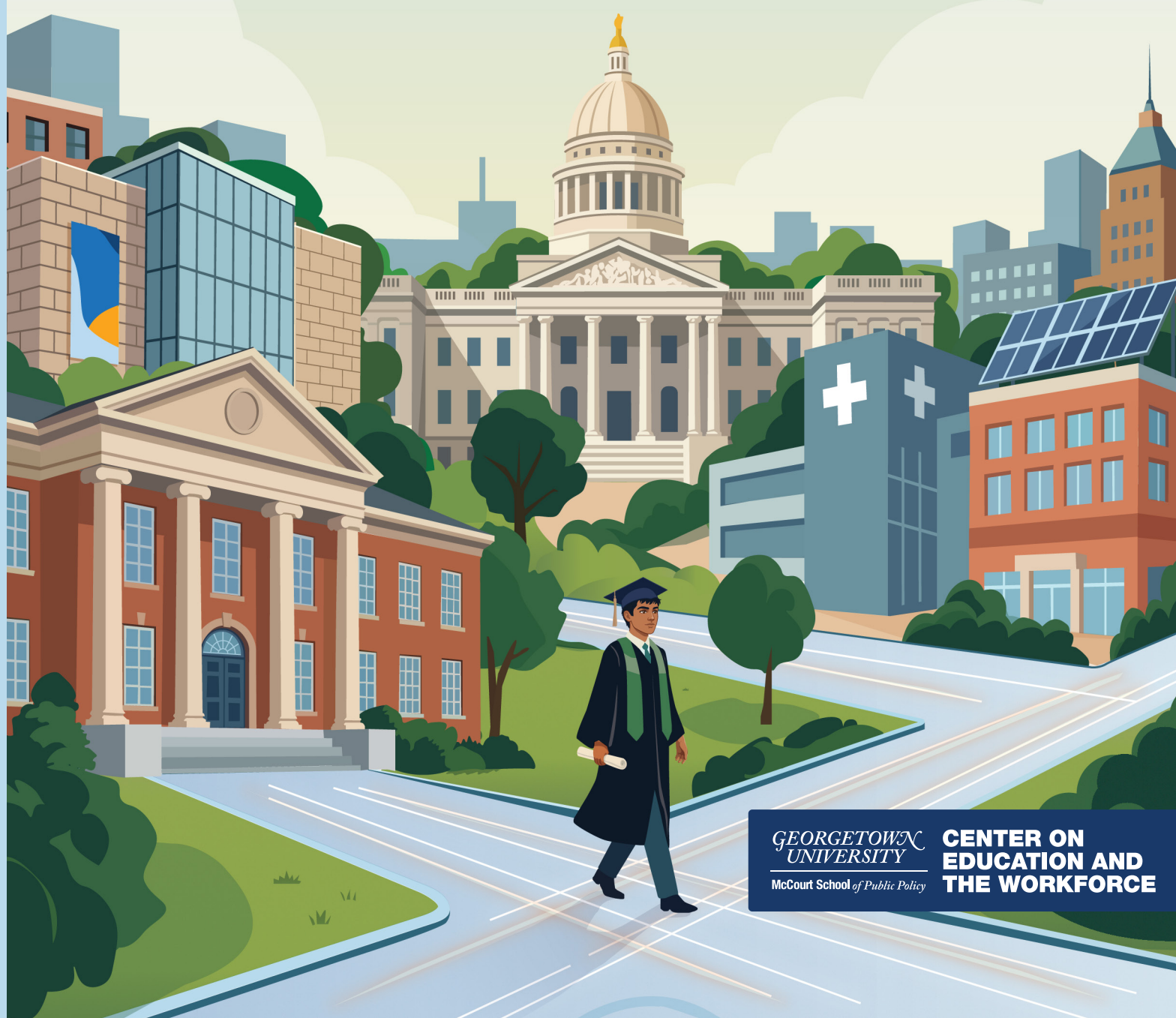


Executive Summary of the Postsecondary Value Series

Postsecondary Educational Value

Why It Matters, Who Is Measuring It,
and Where We Go Now



GEORGETOWN
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CENTER ON
EDUCATION AND
THE WORKFORCE



Postsecondary Educational Value

Why It Matters, Who Is Measuring It,
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US postsecondary education and training have long been valuable assets to the country and to individuals.

From the early days of the republic, American colleges and universities have conveyed skills that are foundational to our democracy. As the centuries have rolled on, these institutions have evolved to become equally vital to the US economy, undergoing a transformation in the 19th century to become drivers of American innovation and industry. Through key legislation and investments—such as the two Morrill Acts, the GI Bill, and the Pell Grant program—policymakers have opened the doors of higher education to increasing numbers of students. Following World War II and the Civil Rights Act, enrollment in college grew rapidly with the recognition that American postsecondary education and training offer a ticket to a better life.

Today, a college degree remains the surest pathway to economic security. Economic projections suggest that workers will need more education, not less, to thrive in the labor market of the future. Higher levels of education correspond with higher earnings for workers, which translate to public gains such as higher tax revenues and less reliance on public services. Higher levels of education are also associated with a host of nonmonetary benefits, including greater well-being and more civic engagement. Across many monetary and nonmonetary dimensions, postsecondary education and training have significant value for individuals and society.

And yet, our postsecondary institutions are facing a crisis of confidence.

Concerned about college costs and the content of the curriculum—and unsettled by growing doubts that postsecondary education prepares students for work—Americans no longer fully trust colleges and universities to teach the right things well and at a reasonable cost. The advent of artificial intelligence (AI) and its feared impact on the workplace have only heightened these concerns, leaving education and training providers under pressure to adapt to rapidly evolving technologies.

Individual students are prudent to exercise a degree of caution about postsecondary education. College can be expensive, and not all educational pathways provide the same level of access to economic opportunity. Students who take out large loans to fund their degrees, certificates, and other credentials may find that their investment doesn't yield an adequate monetary payoff, and they may face financial precarity as a result. Some graduates may find themselves struggling to land their first job after completing a degree, or they may end up employed in a role that doesn't use their college-level skills.

Policymakers realize that they need to protect students from poor financial outcomes, so many states and philanthropic organizations are working to define “credentials of value” according to monetary metrics. Additionally, federal and state governments are developing policies to hold institutions

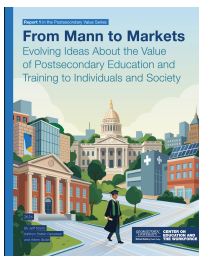
accountable for producing credentials that meet earnings or return-on-investment (ROI) benchmarks. These efforts recognize that Americans want—and deserve—to know that they are likely to benefit from their investments in postsecondary education.

At the same time, regulatory efforts focused on credentials of value don't capture the full value of postsecondary education and training. For a more complete assessment, we need to develop an approach that incorporates higher education's many nonmonetary benefits.

This series of reports helps make sense of the complex challenge of conceptualizing and measuring postsecondary value.

The public conversation about postsecondary value spans multiple points of view. Students and their families want to know that their investments in college will pay off. State policymakers want to know that public funding for education is put to good use. Educators and education advocates want to ensure that decision-makers recognize the complete value—monetary and nonmonetary—that postsecondary education and training provide. A more robust approach to assessing postsecondary value will need to grapple with multiple perspectives on what education offers to both individuals and society.

In this report series, the Georgetown University Center on Education and the Workforce explores the measurement of postsecondary educational value. Across three reports, we examine what various stakeholder groups expect postsecondary education and training to do, how these groups measure the outcomes of postsecondary education and training, and what changes in policy and practice need to happen next to ensure that postsecondary education delivers on its full potential as both a private and public good. The reports speak to different but overlapping audiences with their own interests and aims. In the following sections, we describe each report's purpose and which stakeholder groups would most benefit from reading that report.



From Mann to Markets: Evolving Ideas About the Value of Postsecondary Education and Training to Individuals and Society, the first report in the series, examines the historical and philosophical developments that have led policymakers and the public to focus on earnings and ROI as the primary measures of postsecondary education and training success. Written for a general audience of interested readers, the report traces the arc of evolving perspectives on the purposes of education, from the whole-person model of earlier eras to the

human capital model that emerged in the mid-20th century and continues to dominate the conversation about postsecondary outcomes today.

Early in the country's history, policymakers advocated for education because they believed that an educated electorate was essential to democracy.¹ But as the United States evolved into the global economic powerhouse it is today, the role of postsecondary education and training transformed as well. Technological change accelerated the demand for higher-level skills in the labor market, making education after high school more valuable to workers. Consequently, students and workers increasingly expected education to lead to economic security.

In the late 1950s and early 1960s, economists began to quantify the economic benefits of education through the human capital model.² This model describes education as building the knowledge and skills that workers can use to enhance productivity and attain higher earnings in the labor market. Although it was an important advancement in the field, the model represents only a partial accounting of education's value. In its original form, the human capital model glosses over education's many nonmonetary outcomes and downplays the influence of factors beyond education, such as social capital, prevailing wages, and discrimination in education and the labor market.

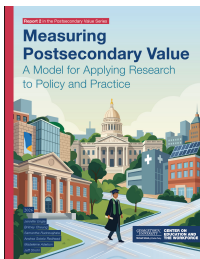
Despite these limitations, the human capital model's emphasis on monetary outcomes over nonmonetary outcomes made sense in light of education's growing role in preparing students to enter the workforce—and the substantial costs of education. This emphasis was also logical given that earnings and costs are much easier to measure than more nebulous outcomes such as empowerment, well-being, and democratic engagement. Today, just as when the human capital model was created, it is sensible for discussions about postsecondary value to focus on monetary metrics. Indeed, monetary outcomes are both a crucial baseline for holding programs and institutions accountable and a central component of the value that programs and institutions create for individuals and society. And yet, we would be far poorer as a society without higher education's nonmonetary contributions. A more complete measure of value would account for those nonmonetary benefits as well.

While a full accounting of postsecondary value that couples monetary measures with nonmonetary metrics has proven elusive thus far, a potential path forward exists through developments in the field of economics. The production function—used by economists to express the theoretical and empirical relationships between economic inputs and outputs—offers a potential way of considering the monetary and nonmonetary impacts of postsecondary education. While scholars have already applied this framework to educational contexts, most commonly in the K–12 system, it can be extended to measure the production

1 It is worth noting that the founders had a narrow view of who should be allowed to participate in the electorate; full voting rights were not available to all adult citizens until the 20th century.

2 Economists Theodore W. Schultz, Jacob Mincer, and Gary Becker articulated an approach to measuring the value of education that recognized education as an investment in the skills of the individual, resulting in the creation of human capital. Mincer's approach to estimating the earnings returns on education remains standard today.

of value in postsecondary contexts. By considering the production of educational value as a set of relationships between inputs and outputs, policymakers could use these connections to identify potential levers for improvement. With further development, a postsecondary value model based on an education production function could both account more completely for the many elements of postsecondary value and point to mechanisms for maximizing human empowerment.



The second report in the series, *Measuring Postsecondary Value: A Model for Applying Research to Policy and Practice*, builds out a postsecondary value model for an audience of policymakers, administrators, practitioners, and researchers interested in the approaches to measuring postsecondary value that have evolved over the past decade. It summarizes and builds on work by leaders in the field who have created a plethora of metrics for assessing educational value, and it helps the audience navigate these metrics as well.

This report uses a conceptual version of the education production function to organize the metrics for assessing postsecondary value into categories that generally align with educational inputs (e.g., investments) and outputs (e.g., credentials) that contribute to value-related outcomes (e.g., employment, earnings, wealth, and well-being). The resulting Postsecondary Value Model offers a useful framework to help leaders identify and understand key metrics that can be used to measure whether and how investments in postsecondary education support the production of credentials that lead to monetary and nonmonetary value for both students and society.

Drawing on research in the field, the model includes the following categories:

- **Investment:** Are personal, public, and private investments sufficient to support broad participation in postsecondary education and training systems?
- **Education:** Are postsecondary education and training systems producing enough skilled graduates to meet attainment goals?
- **Employment:** Are postsecondary education and training credentials appropriately aligned with workforce needs to support graduates' transitions into quality jobs and career pathways?
- **Earnings:** Are postsecondary education and training credentials providing sufficient economic benefit to graduates to justify private and public investments?
- **Wealth:** Are postsecondary education and training credentials enabling graduates to accumulate assets that contribute to personal and public wealth?
- **Well-being:** Are postsecondary education and training credentials improving the quality of graduates' lives and communities?

Table 1 provides a summary of the Postsecondary Value Model. With a special focus on ROI metrics, the report briefly reviews the related research on these metrics, points to resources and data sources to define them, and identifies areas where better data systems are needed to improve how we measure postsecondary value.

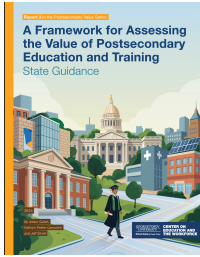
TABLE 1. The Postsecondary Value Model

Inputs	Outputs	Primary outcomes		Secondary outcomes	
Investment	Education	Employment	Earnings	Wealth	Well-being
Cumulative net costs and debt	Access ratio	Job placement rate	Return on investment	Student loan repayment	Quality of life
Institutional expenditures	Success rate	Job benefits	Earnings growth	Savings and retirement	Physical and mental health
State expenditures	Graduate education rate	Job advancement	Earnings sufficiency	Homeownership	Social capital
Federal expenditures	Skills and competencies	Job engagement	Earnings premium	Net worth	Charitable activities
Private subsidies	Attainment rate	Workforce alignment	Economic mobility rate	Public economic benefits	Civic engagement

The report aims to help stakeholders select the metrics that are most relevant to their use cases and audiences:

- transparency for students and workers
- improvement for practitioners
- accountability for leaders
- policy and funding for policymakers
- workforce development for employers
- case-making for the public

The report concludes by detailing the next phase of work to identify, implement, and evaluate how to increase the value of postsecondary credentials. To improve student outcomes, leaders of states, institutions, and programs need to understand how their education systems perform not only on value metrics such as ROI but also on the underlying factors that drive these outcomes. With this information, leaders can identify which policy or practice levers they could pull to increase postsecondary value.



The third report in the series, *A Framework for Assessing the Value of Postsecondary Education and Training: State Guidance*, offers practical direction to policymakers, policy analysts, researchers, and practitioners at the state level to help them define and measure postsecondary value. The report provides specific technical guidance related to two major use cases:

- assessing the overall value of investments in postsecondary education and training (see Table 2 on pages 8–11)
- ensuring transparency and accountability for postsecondary institutions and programs (see Table 3 on pages 11–12)

We focus the framework on these use cases because they are at the forefront of many state policymakers' minds. Policymakers must make informed decisions about public investments in postsecondary education and be able to justify those decisions to the public. They must also align their efforts with recent federal legislation intended to hold postsecondary providers accountable for students' economic outcomes. As of summer 2026, the "Do No Harm" federal accountability standard requires program completers to earn at least as much as the median for comparable workers with a lower level of educational attainment by four years after graduation.³ Students in programs that fail the accountability test will lose access to federal loans.

States will need to treat this new federal accountability standard as the baseline for compliance, but some may decide to supplement it with state-specific accountability policies. For example, by eliminating the debt-to-earnings test that was part of earlier regulations,⁴ the federal government has largely disregarded the impact of student debt in accountability considerations, even as it implements new caps on federal loans. A more comprehensive framework would consider the program costs and acquired debt of program completers and noncompleters in relation to their earnings, but such an approach would require many states to enhance their data systems so policymakers can better understand outcomes for completers and noncompleters alike.

This report offers guidance and tools for state leaders to define and measure value while balancing the impact of new federal rules as well as state and other initiatives on credentials of value. It suggests a logic for employing various metrics; outlines related calculations, specifications, and

3 For undergraduate programs, the comparable worker is one with a high school diploma; for graduate programs, the comparable worker is one with a bachelor's degree. Earnings for the comparable worker are based on the median earnings for workers ages 25–34 at each level of education. For more details about these comparisons, see *A Framework for Assessing the Value of Postsecondary Education and Training*.

4 This test was included in the 2023 Financial Value Transparency and Gainful Employment regulations but was dropped from the 2026 Accountability in Higher Education and Access Through Demand-Driven Workforce Pell: Student Tuition and Transparency System (STATS) and Earnings Accountability rule.

considerations; and points to potential data sources. The report also discusses limitations in the currently available data that may prompt state policymakers to invest in their states’ data infrastructure. Finally, it explores topics that complicate postsecondary value assessment—for example, how to evaluate outcomes for jobs in which workers have low salaries but make invaluable contributions to society and how to consider nonmonetary contributions that institutions make in their communities.



Taken together, these three reports offer a comprehensive overview of the challenges associated with measuring postsecondary value—and the many scenarios in which such measurement is not only useful, but necessary. Through analysis and synthesis of the value metrics currently in use, these reports provide evidence-based recommendations to better measure and enhance the value of education and training moving forward. They also offer detailed recommendations for specific use cases, including justification for public investments and accountability at the state level. Whether these reports are used to improve state data collection systems or program outcomes, we intend for them to serve as a road map to further strengthen the US postsecondary system—which plays a crucial role in both our economy and our democracy.

TABLE 2. State Postsecondary Value Framework: Dimensions and Metrics for Case-Making

Dimension of value	Major metrics and components	Data sources	Considerations and recommendations
Aggregate monetary returns	Individual lifetime monetary returns	Statewide longitudinal data systems (SLDS)/Postsecondary student unit record systems (PSURS)	Evaluate or model outcomes across a 40-year career
	• Lifetime post-tax earnings gains relative to workers with a lower education level	American Community Survey (ACS)	Use workers ages 25–64 who are in the labor force and not enrolled in an academic program as the primary analysis group
	• Total cumulative costs (net direct educational costs, including tuition and fees <i>minus</i> grants, books, equipment, and supplies; opportunity costs; and interest on debt)	Current Population Survey (CPS)	Exclude living costs during postsecondary education and training from considerations of educational costs
		National Training, Education, and Workforce Survey (NTEWS)	
		Integrated Postsecondary Education Data System (IPEDS)	Adjust net direct and opportunity costs by the percentage of full-time-equivalent students
		National Postsecondary Student Aid Study (NPSAS)	Weight interest rate costs by share with loans and adjust for inflation

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Dimension of value	Major metrics and components	Data sources	Considerations and recommendations
Fringe benefits	Share with employer-provided healthcare coverage Share with employer-sponsored retirement plan	National Compensation Survey Current Population Survey Annual Social and Economic Supplement (CPS-ASEC) State data sources	Data on paid leave, holidays, life and disability insurance, educational and professional discounts, wellness programs, and other less-common benefits may be difficult to source, as the availability of such data is limited (especially at the state level) Use National Compensation Survey data to examine fringe benefits as a share of total compensation by earnings levels
Employment stability and enhanced career navigation	Year-over-year employment Full-time, full-year (FTFY) employment Occupational change	Statewide longitudinal data systems (SLDS) Current Population Survey (CPS) Job Tenure Supplement and Annual Social and Economic Supplement (ASEC) Brookings Institution's Mobility Pathways tool Résumé and job postings data (from National Labor Exchange and vendors such as Lightcast, Chmura Economics & Analytics, or LinkedIn)	Use quarters with positive earnings and earnings above a set threshold in unemployment insurance (UI) wage records Enhance UI wage records, including by adding work hours and occupation
Individual nonmonetary benefits	During program enrollment: - access to extracurricular activities and support services - access to social networks - college amenities Long-term: - health - self-esteem - social capital - happiness - well-being	American Community Survey (ACS) Current Population Survey (CPS) Alumni surveys State data sources	Apply findings from literature and surveys on differences by education level to the educational distribution of state residents

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Dimension of value	Major metrics and components	Data sources	Considerations and recommendations
Broad economic benefits to the state	Public economic benefits (including higher tax revenue, consumption spillovers, productivity spillovers, and less reliance on public supports)	State tax rates	Estimate costs and benefits to the state annually
	<i>minus</i>	State budget outlays	Use a conservative multiplier of 1.1 to estimate consumption spillovers
		American Community Survey (ACS)	
	Costs of state investments in postsecondary education (including appropriations, grants and scholarships, infrastructure investments, and workforce development support)	Current Population Survey Annual Social and Economic Supplement (CPS-ASEC)	Use tools such as IMPLAN in consultation with state economic and workforce development professionals to conduct long-term cost-benefit analysis
		Survey of Income and Program Participation (SIPP)	
Qualified talent that meets employer demand		State consumer spending	
		State gross domestic product (GDP)	
	Credential production	Statewide longitudinal data systems (SLDS)	The CIP-SOC Crosswalk offers a starting point for connecting occupations to fields of study but has significant limitations
	Projections of job demand (by industry, occupation, and education)	American Community Survey (ACS)	
	In-field employment	Integrated Postsecondary Education Data System (IPEDS)	
		Job postings data (from National Labor Exchange and vendors such as Lightcast, Chmura Economics & Analytics, or LinkedIn)	
Civic and social benefits	Civic engagement	Current Population Survey (CPS) supplements on Civic Engagement and Volunteering and on Voting and Registration	Apply findings from literature and analysis of surveys with regard to differences by education level to education distribution of state residents
	Public health		
	Philanthropy and volunteerism	General Social Survey (GSS)	
	Lower crime rates	Baccalaureate and Beyond (B&B) Longitudinal Study	
	Greater trust and cohesion within communities	National Survey of Student Engagement (NSSE) Civic Engagement Topical Module	
		Gallup and Pew Research Center surveys	
		State data sources	

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Dimension of value	Major metrics and components	Data sources	Considerations and recommendations
Equity considerations	Data disaggregation by - gender - race/ethnicity - socioeconomic background - geography (urban v. rural) - disability status	Statewide longitudinal data systems (SLDS)/Postsecondary student unit record systems (PSURS)	Explore privacy-protected ways to interconnect state tax records to SLDS data
	Adequacy thresholds	American Community Survey (ACS)	
	Gaps in - access - completion - economic returns	Current Population Survey (CPS)	
	Intergenerational economic mobility	Integrated Postsecondary Education Data System (IPEDS)	
		National Postsecondary Student Aid Study (NPSAS)	
		Intergenerational mobility data from Opportunity Insights	

TABLE 3. State Postsecondary Value Framework: Dimensions and Metrics for Transparency and Accountability

Dimension of value	Major metrics and components	Data sources	Considerations and recommendations
Monetary returns	Institutional return on investment and program return on investment (ROI)	Statewide longitudinal data systems (SLDS)/Postsecondary student unit record systems (PSURS)	For the evaluation period, use 10 years post-exit or 15 years post-initial enrollment
	- Total net cumulative earnings gains - Total net cumulative costs (net direct costs, opportunity costs, and interest on debt)	American Community Survey (ACS)	For noncompleters, use the last declared major at the time of exit for program assignment
		Current Population Survey (CPS)	For the main analysis group, use former students, in the labor force, not enrolled
		Integrated Postsecondary Education Data System (IPEDS)	Living costs should be excluded
		College Scorecard	Adjust net direct and opportunity costs by the percentage of full-time-equivalent students
		National Postsecondary Student Aid Study (NPSAS)	Weight interest rate costs by share with loans and adjust for inflation

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Dimension of value	Major metrics and components	Data sources	Considerations and recommendations
Ability to repay	Debt to earnings (DTE)	Statewide longitudinal data systems (SLDS)/Postsecondary student unit record systems (PSURS)	Use no more than 20 percent of discretionary income as the affordability threshold for student loan payments
	- Annual student loan payments - Annual discretionary income (of student borrowers)	Integrated Postsecondary Education Data System (IPEDS)	Use earnings of unenrolled student borrowers four years after program exit for debt-to-earnings metric calculation
		College Scorecard	
		Massachusetts Institute of Technology (MIT) Living Wage Calculator	
Success indicators		University of Washington (UW) Self-Sufficiency Standard	
	Completion rates	Postsecondary student unit record systems (PSURS)	Use completion rates within 150 percent of normal time (typical time for full-time students to complete all credential requirements)
	Rates of transfer to four-year institutions	Integrated Postsecondary Education Data System (IPEDS)	
	Time to completion	National Student Clearinghouse data	It may not be feasible to assess program completion and time to completion for specific undergraduate degree programs
	License and certification pass rates	Data from third-party credential providers and state agencies	
		Self-reported student data	Transfer is the responsibility of the whole system, including four-year colleges and universities

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