstand life's financial shocks, so this threshold measures whether students reach median levels of wealth.  |
| 5 | <b>Wealth Parity*:</b> 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.  |

*Note: 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.*



# Part Two: How Do We Measure Value?

# Limitations

- Context matters
- Data are imperfect (for now)
- Outcomes not causes

# Know Your Numbers

- Think of it like a performance review
- Even if you're doing great now—you could be excellent!
- Further, you can't fix something if you don't know it's a problem



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**MINIMUM  
ECONOMIC  
RETURN**



**Total Student Investment  
with Interest**

=

**Net Price**

×

**Number of Years Enrolled**  
*Length of program, adjusting direct  
costs for year over year increases*

- **Tuition and Fees** *(including required equipment rental or purchase)*
- **Room**
- **Board** *(food)*
- **Books and Supplies** *(including an allowance for the rental/purchase of a personal computer)*
- **Transportation** *(can include costs for operating and maintaining, but not purchasing, a vehicle)*
- **Miscellaneous Personal Expenses**
- **Dependent Care Expenses\***
- **Disability-Related Expenses\***

- **Study Abroad Expenses\***
- **Cost of First Professional Credential** *(e.g., exams, license fees)\*, 1*
- **Educational Loan Fees\*, 2**
- **Health Insurance and Healthcare Costs\*\***
- **Internet Costs\*\***
- **Cell Phone Plan Costs\*\***
- **Room and Board for Students Living with Family\*\*, 3**

\* Not all students face these expenses.

\*\* These costs are not currently included in the federal definition of the cost of attendance (COA).

- **Federal grants**
- **State grants**
- **Institutional grants**
- **Private grants**

# Minimum Economic Return

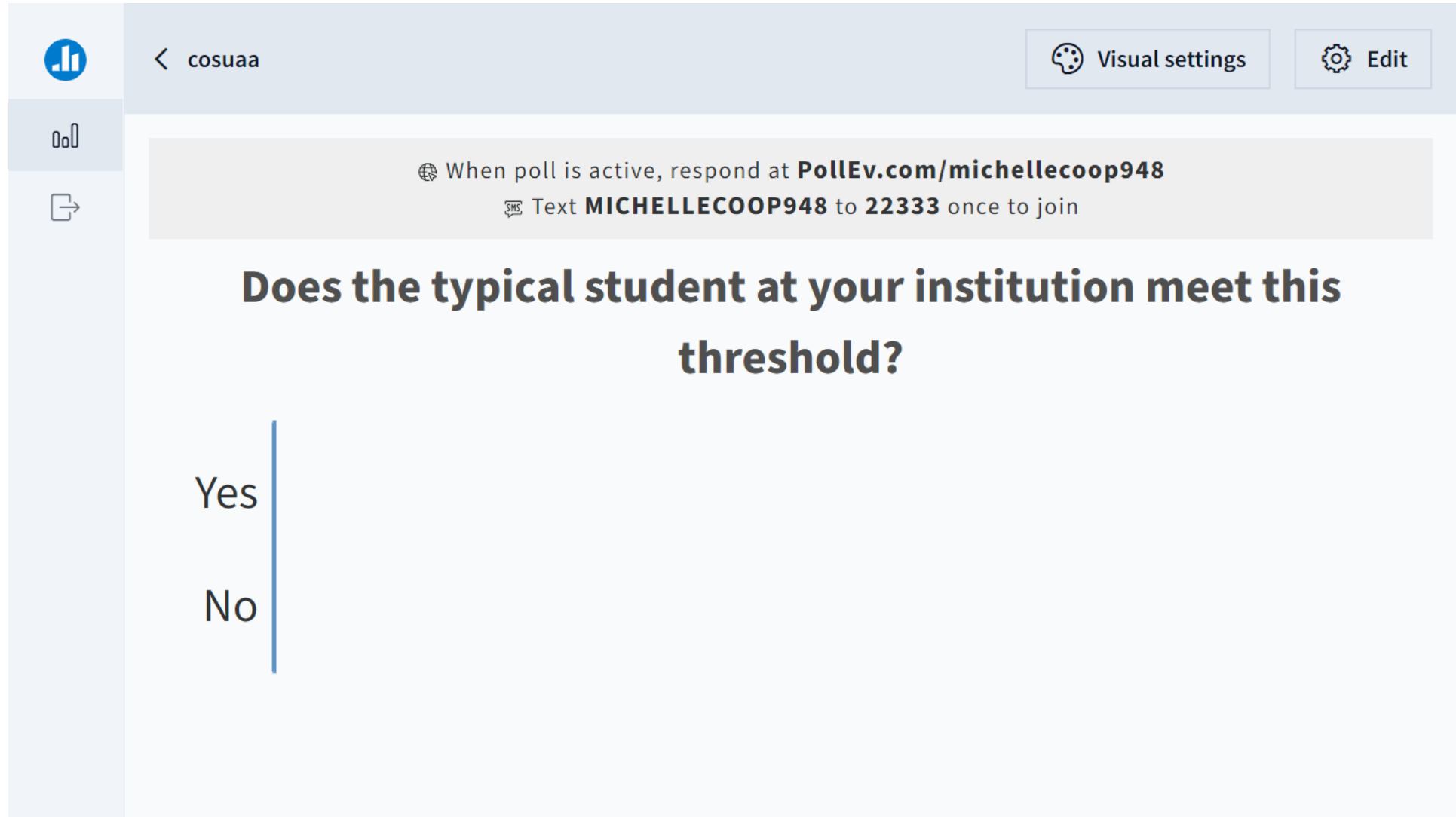
A student meets this threshold if they earn at least as much as a high school graduate plus enough to recoup their total net price within ten years.

Poll Everywhere:

- Option 1: Text [MICHELLECOOP948](https://www.michellecoop948.com) to [22333](https://www.22333.com) to join,
- Option 2: Respond online at [pollev.com/michellecoop948](https://pollev.com/michellecoop948)

The screenshot shows a mobile application interface for a poll. At the top left is a blue bar with a bar chart icon. Below it is a vertical sidebar with icons for a list, a document, and a share button. The main header area is light blue and contains a back arrow, the name 'cosuaa', and two buttons: 'Visual settings' and 'Edit'. A grey banner below the header contains the text: 'When poll is active, respond at [PolleEv.com/michellecoop948](https://PolleEv.com/michellecoop948) Text **MICHELLECOOP948** to **22333** once to join'. The main content area features the poll question: 'Is the minimum economic return threshold too low?'. Below the question is a white box with a loading spinner icon and the text: 'No responses received yet. They will appear here...'. The interface is clean and modern, with a light blue and grey color palette.

The screenshot shows a mobile application interface for a poll. At the top left is a bar chart icon. The header bar contains a back arrow, the text 'cosuaa', and two buttons: 'Visual settings' (with a brain icon) and 'Edit' (with a gear icon). Below the header is a light gray banner with a globe icon and the text: 'When poll is active, respond at [PolleEv.com/michellecoop948](https://PolleEv.com/michellecoop948)'. Below this is a text message icon and the text: 'Text **MICHELLECOOP948** to **22333** once to join'. The main content area features a large, bold question: 'Does the typical student across all institutions meet this threshold?'. Below the question are two options: 'Yes' and 'No', separated by a vertical blue line.



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cosuaa

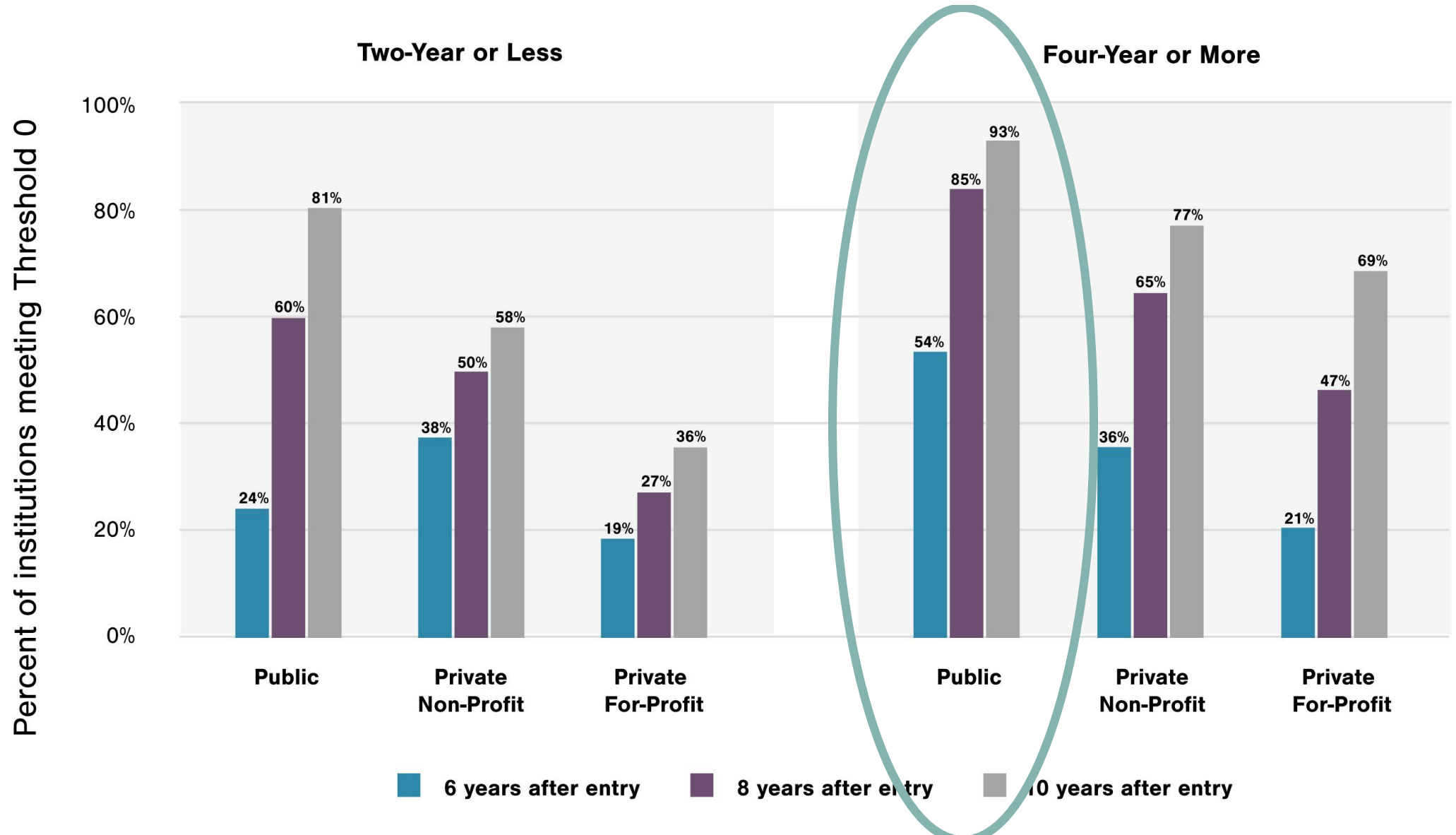
Visual settings Edit

Respond at [PolleEv.com/michellecoop948](https://PolleEv.com/michellecoop948)  
Text **MICHELLECOOP948** to **22333** once to join, then **A, B, or C**

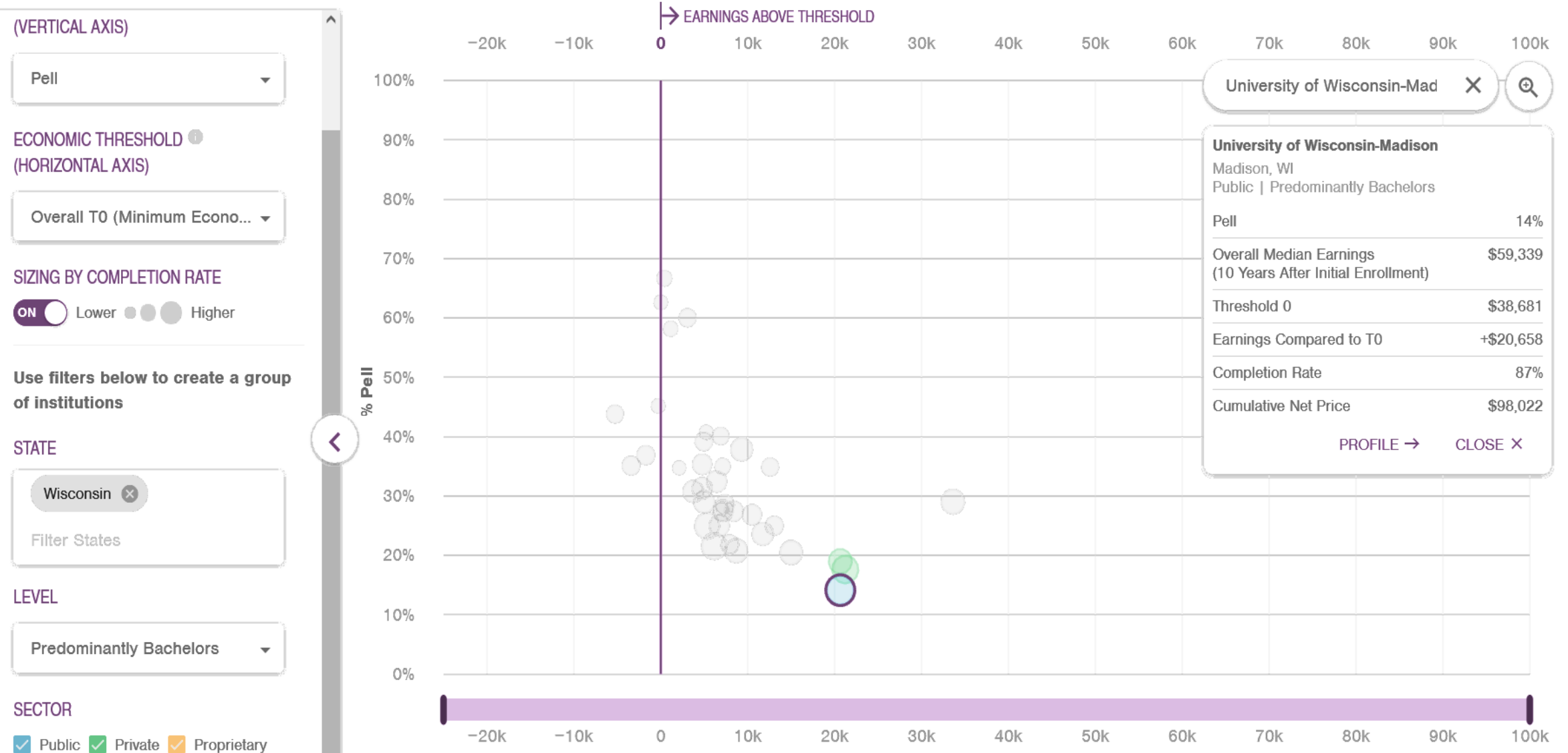
**Do Black, Hispanic, Indigenous, and underrepresented AAPI students at your institution meet this threshold? Do women? Do low-income students?**

Yes | A  
No | B  
I don't know | C

# Ninety-three percent of public four-year institutions meet or exceed the minimum economic return threshold.



# The median student at University of Wisconsin Madison exceeds the minimum economic return threshold by about \$20K.



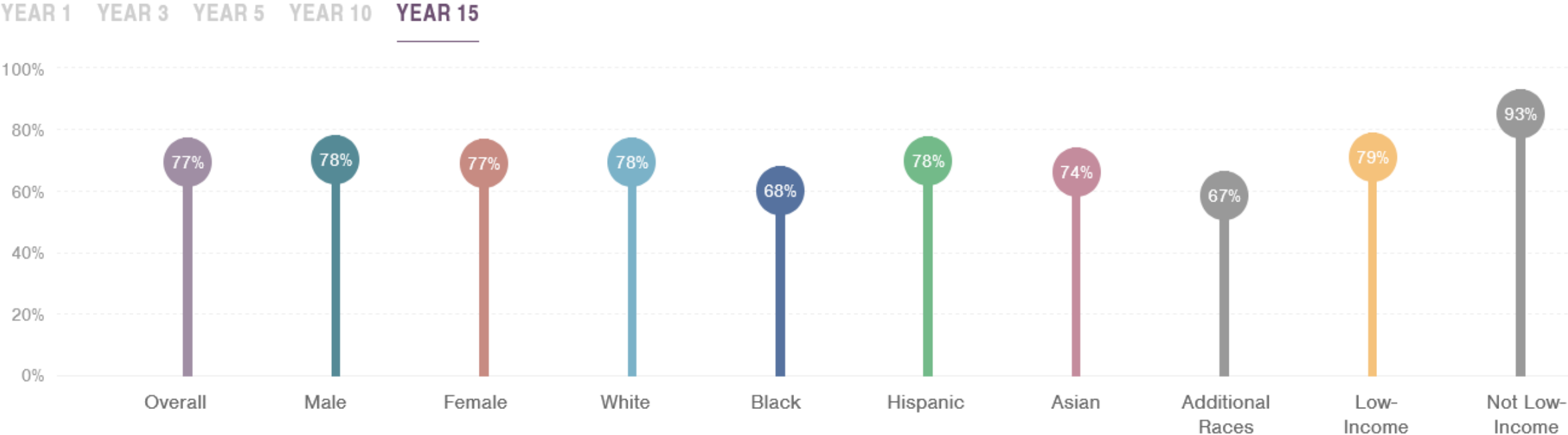
# The University of Texas at El Paso provides a minimum economic return to most students within three years of graduation, regardless of race, gender or income.

Median Earnings Compared to Overall T0 (Minimum Economic)



# Most students at University of Texas at El Paso pass the minimum economic return threshold after 15 years.

Percent Passing Overall T0 (Minimum Economic Return)





**EARNINGS  
PREMIUM**

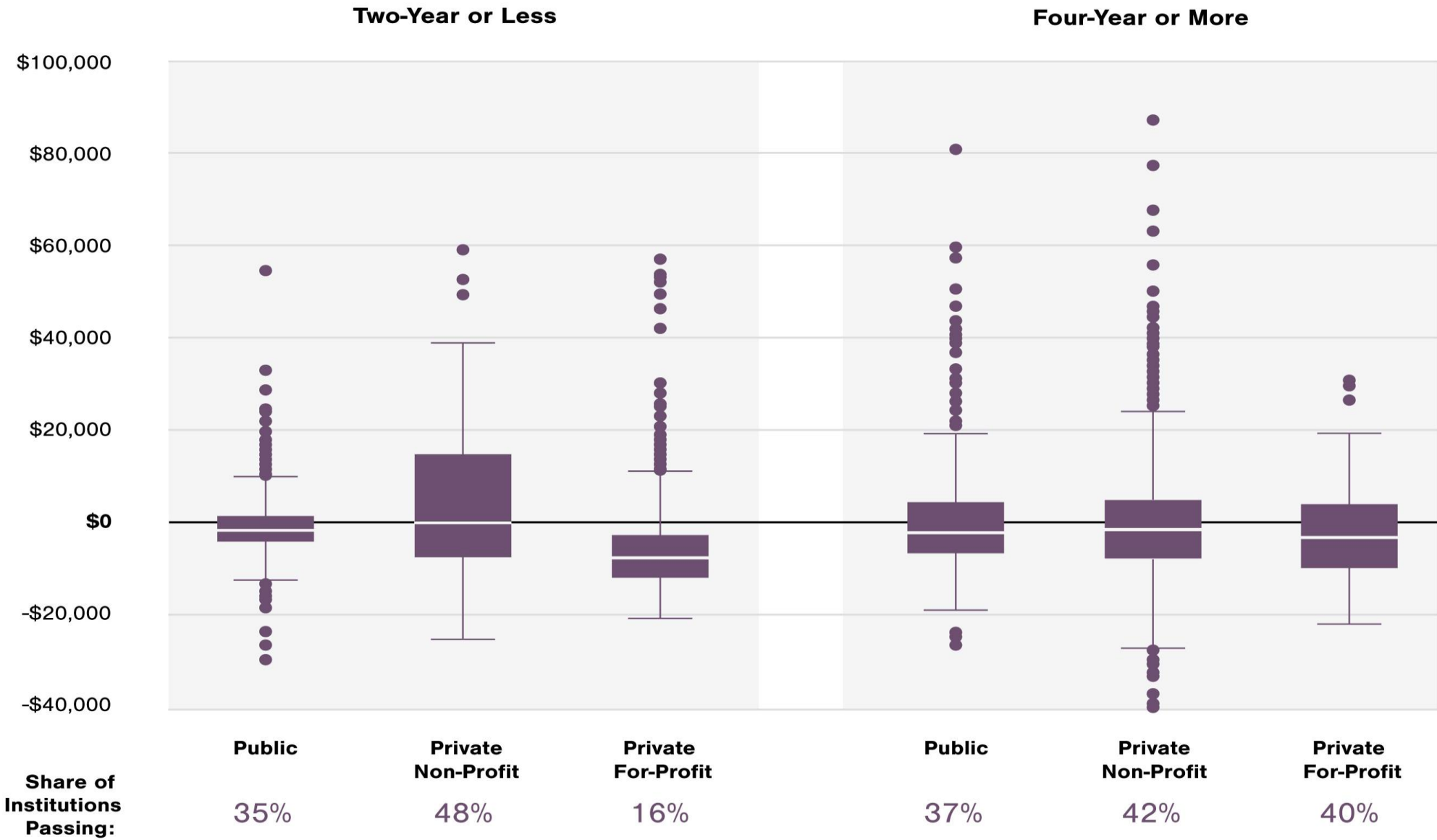


**MEDIAN EARNINGS**

**FIELD OF  
STUDY**



# Only 37 percent of public four-year institutions meet or exceed the earnings premium threshold.



# The median student at University of Michigan will exceed the earnings of others in the state with Bachelor's degrees by about \$20K, ten years after entry.

T1 (Earnings Premium)

ECONOMIC THRESHOLD (HORIZONTAL AXIS)

Overall T1 (Earnings Premium)

SIZING BY COMPLETION RATE

ON Lower Higher

Use filters below to create a group of institutions

STATE

Michigan

Filter States

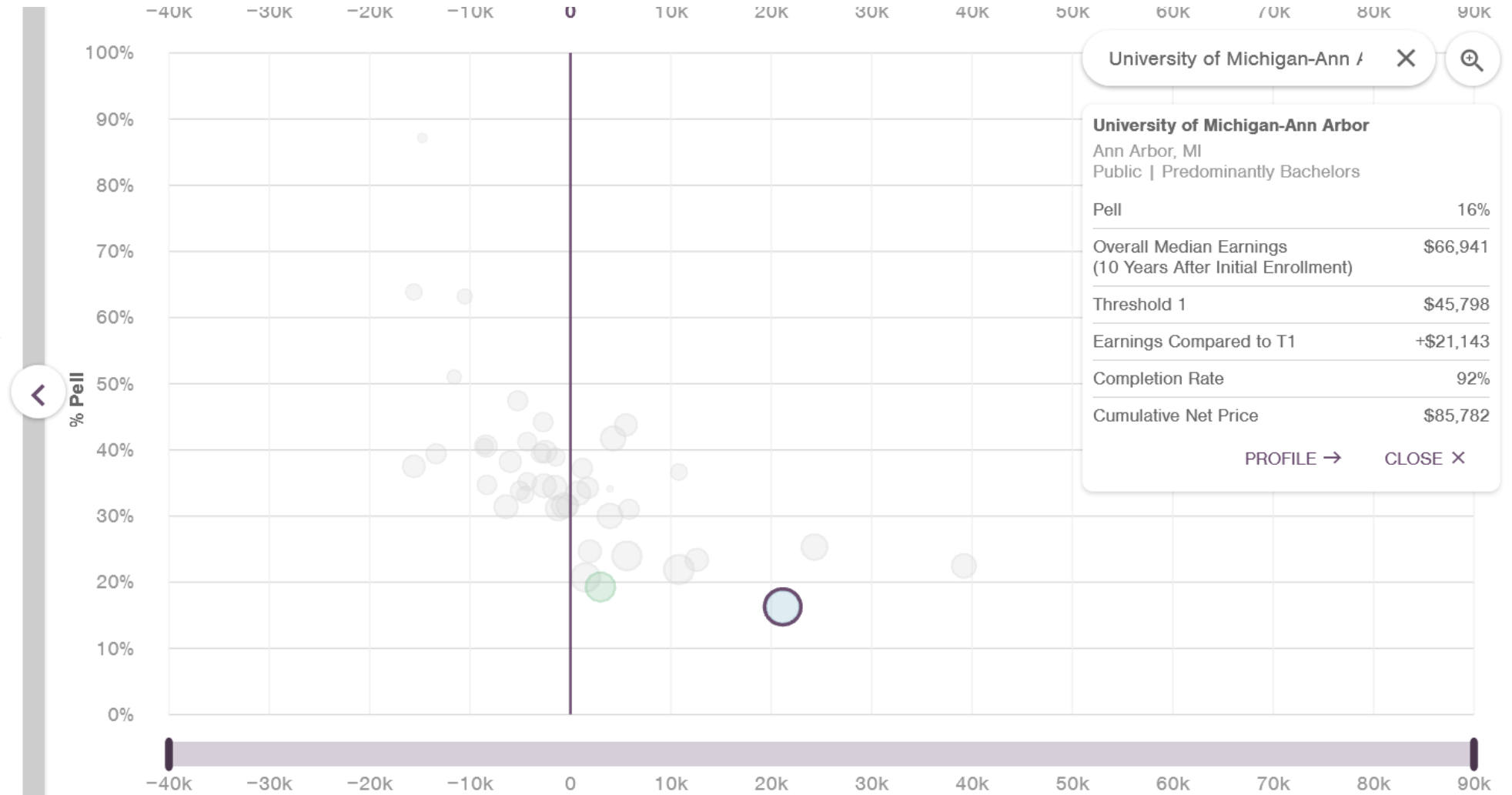
LEVEL

Predominantly Bachelors

SECTOR

Public Private Proprietary

RESET





# EARNINGS PARITY

MY EARNINGS



MEDIAN



HIGH-INCOME  
PEERS

(HORIZONTAL AXIS)

Women T2 (Earnings Parity)...

SIZING BY COMPLETION RATE

ON Lower Higher

Use filters below to create a group of institutions

STATE

Filter States

LEVEL

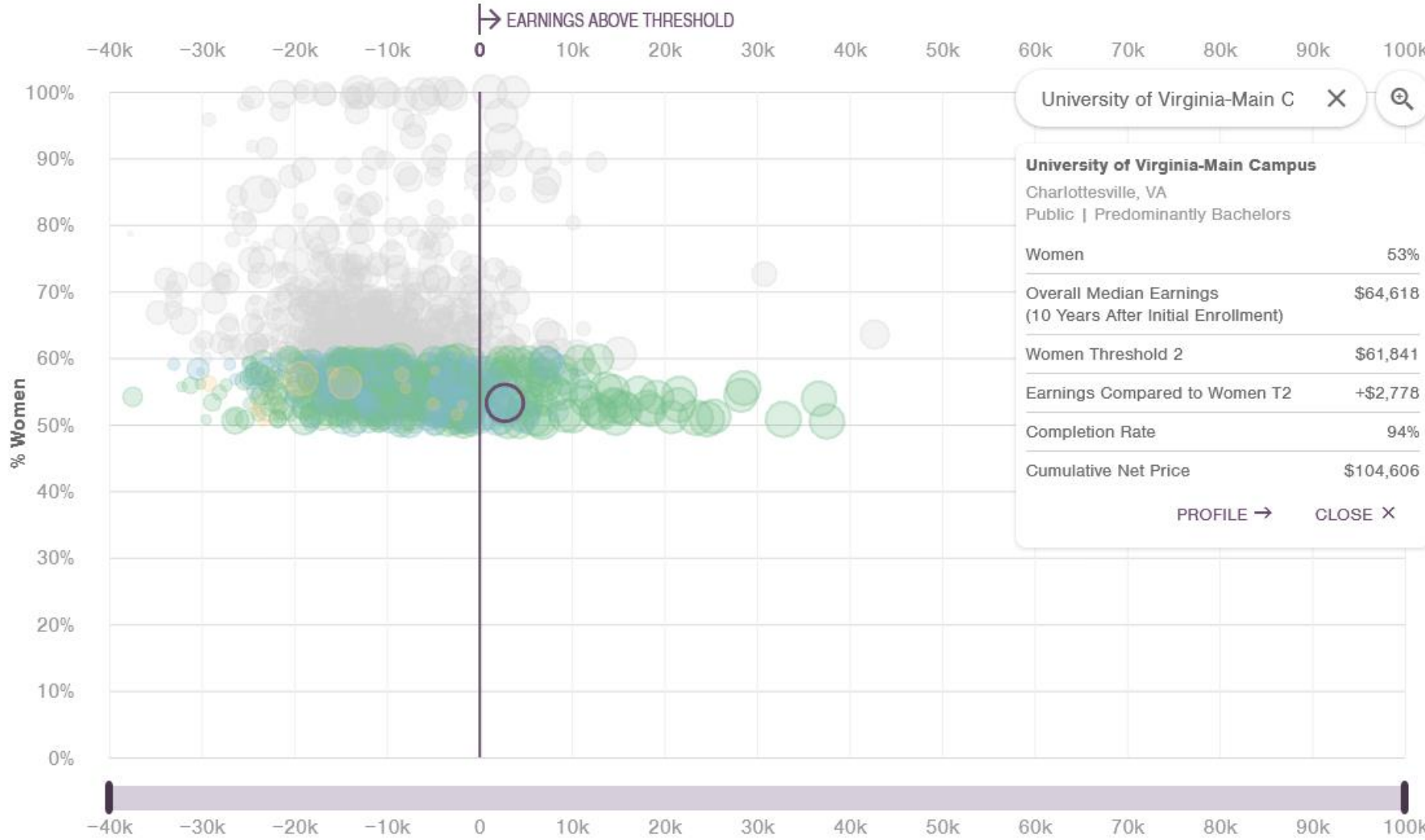
Predominantly Bachelors

SECTOR

Public Private Proprietary

RESET

### Overall Median Earnings (10 Years After Initial Enrollment) Compared to Women T2 (Earnings Parity) – Disaggregated



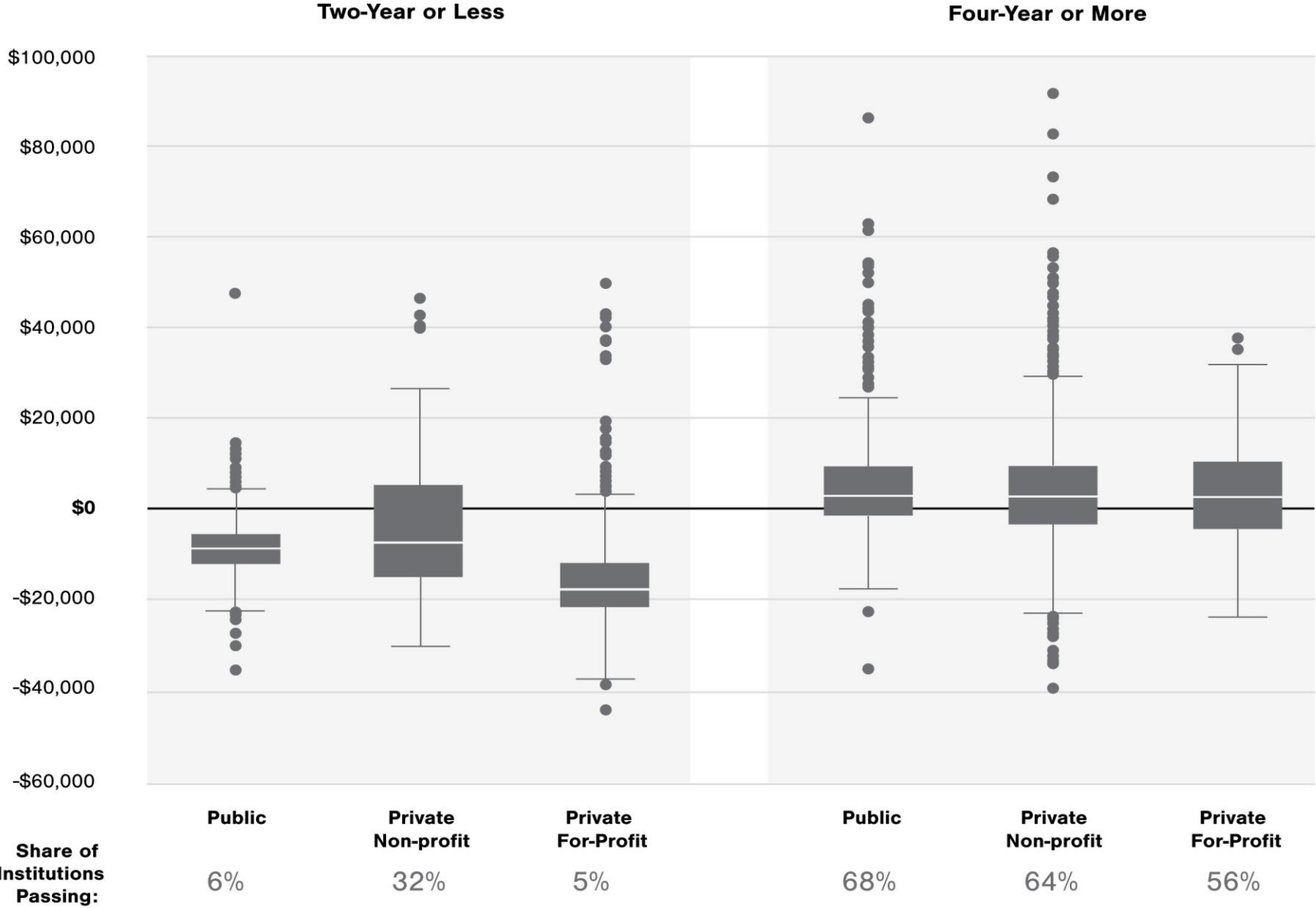


**ECONOMIC  
MOBILITY**



**UPPER MIDDLE  
INCOME QUINTILE**

# Sixty-eight percent of public four-year institutions meet or exceed the minimum economic return threshold.





The median student at UC San Diego will earn about \$43K more than the 60<sup>th</sup> percentile of income in California, ten years after entry. 1 in 3 students at UC San Diego receive Pell grants—suggesting high rates of economic mobility.

**PELL**

Pell

ECONOMIC THRESHOLD (HORIZONTAL AXIS)

Overall T3 (Economic Mobili...)

SIZING BY COMPLETION RATE

ON Lower Higher

Use filters below to create a group of institutions

STATE

California

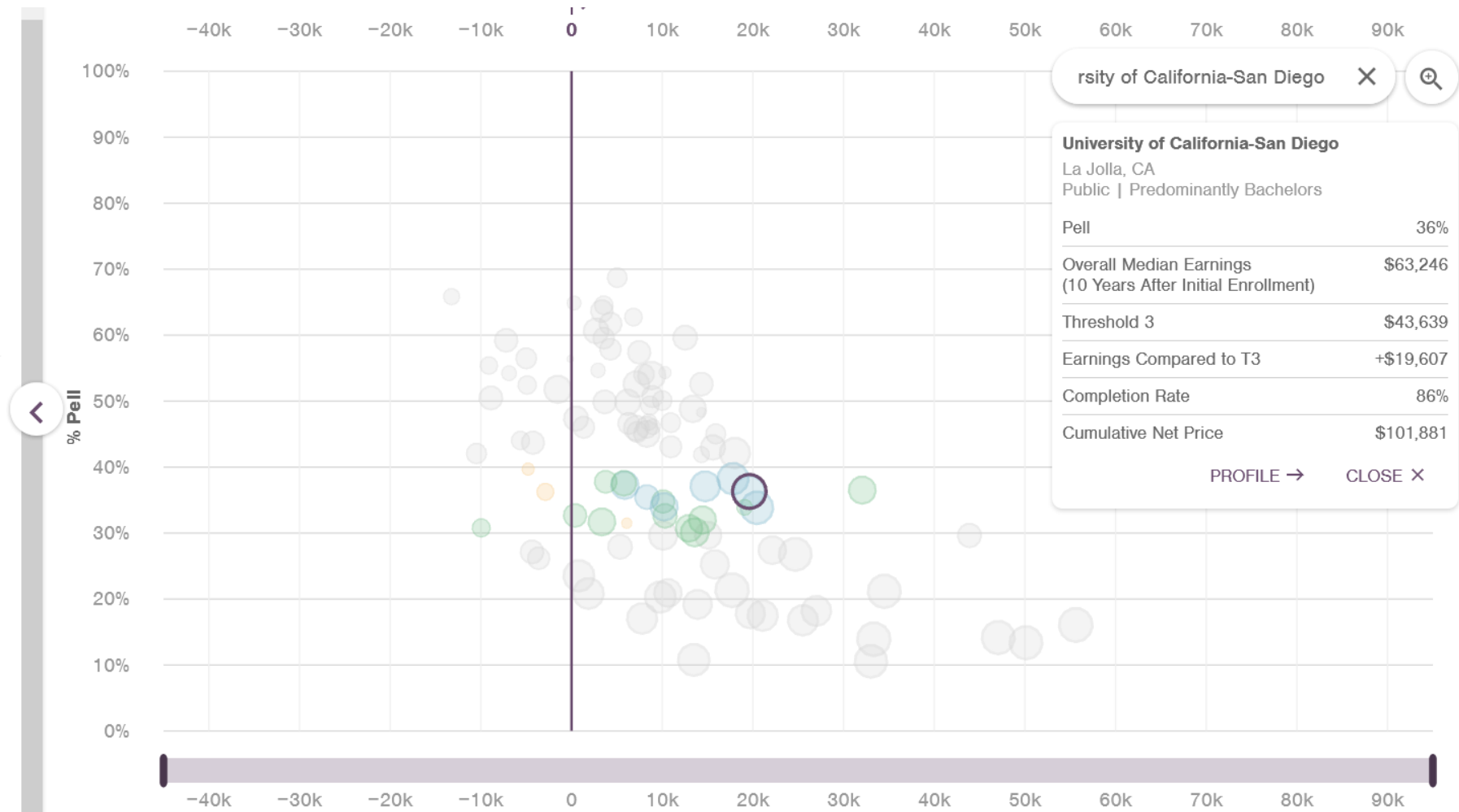
Filter States

LEVEL

Predominantly Bachelors

SECTOR

Public Private Proprietary



University of California-San Diego

La Jolla, CA  
Public | Predominantly Bachelors

Pell	36%
Overall Median Earnings (10 Years After Initial Enrollment)	\$63,246
Threshold 3	\$43,639
Earnings Compared to T3	+\$19,607
Completion Rate	86%
Cumulative Net Price	\$101,881

PROFILE → CLOSE X



**ECONOMIC  
SECURITY**

**RETIREMENT**



**SAFETY NET**



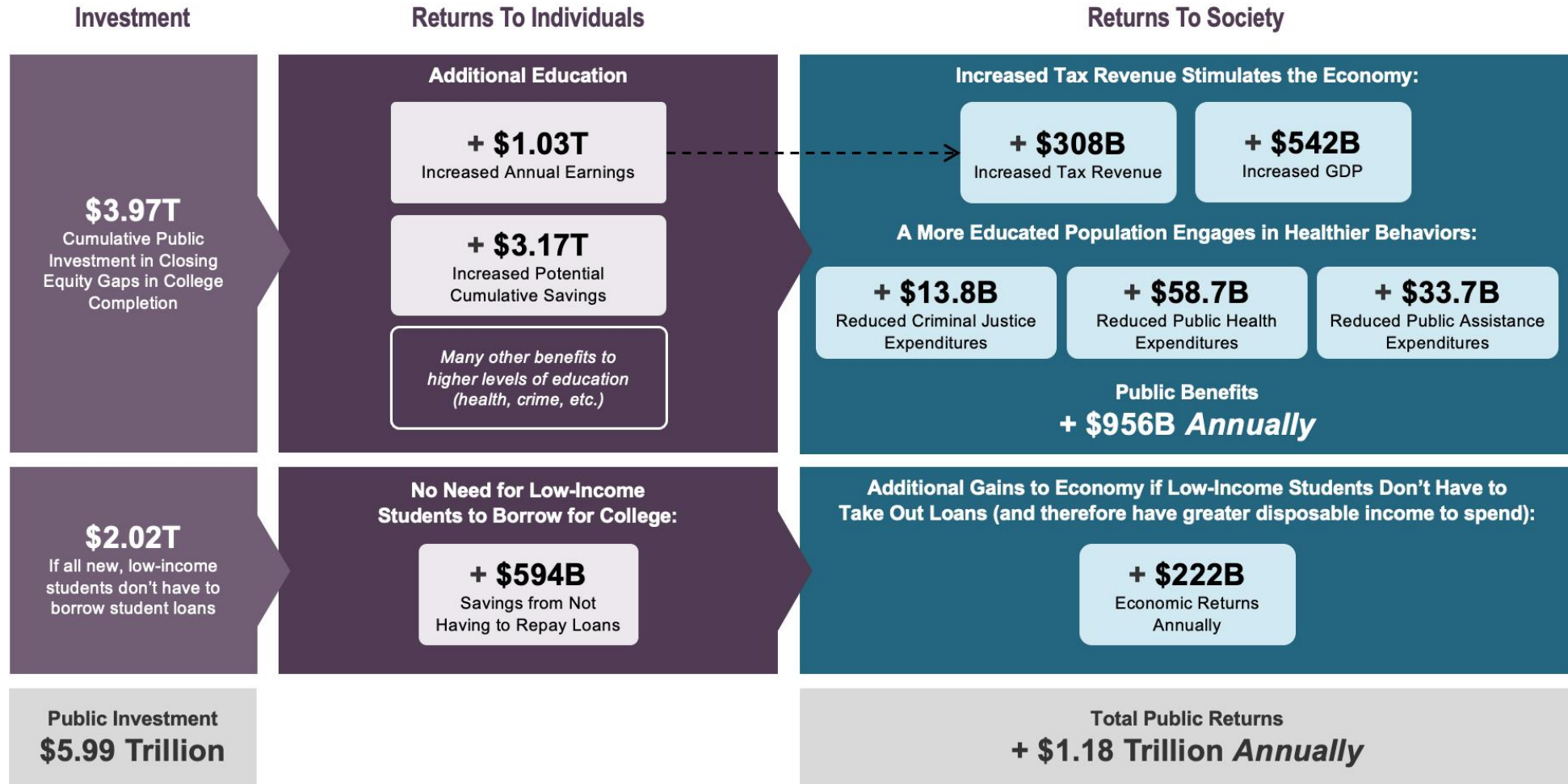
# WEALTH PARITY

MY EARNINGS



ADVANTAGED  
PEER EARNINGS

# Value to Society









# Low-income graduates at UT-Rio Grande Valley generate \$16.4 million for their local economy each year.

## Equitable Access & Value All Programs

[KEY QUESTIONS](#)

The Economic Value Index combines measures of students' access and success to show the percentage of students from specific subgroups who complete a credential and experience at least a minimum economic return. Likewise, the Economic Value Contribution measures the total student earnings generated each year by an institution overall and for each subgroup beyond the minimum economic threshold to show the financial contribution to society generated by serving diverse student populations well.

	<b>Gender</b> Women	<b>Race</b> Black	Hispanic	Asian	Additional Races	<b>Income</b> Low-income
<b>Economic Value Index</b> ⓘ	47%	0%	67%	1%	1%	38%
% completers passing T0 in Year 3	73%	71%	73%	68%	72%	68%
% among completers	64%	0%	92%	1%	2%	56%
<b>Economic Value Contribution</b> ⓘ	 \$28.8M 63%	 \$206k 0%	 \$41.9M 92%	 \$368k 1%	 \$894k 2%	 \$16.4M 48%



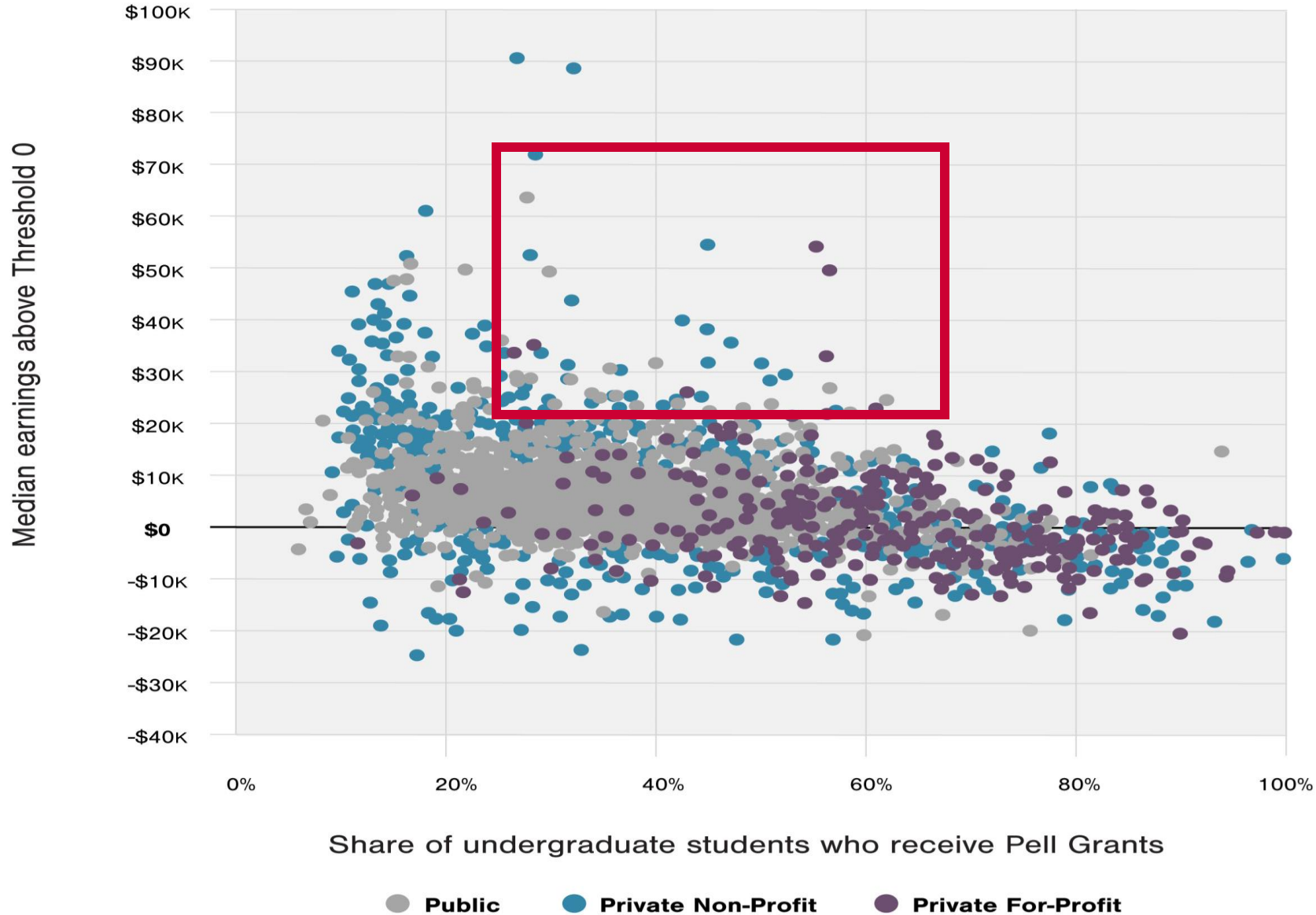


# **Part Three: Using Financial Aid to Drive Equitable Value**



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# Access



Schools who provide high levels of value to students should emphasize making that value more broadly available.

# Access and Value

- Revisit admission practices that limit access, including the use of standardized tests and criminal justice information
  - IHEP's June 2021 report "The Most Important Door that Will Ever Open" for details on how admissions, recruitment and financial aids impact on access.
- Implement equitable recruitment—including outreach about financial aid eligibility
- Address barriers to transfer students and credit recognition
- Ensure equal access to all programs/fields of study

# Affordability

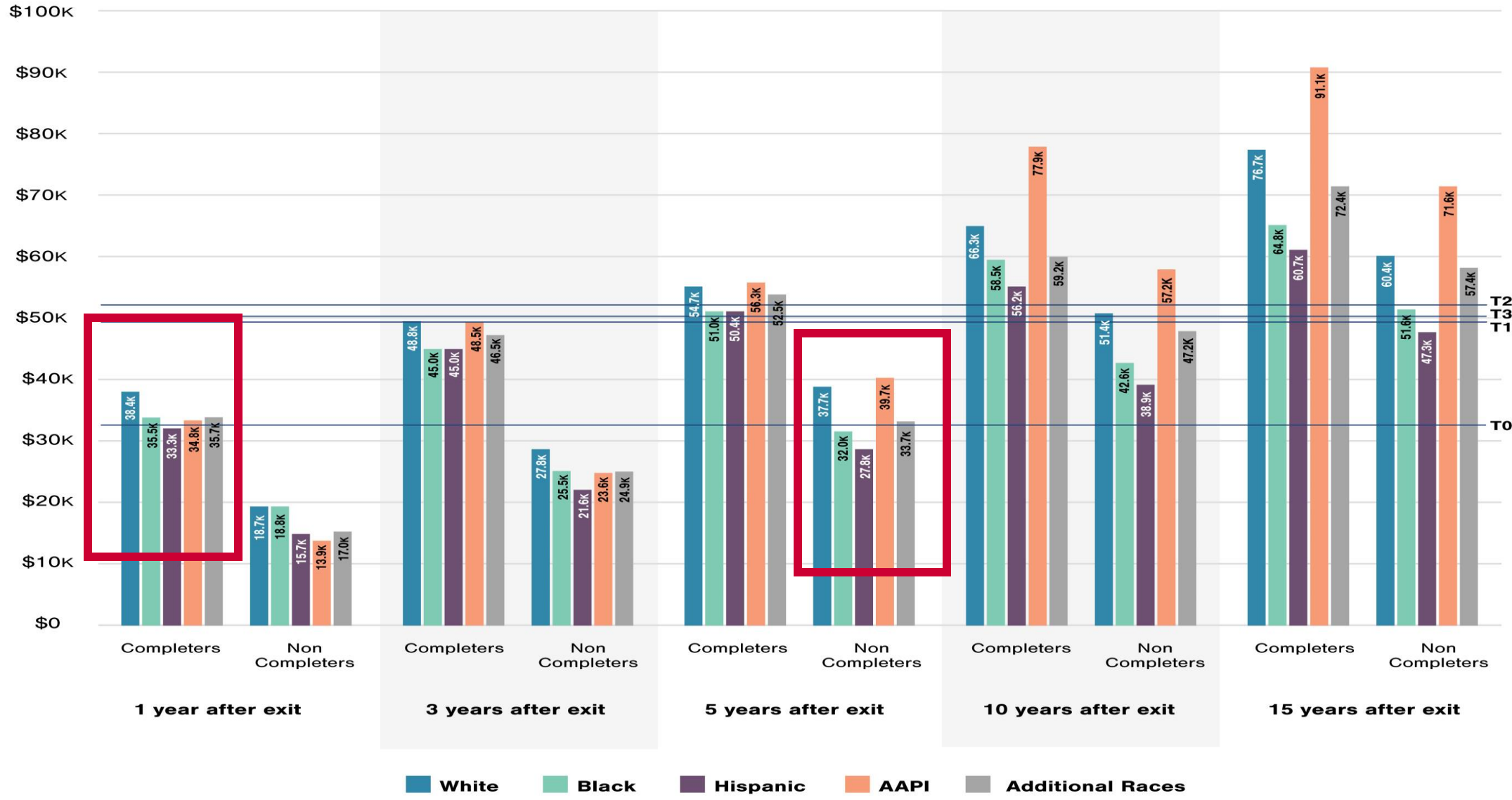


Public four-year schools that deliver the most value to students tend to have lower cumulative net prices.

# Affordability and Value

- Prioritize need-based financial aid, including covering non-tuition costs, based on income and wealth of students
- Address basic needs security for students and families
- (Stay tuned for more research on designing affordability policies to promote value coming in 2023!)

# Completion



# Completion and Value

- Institutional supports including academic advising
- Financial assistance, such as microgrants, emergency grants, and in-kind benefits to address financial barriers to completion
- Strengthen student pathways to completion



cosuaa

Visual settings Edit

When poll is active, respond at [PollEv.com/michellecoop948](https://PollEv.com/michellecoop948)

**Which of these actions resonates most with you in terms of the role of financial aid in promoting equitable value? Is there anything you'd add?**

No responses received yet. They will appear here...

# Questions?

**Read the reports:**

[postsecondaryvalue.org](https://postsecondaryvalue.org)

**Explore the data:**

[equity.postsecondaryvalue.org](https://equity.postsecondaryvalue.org)

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[@IHEPTweets](https://twitter.com/IHEPTweets)