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

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Office of the President

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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

Public economic value of a college degree

Personal economic value of a college degree

Public well-being value of a college degree

Personal well-being value of a college degree

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.”

“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.”

“Being able to advocate for myself.”

“Shopping in drug stores, understanding drug labels, from taking Chemistry courses.”
We reviewed literature on the value of college

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

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

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

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

**Well-Being**
- 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

**Public Well-Being**
- Personal Economic
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

![Graph showing earnings progression](image)

Graduate Degree Median Earnings in CA (Age 25 and over)
- 2 years: $66,858
- 3 years: $71,038
- 5 years: $98,049
- 9 years: $104,031
- 11 years: $118,239

Bachelor’s Degree Median Earnings in CA (Age 25 and over)
- 2 years: $43,405
- 3 years: $66,885
- 5 years: $87,716

High School Graduate Median Earnings in CA (Age 25 and over)
- 2 years: $39,787

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

Sources: UC Student Data Files, CLIMB Initiative data
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

Source: CLIMB Initiative data
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

Source: CLIMB Initiative data
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
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

<table>
<thead>
<tr>
<th>Skill</th>
<th>Gain</th>
<th>As a senior</th>
<th>When starting UC</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ability to design, conduct, and evaluate research</td>
<td></td>
<td>45%</td>
<td>78%</td>
</tr>
<tr>
<td>Library and online information research skills</td>
<td></td>
<td>39%</td>
<td>83%</td>
</tr>
<tr>
<td>Ability to read and comprehend academic material</td>
<td></td>
<td>38%</td>
<td>91%</td>
</tr>
<tr>
<td>Analytical and critical thinking skills</td>
<td></td>
<td>35%</td>
<td>94%</td>
</tr>
</tbody>
</table>
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**
- California Employment Development Department
- California Department of Consumer Affairs
- Collegiate Leaders in Increasing MoBility (CLIMB) research group

**Personal**
- California Employment Development Department
- LinkedIn profile data
- National Student Clearinghouse

**Economic**
- California Department of Education
- California Secretary of State
- Leadership Directory

**Well-Being**
- Collegiate Leaders in Increasing MoBility (CLIMB) research group
- PitchBook
- National Student Clearinghouse
- UC Undergraduate Experience Survey
- UC PhD. Alumni Survey
Interactive Activity

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

- Salary
- Better job
- Upward mobility
- Earning potential
- Social intelligence
- Learning
- Economic Mobility
- Employment
- Respect
- Money
- Social Advantage
- Generational Wealth
- Earning enough after graduation
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 your institution?

- Community partners
- Program review
- State Legislators
- Outreach Programs
- The public and policy makers
- Students
- Faculty
- Prospective Students
- Parents
- BOT for more funding!