

What is it worth? Illuminating the value of a college degree

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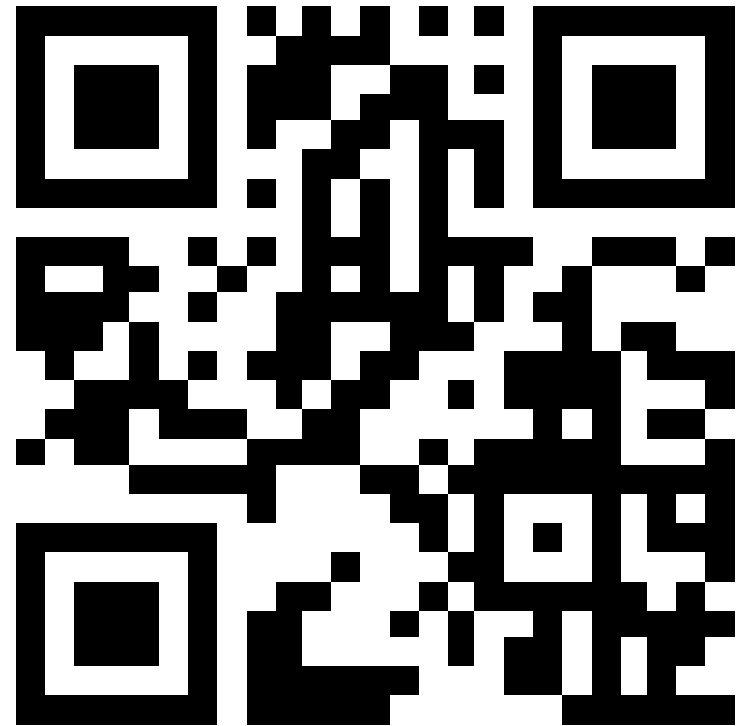
Amit Prayag

**University of California,
Office of the President**

October 27, 2021

Before we begin,
we'd love to hear from YOU

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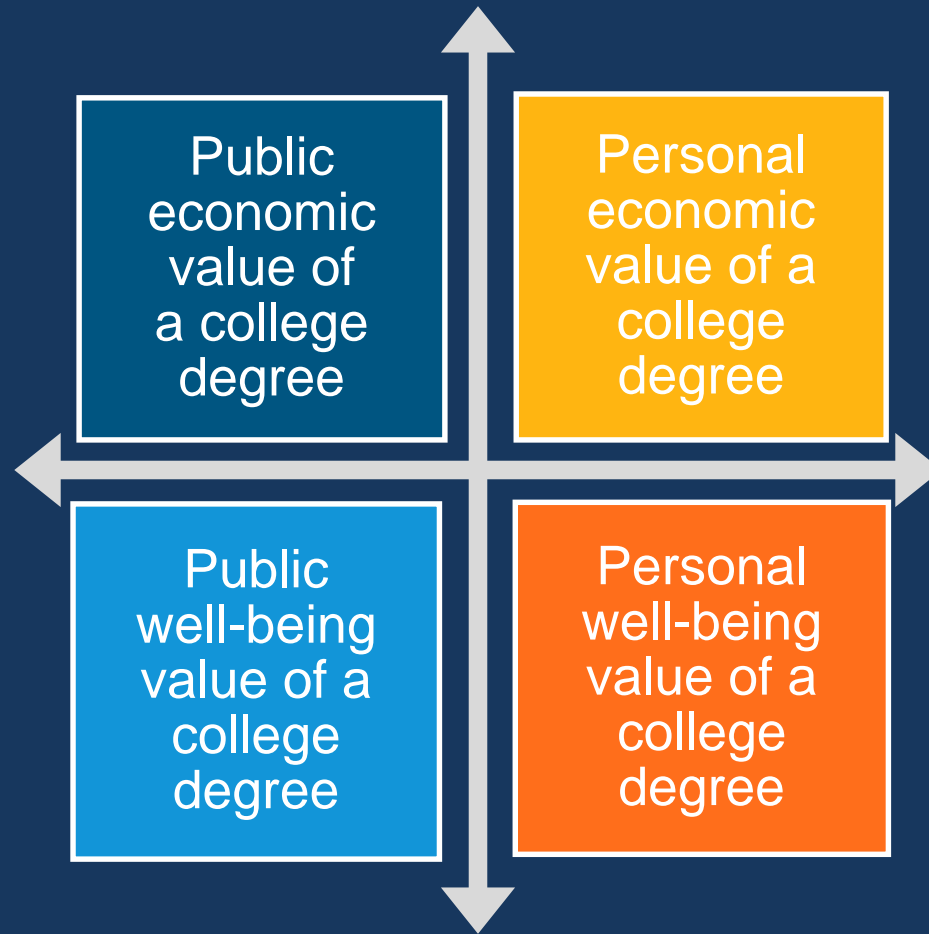


Goals of the session

Participants will be able to:

- Reference a framework to shape conversations about the value of a college degree
- Become familiar with existing data sources to explore value
- Cite examples of the value of a college degree using data in both economic and non-economic terms.

A multidimensional approach is necessary to encapsulate value



Source: Post Collegiate Outcomes Initiatives (2015) ADVANCING A COMPREHENSIVE STUDY OF POST-COLLEGIATE OUTCOMES FRAMEWORK AND TOOLKIT, retrieved from <https://www.aplu.org/library/advancing-a-comprehensive-study-of-post-collegiate-outcomes-framework-and-toolkit/file>

We reflected on our own experiences with value

What was a moment you realized your college degree was valuable?

“I was able to apply for government jobs, outside of my discipline, just with a baccalaureate degree”

“When I was able to talk educational policy with a dinner guest and defend my contrary view in a respectful and civil way”

“Being able to advocate for myself”

” Encountering diversity... I learned to appreciate and welcome different experience and not take my own as normative“

“Being on College debate team gave me experience in analytic arguments critical thinking that I use in my job today.”

“Shopping in drug stores, understanding drug labels, from taking Chemistry courses”

We reviewed literature on the value of college



LUMINA ISSUE PAPERS

IT'S NOT JUST THE MONEY THE BENEFITS OF COLLEGE EDUCATION TO INDIVIDUALS AND TO SOCIETY

by Philip Trostel
Margaret Chase Smith Policy
Center & School of Economics
University of Maine

How COLLEGE AFFECTS STUDENTS

VOLUME 3 | 21ST CENTURY EVIDENCE THAT
HIGHER EDUCATION WORKS

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Trends in Higher Education Series

Education Pays 2019

THE BENEFITS OF HIGHER EDUCATION FOR INDIVIDUALS AND SOCIETY
Jennifer Ma, Matea Pender, and Meredith Welch



Source:

<https://www.luminafoundation.org/wp-content/uploads/2017/08/its-not-just-the-money.pdf>
<https://research.collegeboard.org/pdf/education-pays-2019-full-report.pdf>

We compiled an inventory of areas of value to explore for UC alumni

Public

Personal

Economic

Tax revenue
Consumer spending
Entrepreneurship & Job Creation
Meeting workforce needs
Innovations/efficiencies
Social programs

Earnings & economic mobility
Health and retirement benefits
Employability
Return on investment
Compounded benefits
"Middle Class" outcomes
Purchasing power

Well-Being

Public-serving professions
Civic Engagement
Volunteering
Community Service
Public-serving Research
Expanded perspectives
Public health outcomes

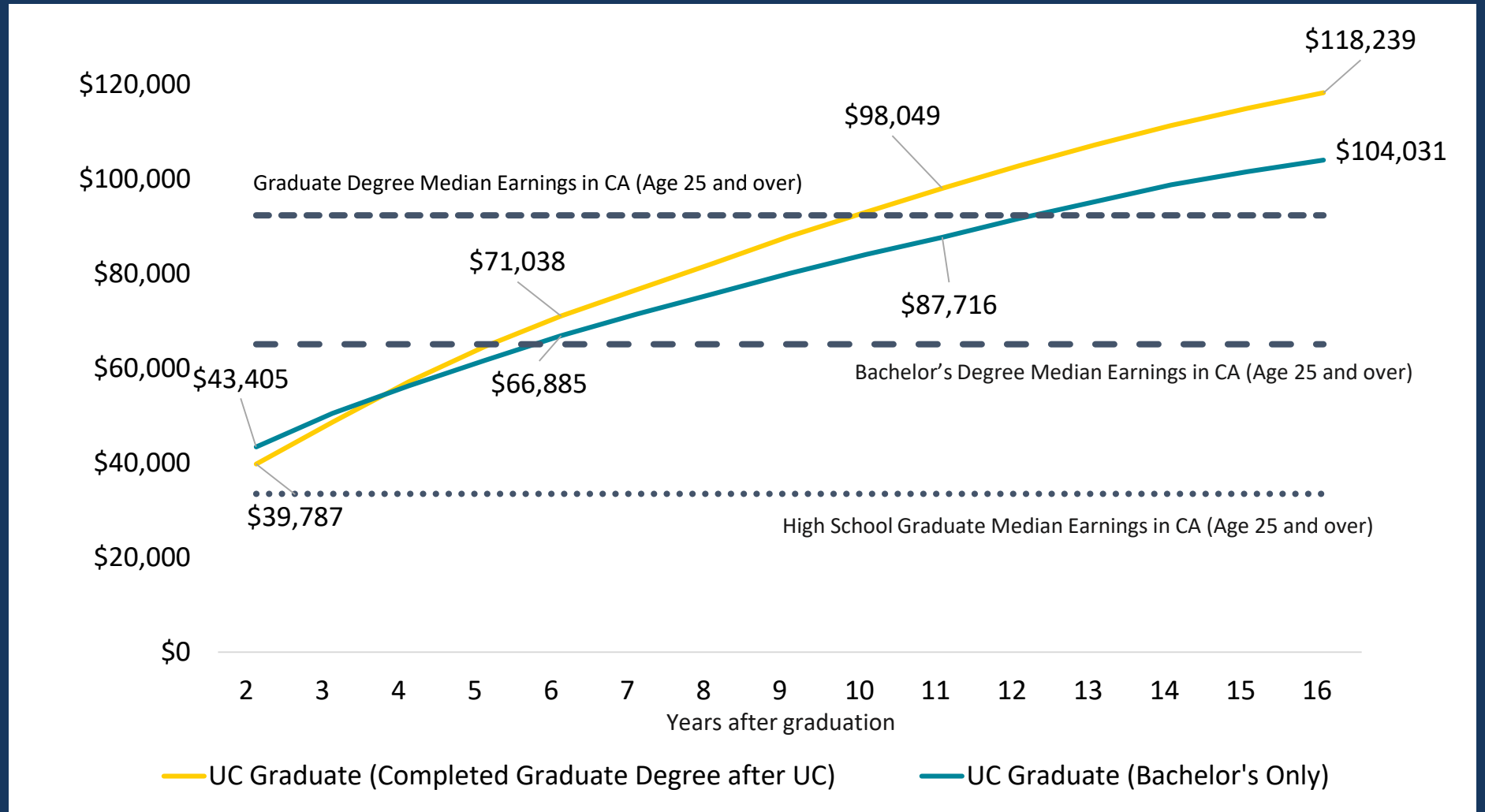
Expanded opportunities
Diverse perspectives/worldview
Critical thinking/information literacy
Leadership and communication skills
Networking
Interpersonal Relationships
Knowledge/academic learning
Quality of working conditions
Health literacy/outcomes
Personal development/happiness

Personal economic value of a UC degree

- Individual earnings
- Economic mobility
- Return on investment
- Health insurance and retirement benefits
- Homeownership

Personal economic value of a UC degree

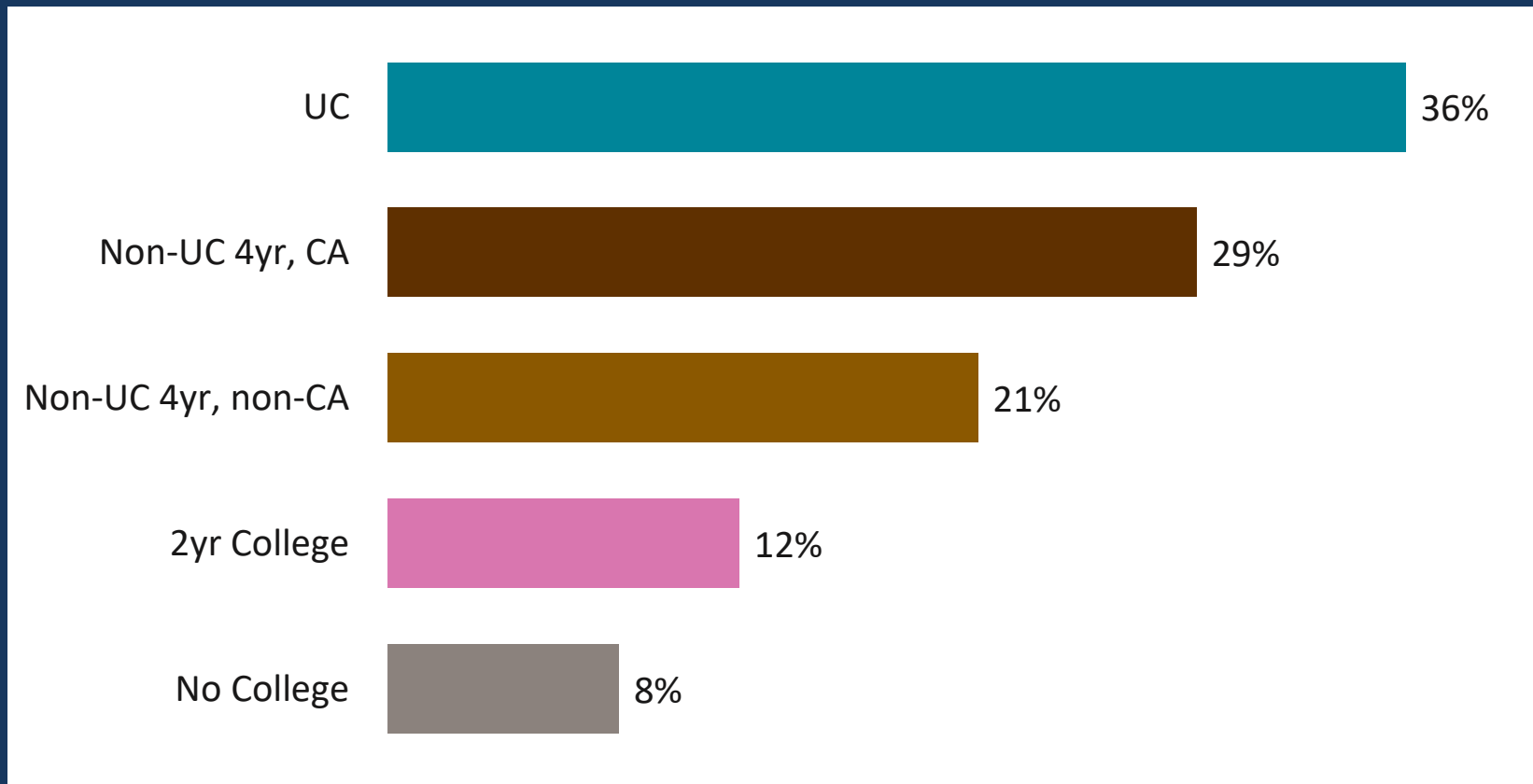
Individual earnings



Source: CA Economic Development Department, U.S. Census Bureau, 2019 American Community Survey 5-Year Estimates. CA Median Income (25 and older)

Personal economic value of a UC degree

Economic mobility



Percentage of lowest-income alumni (who graduated or not) moving to the top income quintile by institution type, 1999-2005 college entry cohorts

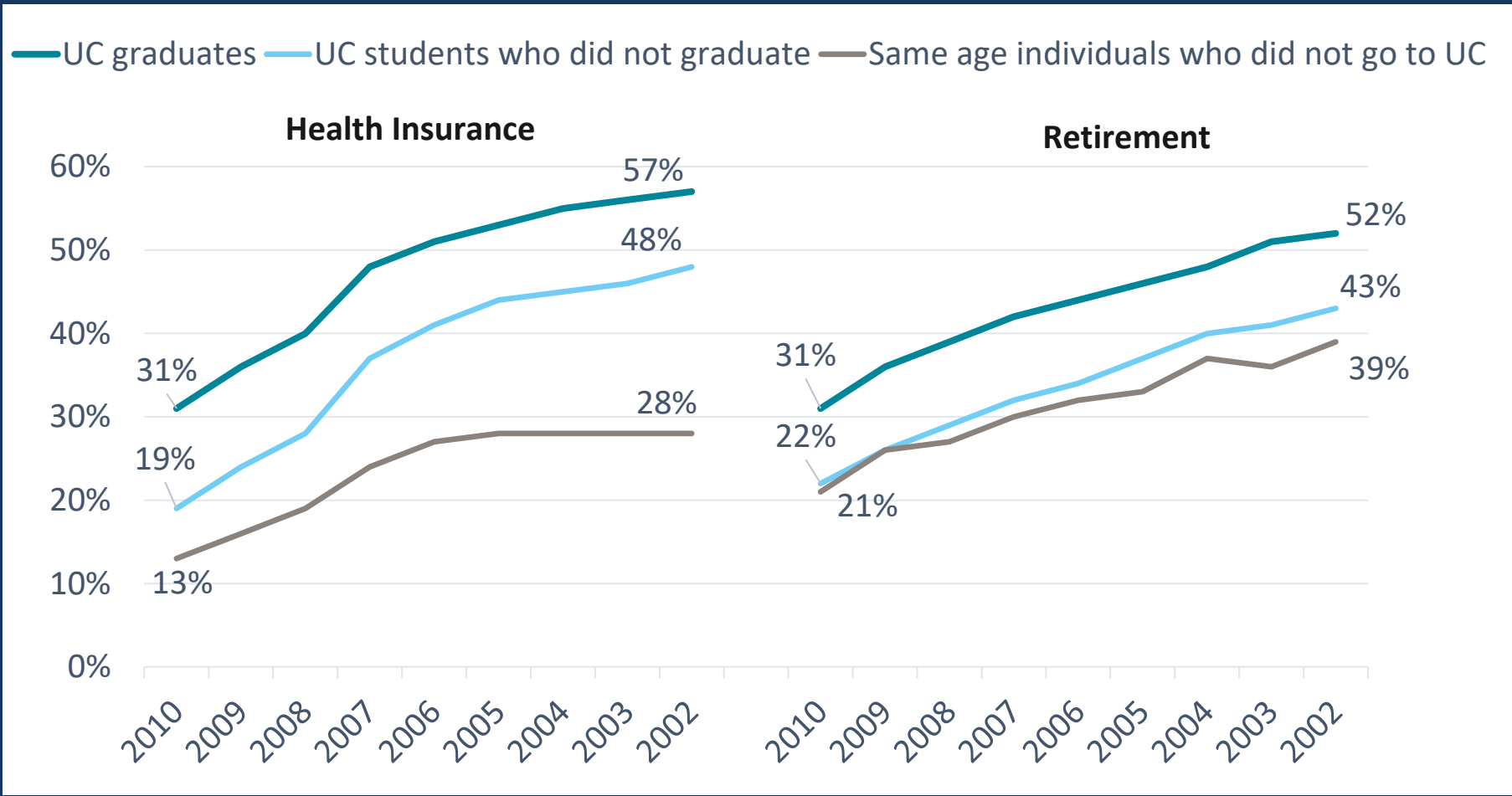
Personal economic value of a UC degree

Return on investment

- UC graduates breakeven on their educational investment between 4 to 6 years after graduation.
- The five-year rate of return after graduation for UC graduates is between 2.2 percent and 10.6 percent. The return is highly associated with academic majors/disciplines.

Personal economic value of a UC degree

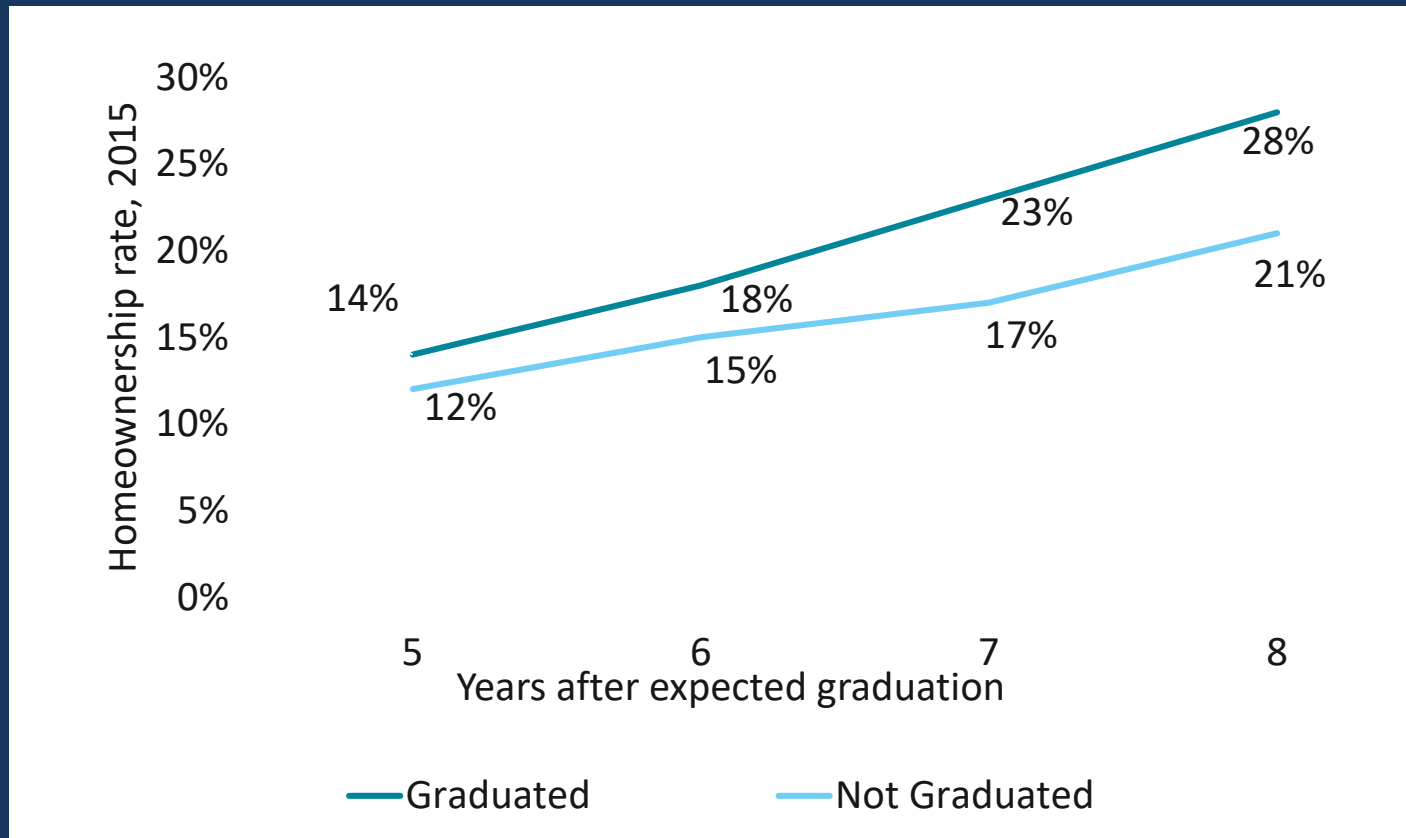
Health insurance and retirement benefits



Percentage of alumni with employer-supported health insurance and retirement contributions, 2015, by years after graduation, 2002- 2010 college entry cohorts

Personal economic value of a UC degree

Homeownership



2015 UC alumni homeownership rates by completion status

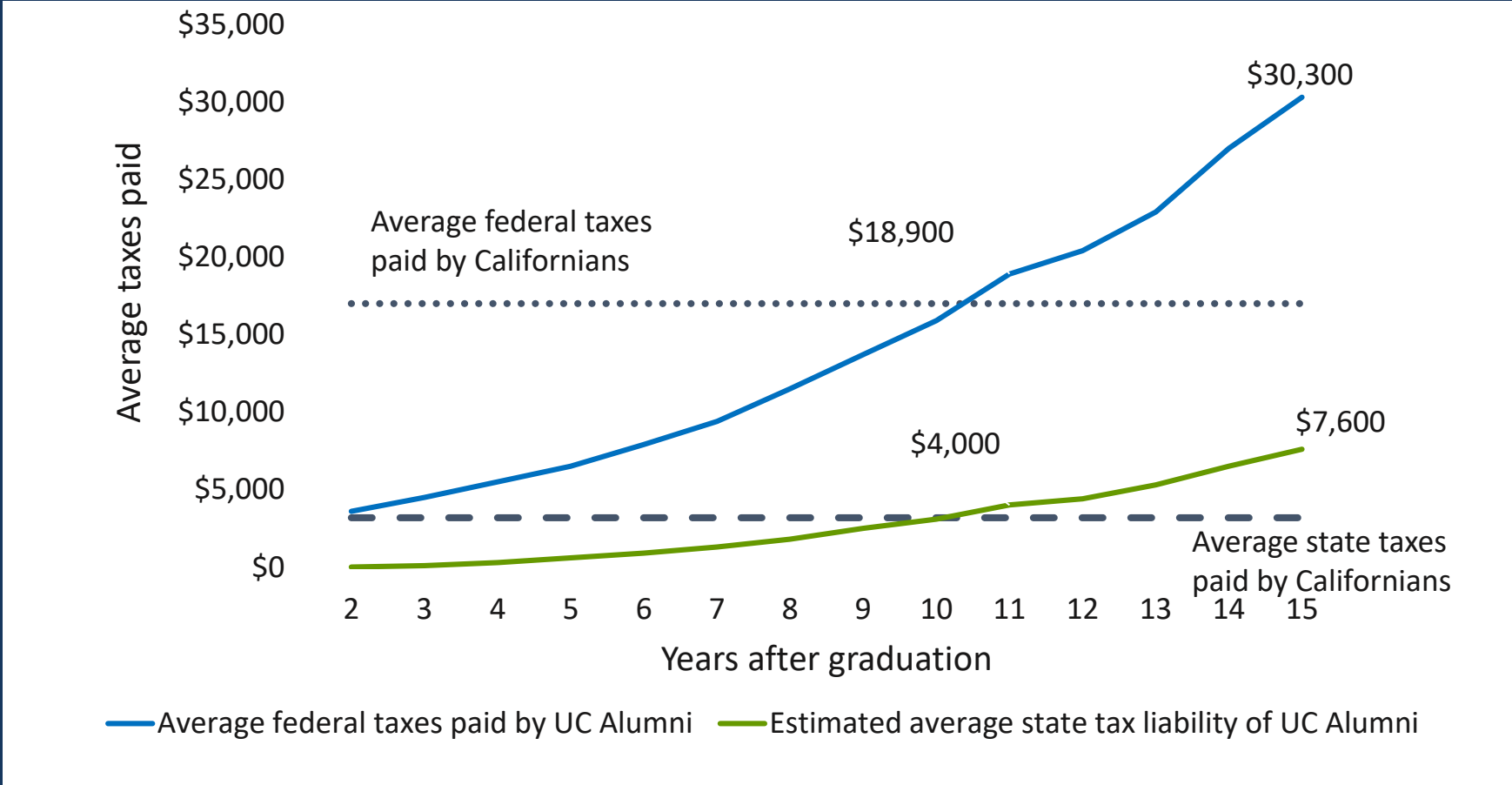
Source: CLIMB Initiative data

Public economic value of a UC degree

- Contributions to the economy
- Entrepreneurship and job creation
- Innovation and economic growth

Public economic value of a UC degree

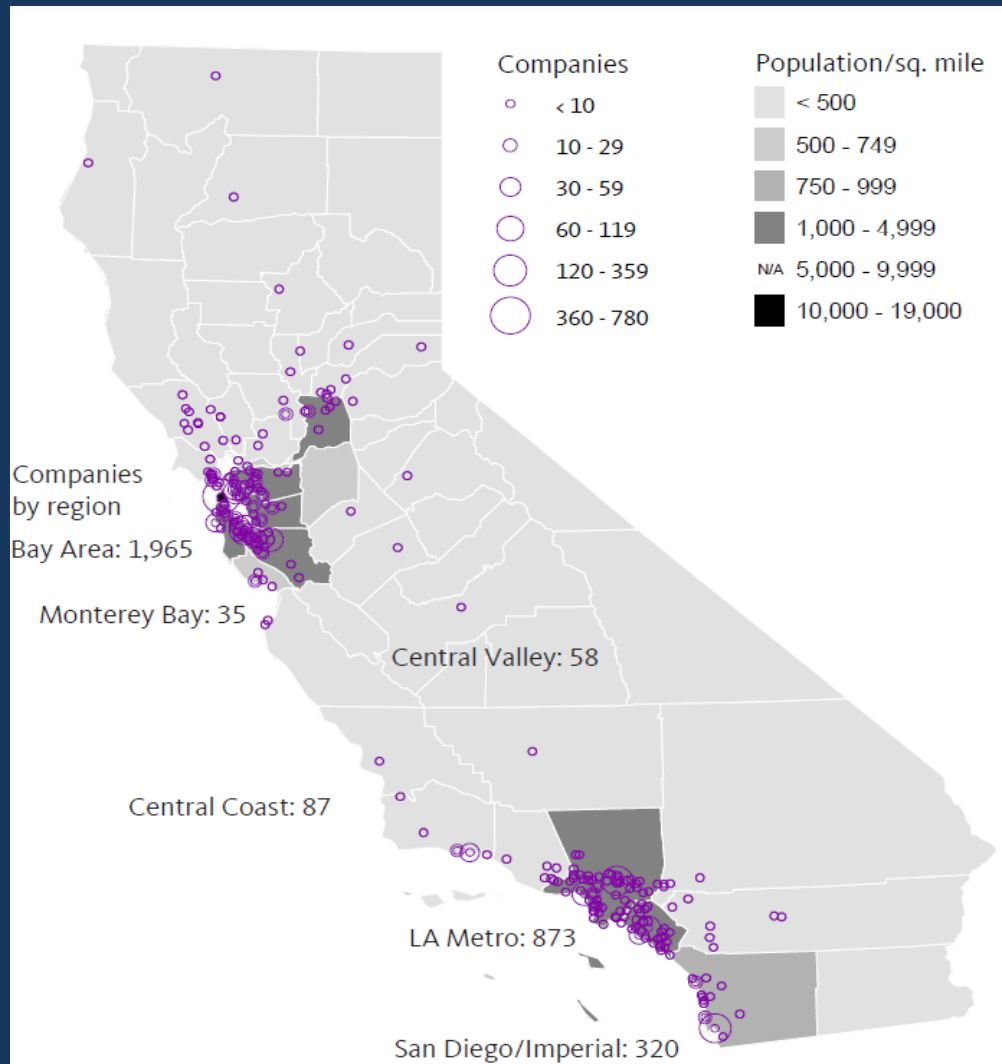
Contributions to the economy



Actual federal and estimated state taxes paid by UC graduates

Public economic value of a UC degree

Entrepreneurship and job creation



3,400 companies founded by UC alumni by geographic region in California

Source: PitchBook

Public economic value of a UC degree

Growth and innovation



UC research-based education spurs economic growth and innovation 17

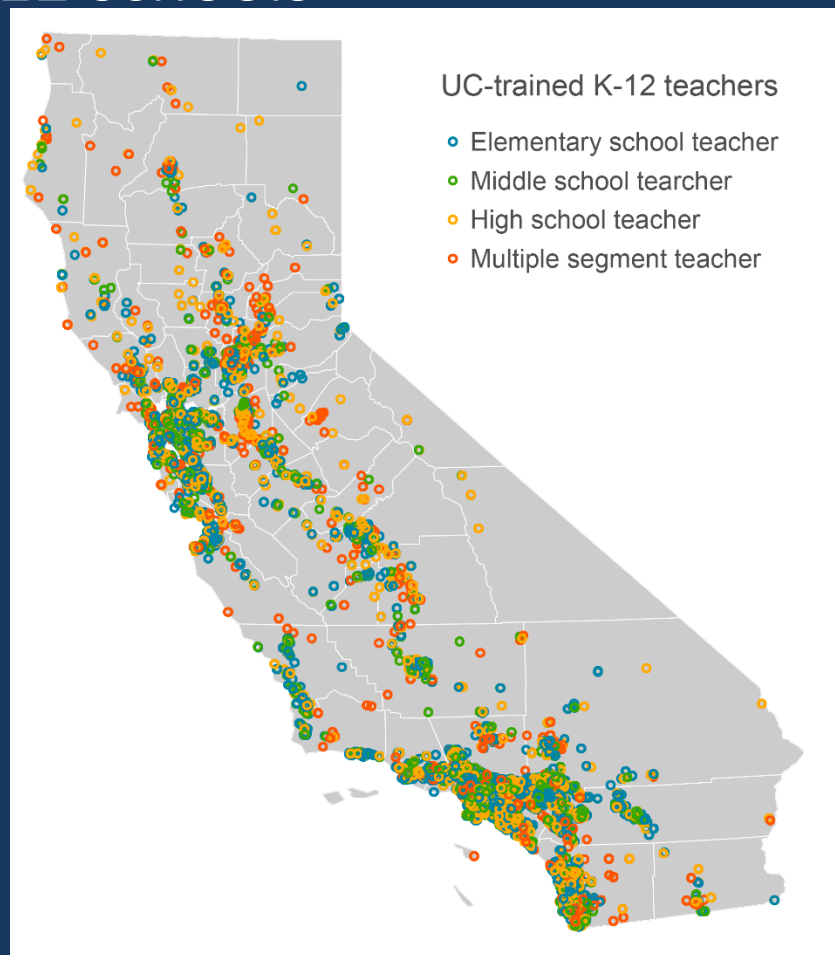
Public well-being value of a UC degree

- Public-serving professions
- Civic engagement and community service
- Public-serving research

Public well-being value of a UC degree

Public-serving professions

28,000+ UC-educated teachers serve in 3 out of 4 California K-12 schools

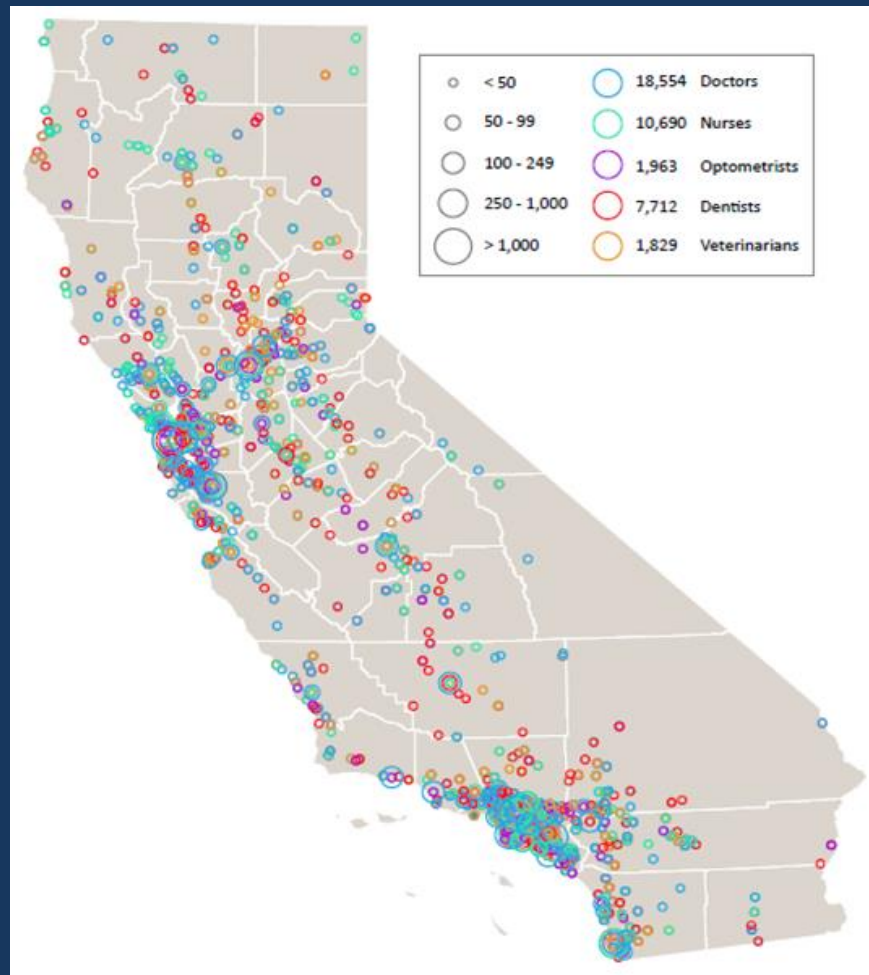


Sources: California
Department of
Education, UC Student
Data

Public well-being value of a UC degree

Public-serving professions

UC-trained doctors and other medical professionals serve in 60 percent of California towns



Sources: California
Department of
Consumer Affairs, UC
Student Data

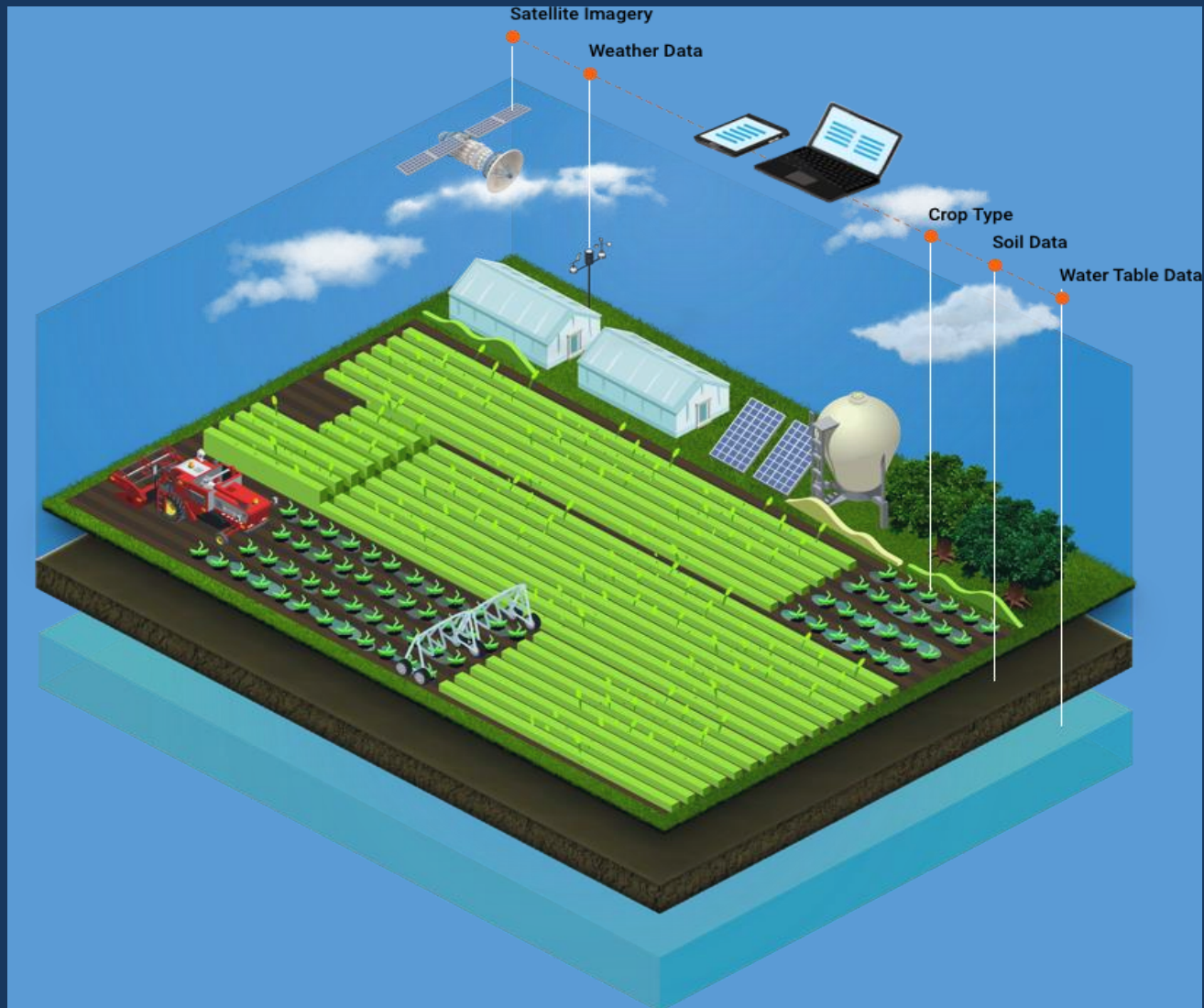
Public well-being value of a UC degree

Civic engagement and community service

- Voter participation
 - UC analysis of CA voter data shows that two-thirds of registered UC alumni vote, compared with less than half of similarly aged populations
- Public service
 - One in two California state justices and one in three California state-elected officials are UC graduates
- Volunteering and community service
 - UC alumni from 2000 to 2010 provide an estimated 22.3 million volunteer hours annually

Public well-being value of a UC degree

Public-serving research



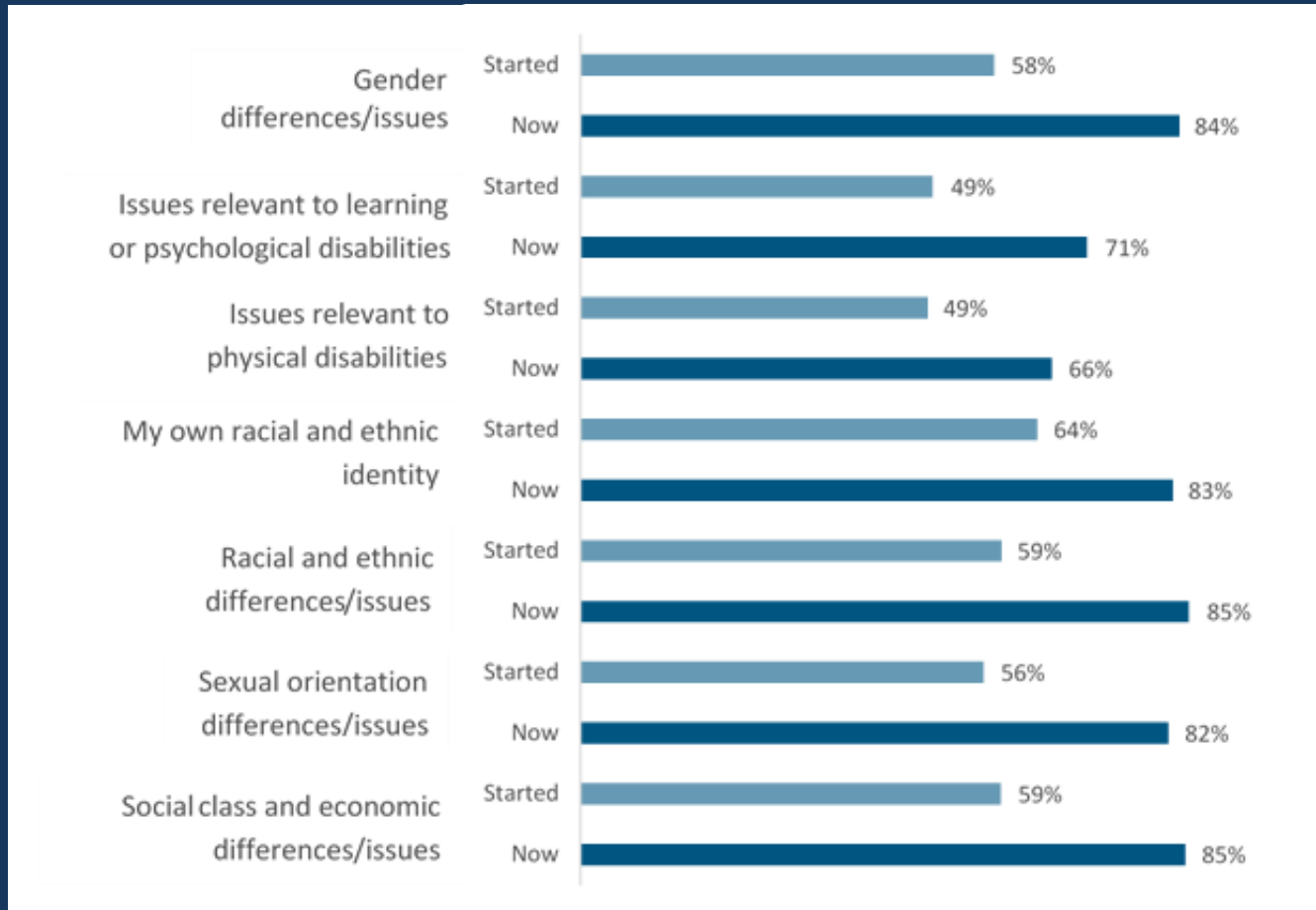
Personal well-being value of a UC degree

- Psychosocial change
- 21st century skill development
- Health and information literacy
- Stability through job security, life outcomes

Personal well-being value of a UC degree

Psychosocial change

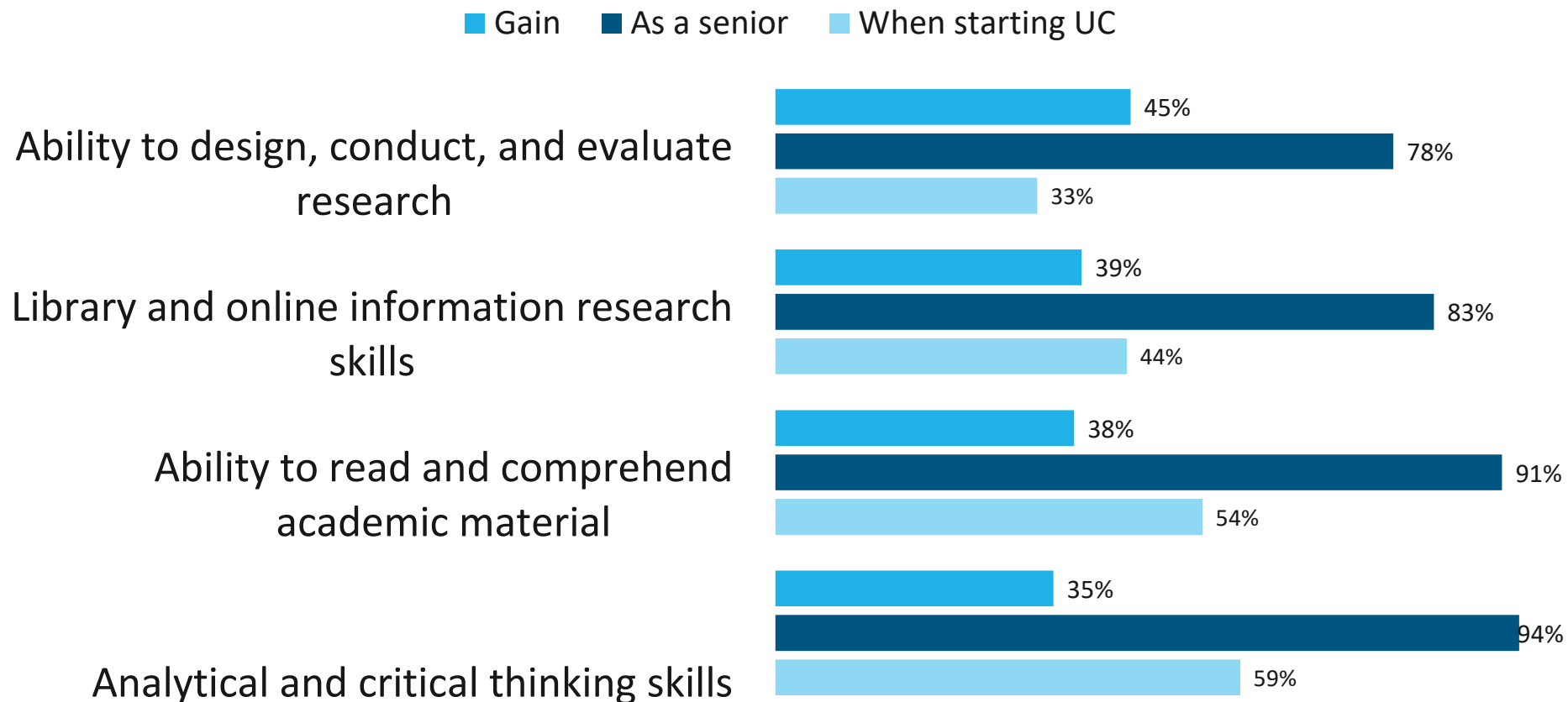
UCUES data show large gains for UC seniors in understanding social and identity issues:



Personal well-being value of a UC degree

21st century skill development

UC seniors also report large gains in 21st century skills



Personal well-being value of a UC degree

Health and information literacy

- Information literacy and research skills
 - UCUES data show large gains for UC seniors in their ability to conduct and evaluate research
 - Information research skills and analytical thinking
- Health information literacy
 - College degree earners are more likely to source health information from written sources

Personal well-being value of a UC degree

Stability, job security, life outcomes

- Job security (including during COVID-19), and job satisfaction
 - Unemployment was nearly twice as high for non-college-graduates, both pre-COVID and a few months into COVID
- Happiness and life satisfaction
 - General Social Survey data show that even controlling for income, degree earners report higher levels of happiness and life satisfaction

We used an array of data sources in each quadrant

	Public	Personal
Economic	<ul style="list-style-type: none">• California Employment Development Department• California Department of Consumer Affairs• Collegiate Leaders in Increasing MoBility (CLIMB) research group	<ul style="list-style-type: none">• California Employment Development Department• LinkedIn profile data• National Student Clearinghouse
Well-Being	<ul style="list-style-type: none">• California Department of Education• California Secretary of State• Leadership Directory	<ul style="list-style-type: none">• Collegiate Leaders in Increasing MoBility (CLIMB) research group• PitchBook• National Student Clearinghouse• UC Undergraduate Experience Survey• UC PhD. Alumni Survey

Interactive Activity

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- Of the areas we covered today, which area or idea are you most excited to pursue for your institution?
- Who would you see as potential audiences for data like this for you institution?

Limitations

- Equity considerations
- Timing of data collection
- Limited data on non-college-goers
- Lack of causal analysis

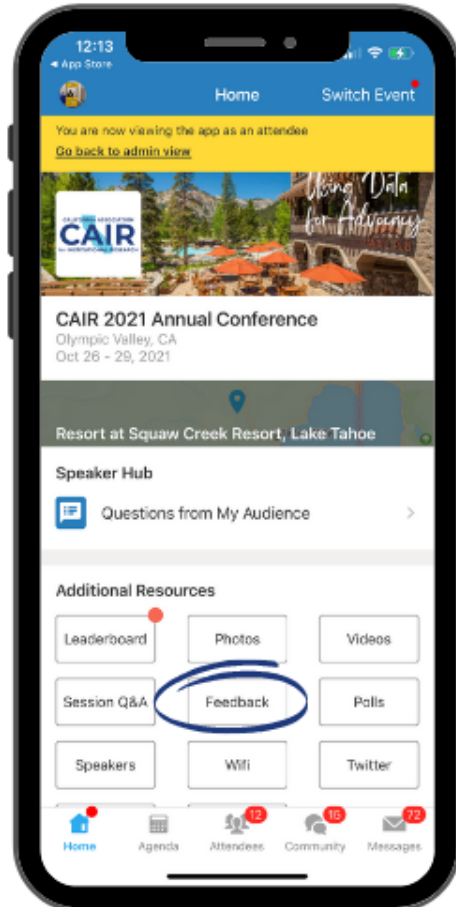
Recommendations

- Read our report: ucal.us/valueofdegree
- Go do it! Continue these conversations on your campus about measuring value of a degree for your institutions graduates.
- Share what you learn with others: We would like to hear more about the ways you are using data to measure value. (CAIR 2022)

Contributors and Sponsors

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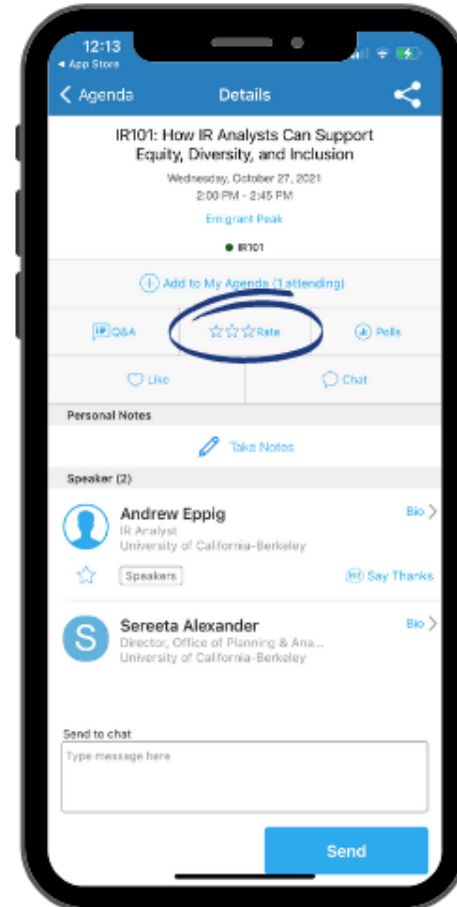
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What is the one word or phrase that comes to mind when you think about the value of a degree?



Of the areas we covered today, which area or idea are you most excited to pursue for your institution?

Contributions to economy

Public good

Public serving professions

Social knowledge

Public well-being

California EDD

Public service

Economic mobility

Civic engagement

Who would you see as potential audiences for data like this for you institution?

