EXPLORING THE VALUE OF HIGHER EDUCATION

SHEEO Higher Education Policy Conference
August 8, 2019
Why form a commission to define postsecondary value?
The value of college opportunity in America is not attainable without postsecondary education today.

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

<table>
<thead>
<tr>
<th>Quintile</th>
<th>Did Not Attend College (100)</th>
<th>Attended College (100)</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>4</td>
<td>19</td>
</tr>
<tr>
<td>4</td>
<td>9</td>
<td>22</td>
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<td>3</td>
<td>17</td>
<td>23</td>
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<tr>
<td>2</td>
<td>28</td>
<td>21</td>
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<tr>
<td>1</td>
<td>42</td>
<td>15</td>
</tr>
</tbody>
</table>

Yet students’ outcomes are affected by their pathways into and through college

From Enrollment to Earnings
Sankey chart of average pathways into and through college

<table>
<thead>
<tr>
<th>Did You Enroll in College?</th>
<th>Where Did You Go?</th>
<th>Net Price</th>
<th>Did You Complete College?</th>
<th>Total Borrowed</th>
<th>Initial Earnings</th>
<th>Loan Default Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes 70%</td>
<td>Private Four-Year 15.0%</td>
<td>$16,319</td>
<td>Yes 71%</td>
<td>$27,255</td>
<td>$44,816</td>
<td>9.2%</td>
</tr>
<tr>
<td></td>
<td>Public Four-Year 28.3%</td>
<td>$10,873</td>
<td>Yes 65.4%</td>
<td>$21,226</td>
<td>$43,200</td>
<td>7.2%</td>
</tr>
<tr>
<td></td>
<td>Public Community College 39.6%</td>
<td>$5,054</td>
<td>No 34.6%</td>
<td>$15,738</td>
<td>$27,000</td>
<td>36.4%</td>
</tr>
<tr>
<td></td>
<td>For-Profit 14.4%</td>
<td>$12,665</td>
<td>No 64.4%</td>
<td>$10,914</td>
<td>$25,500</td>
<td>31.0%</td>
</tr>
<tr>
<td>No 30%</td>
<td></td>
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</tbody>
</table>

1. Median FP earnings after completion do not vary from no completion partially due to high mix of “certificates” awarded vs. BA and AA. Note: Student loan borrowing does not include Parent PLUS. Initial earnings are measured six years after initial enrollment for all subgroups except bachelor’s degree earners. For these three subgroups, earnings data are measured four years after receipt of BA degree for students not enrolled in graduate school. Student loan default rate is measured 12 years after initial enrollment for all students.

Source: BMGF analysis of Beginning Postsecondary Students Longitudinal Study (BPS: 04/09), Baccalaureate & Beyond Longitudinal Study (B&B: 08/12), Educational Longitudinal Study (ELS: 02/12), High School Longitudinal Study (HSLS: 09/16), National Center for Education Statistics, U.S. Department of Education, Georgetown Center on Education and the Workforce (2011): The College Payoff.
**VALUE FOR WHOM?**

And some students face greater barriers to benefitting from the current system

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### A Tale of Two Students

<table>
<thead>
<tr>
<th>Student Type</th>
<th>Education Path</th>
<th>Completion Rate</th>
<th>Economic Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low-Income Black Student</strong></td>
<td>Attends Community College</td>
<td>44.7% of Enrolled</td>
<td>11% Wage Premium, $1.2 million net lifetime earnings</td>
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<td></td>
<td>Low Debt $5,865, High Risk of Default 44.6%</td>
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<td>Limited Upward Mobility, $40,000+ income by age 45</td>
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<tr>
<td><strong>Upper-Income White Student</strong></td>
<td>Attends Public Four-Year University</td>
<td>46.3% of Enrolled</td>
<td>63% Wage Premium, $2.1 million net lifetime earnings</td>
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<tr>
<td></td>
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<td></td>
<td>High Debt $22,125, High Risk of Default 39.2%</td>
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<td></td>
<td></td>
<td>Sustained Upper-Class Status, $80,000+ income by age 41</td>
</tr>
</tbody>
</table>

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*Sources: BMGF analysis of Beginning Postsecondary Students Longitudinal Study (BPS:04/09), Baccalaureate & Beyond Longitudinal Study (B&B:08/12), Educational Longitudinal Study (ELS:02/12), High School Longitudinal Study (HSLS:09/16), National Center for Education Statistics, U.S. Department of Education; Pew Research Center (2016), “On Views of Race and Inequality, Blacks and Whites are worlds apart.”*
COMMISSION MEMBERS

Expert group of researchers, senior administrators, policy influencers, and federal/state postsecondary leaders
A shared definition of college value that can inform both programmatic and policy efforts in the field.

A measurement framework for how individual colleges and universities create equitable value for students.

A policy, advocacy, and communications framework to encourage widespread application of the value definition and measurement framework.
## FOCUSING THE CHARGE OF THE COMMISSION

### Guiding Principles

<table>
<thead>
<tr>
<th></th>
<th>Prioritize Racial and Socioeconomic Equity</th>
<th>Focus on Undergraduate Students</th>
<th>Consider Student Costs and Pathways</th>
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<tbody>
<tr>
<td>1</td>
<td>Understand Post-College Outcomes</td>
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- Understand Post-College Outcomes
- Leverage New Economic Data
- Prioritize Racial and Socioeconomic Equity
- Focus on Undergraduate Students
- Consider Student Costs and Pathways
A FRAMEWORK FOR DEFINING VALUE

POSTSECONDARY VALUE COMMISSION: CORE/SUPPORTING
This diagram displays the concepts at the core of the Postsecondary Value Commission’s work, as well as concepts that will influence the work, but remain on the periphery.

Value for Whom?
- Families, taxpayers, and communities
- Undergraduate students, with a clear focus on students from low-income backgrounds and students of color

Value by Whom?
- Alternative providers
- Title IV-participating programs within institutions

What Type of Value?
- Economic value (earnings, mobility, and repayment)
- Non-economic value

Value in What Timeframe?
- Short-, mid-, and long-term outcomes
DEFINING A RESEARCH AGENDA
How can we understand post-college outcomes?

Expanding Framing/Aspirational Hierarchy

- Economic Justice
- Economic Agency/Freedom
- Economic Mobility
- Earnings Premium
- Break Even/Repay Investment
- Negative Value
VALUE COMMISSION OVERVIEW

Timeline for Next 12 to 15 Months

April 2019
Meeting 1

October 2019
Meeting 2

March 2020
Meeting 3

June 2020
Meeting 4

May–June 2020
Final Value Definition and Measurement Framework

May 2019
Public Launch

June 2020
Final Policy/Advocacy/Communications Framework

August 8, 2019

SHEEO Higher Education Policy Conference

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How can the work of the Postsecondary Value Commission advance broader goals?
## POSTSECONDARY SUCCESS STRATEGY AT BMGF

*Increasing Opportunity and Mobility*

<table>
<thead>
<tr>
<th>Where We Are</th>
<th>Where We Are</th>
<th>Where We Want to Be</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low Student Success Rates</td>
<td><strong>Innovation</strong>&lt;br&gt;Digital Learning&lt;br&gt;Technology-Enabled Advising&lt;br&gt;Redesigned Remedial Courses</td>
<td><strong>Increasing</strong>&lt;br&gt;Student Success Rates</td>
</tr>
<tr>
<td>Low Gaps in Success by Race &amp; Income</td>
<td><strong>Transformation</strong>&lt;br&gt;Institutional Partnerships and Networks</td>
<td><strong>Decreasing</strong>&lt;br&gt;Gaps in Success by Race &amp; Income</td>
</tr>
<tr>
<td>Less Mobility and Value</td>
<td><strong>Policy Advocacy</strong>&lt;br&gt;Data and Information&lt;br&gt;Finance/Financial Aid</td>
<td>More Mobility and Value</td>
</tr>
</tbody>
</table>
POSTSECONDARY SUCCESS STRATEGY AT BMGF

Institutional Transformation at Scale

Impact
Hundreds more colleges help millions more students obtain high value degrees or credentials while closing gaps in student success by both race and income.
INTERACTIVE POLLING INSTRUCTIONS

Go to www.menti.com and use the code 97 28 52

1. Grab your phone
2. Go to www.menti.com
3. Enter the code 97 28 52 and vote!
How will the Postsecondary Value Commission incorporate research into its work?
Phase 1
- Summer/Fall 2019
- Literature Reviews
- Essays
- Quantitative Analysis

Phase 2
- Fall 2019/Winter 2020
- Follow-up research
- Original Quantitative Analyses

Final Deliverables
- Winter/Spring 2020
- Definition and Measurement Framework

Phases of the Work

MENTI POLL CODE: 97 28 52
**FIRST PHASE OF RESEARCH TASK FORCE WORK**

**Integrating robust research into Commission deliverables**

<table>
<thead>
<tr>
<th>Research Topic</th>
<th>Author</th>
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<tbody>
<tr>
<td><strong>Investment</strong></td>
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<tr>
<td>Cost of Attendance</td>
<td>Diane Cheng</td>
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<td>The Role of Debt</td>
<td>Debbie Cochrane</td>
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<td>The Role of Work</td>
<td>Laura Perna</td>
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<td>The Role of Public Benefits</td>
<td>Amy Ellen Duke-Benfield</td>
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<td><strong>Returns</strong></td>
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<td>Return on Investment Metrics</td>
<td>Ben Miller</td>
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<td>College Rankings and Search Tools</td>
<td>Robert Kelchen</td>
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<td>Post-College Earnings and Employment</td>
<td>Anthony Carnevale; William Darity, Jr.</td>
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<td>Public Costs and Benefits</td>
<td>Jordan Matsudaira</td>
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<td>Psychological Perspectives on Returns</td>
<td>Mesmin Destin</td>
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<td><strong>Mobility</strong></td>
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<td>Socioeconomic Mobility Metrics</td>
<td>John Friedman</td>
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<td>Low Wage, High Social Value Careers</td>
<td>Lorelle Espinosa</td>
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<td>Employment and Earnings Inequities</td>
<td>David Troutman</td>
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<tr>
<td><strong>Economic Freedom, Agency, and Justice</strong></td>
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<td>Theories and Measurement</td>
<td>Indivar Dutta-Gupta</td>
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<td>Systemic Inequities</td>
<td>Darrick Hamilton</td>
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<td>Intergenerational Wealth</td>
<td>Fenaba Addo</td>
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<tr>
<td>Achieving Justice</td>
<td>Dominique Baker; Stella Flores; Tiffany Jones; André Perry</td>
</tr>
<tr>
<td>Interactions of Economic and Non-Economic Benefits</td>
<td>Stephanie Marken</td>
</tr>
</tbody>
</table>

**Additional Task Force Members**

- Paul Attewell
- Jorge Klor de Alva
- Bob Morse
- Mamie Voight

MENTI POLL CODE: 97 28 52
How do Postsecondary Value Commission members view this work?
How can the Postsecondary Value Commission’s work change the field? What kind of impact can it have on institutions?

What does the Commission’s work mean to current undergraduate students?

How does an authentic partnership between higher education and the business community take shape?

How do state and federal policymakers approach the value conversation?

What impact could a value definition have on federal and state data advocacy efforts?

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