

THE ROLE OF HIGHER ED IN ECONOMIC MOBILITY

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THE OPPORTUNITY OF ECONOMIC MOBILITY

- Wage premium average of 75% for college degree vs. diploma (Fed Reserve)
- 33% of college students are “low-income” students whose families earn \$30,000 or less per year. (CEW, Georgetown Univ.)
- 56% of undergraduates are First Gen, meaning neither parent attained a bachelor’s degree. (NASPA)
- 40% of undergraduates are students of color. (Clearinghouse Data)



A DEGREE IS NO GUARANTEE

- 52% of graduates with bachelor's degrees are underemployed within one year; 42% within 10 years. (Strada and Burning Glass)
- Among all borrowers, the average student loan debt in 2023 was \$38,290. (Experian Credit Bureau)
- Not all degrees have similar returns.
 - Higher: STEM and Healthcare
 - Lower: Education and Communications
- Low-income, Black, Latinx and Indigenous graduates tend to earn less upon graduation. (CEW)

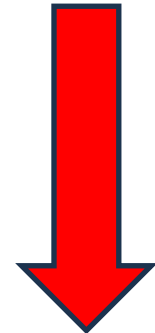


ROLE OF HIGHER EDUCATION

- ROI defined by numerator (outcomes) over denominator (cost)

$$\frac{\textit{Post Graduation Earnings}}{\textit{Cost of Attendance}}$$

- Decrease Cost of Attendance
 - Lower tuition costs (Pell + MassGrant + MassGrantPlus)
 - Free community college
 - Higher retention and graduation rates
- Increase post-graduation earnings
 - Internships and “earning while learning”
 - Career support and professional networks
 - Lifelong learning and continuing education



CONSIDERATIONS IN MEASURING ROI

- Cannot expect same outcomes at all institutions
 - Low-income, First-Gen and Students of Color tend to need more support, especially in career counseling and professional networking
- Institutions with greater dollars per student available (endowment and tuition) should have higher retention and graduation rates as well as additional career networking
- Must categorize institutions for ROI or weight the outcomes accordingly
 - WSJ adjusts salary impact and graduation rate on student demographics
 - USN&WR now includes First Gen and Pell Grant Recipient graduation rate performance, crediting schools with larger proportions of these students