

Exploring Opportunities to Measure Credentials of Value

David R. Troutman, Ph.D.
Chief Data Officer and
Associate Vice Chancellor for Institutional Research
University of Texas System



THE UNIVERSITY of TEXAS SYSTEM
THIRTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

Decline in Positive Ratings of College (Gallup Survey, 2019)

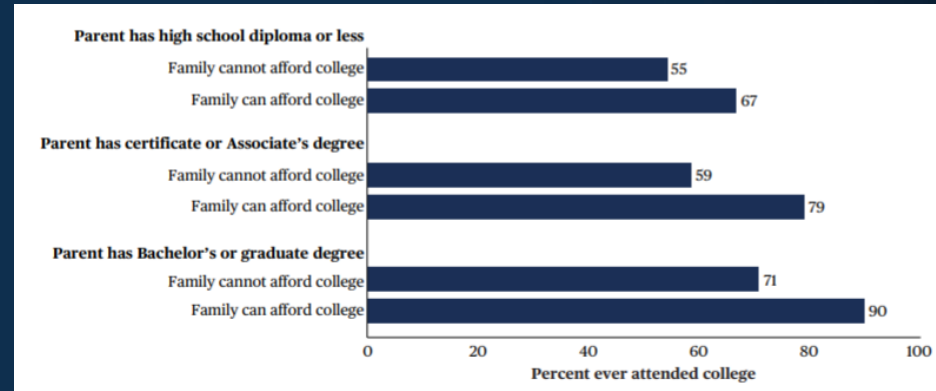
- In 2019, 51% of U.S. adults believe a college education is very important compared to 70% in 2013.
- In 2019, only 41% of young adults (ages 18-29) believe a college education is very important compared to 74% in 2013.



Perceptions of College Affordability

- High school students and parents often overestimate the cost of tuition and fees (National Center for Education Statistics—NCES, 2018)
- Eleventh graders who agreed with the statement “even if you get accepted to college, your family cannot afford to send you” Only 38% of those students were found enrolled in college after high school (NCES, 2022)

Figure 1. College attendance by 2016 for the high school Class of 2013, by their views of college affordability and highest level of parent education in 2012



Media Headlines on Student Loan Debt

- \$1.7 trillion in student loan debt
- Google search using “student loan debt”
 - “Meet a first-generation college grad with \$250,000 in student debt” Business Insider
 - “Crushing student loan debt prompts parents to postpone their retirement” NBC News
 - “36% of US millennials say student loan debt prevents homeownership” Business Insider
 - “Who wants to solve the student loan crisis?” Wall Street Journal
- Perceptions vs. Reality



MEASURING CREDENTIALS OF VALUE



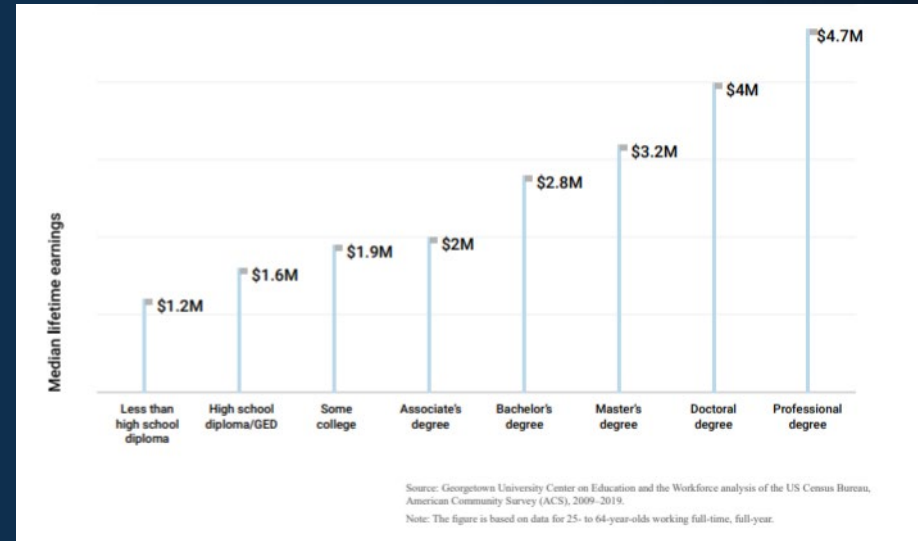
Measuring Credentials of Value using Earnings Data

- Department of Education's College Scorecard
 - Dashboard reporting earnings outcomes at the program of study
- Chetty's Opportunity Insights
 - Mobility rates—percent of students from low-income families and achieve economic success
- Postsecondary Employment Outcomes—US Census
 - Match earnings and educational data to produce median earnings
 - 20 states participate in the effort (including Texas/THECB)
- Postsecondary Value Commission Bill and Melinda Gates Foundation
 - Equitable Value Explorer establishing earnings thresholds based on American Community Survey

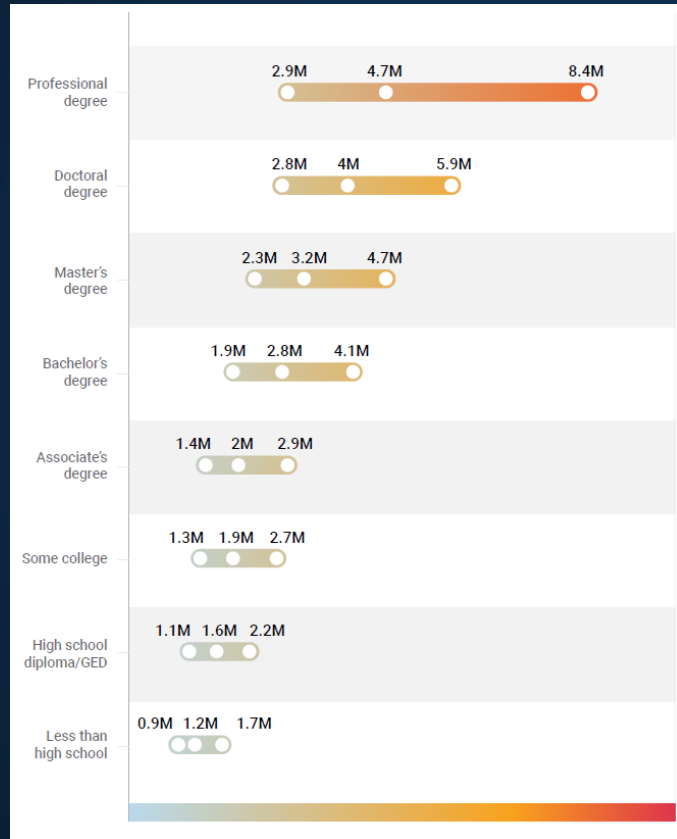


Lifetime Earnings by Level of Education

- Georgetown University's Center on Education and the Workforce recent report demonstrates the median lifetime earnings by credential

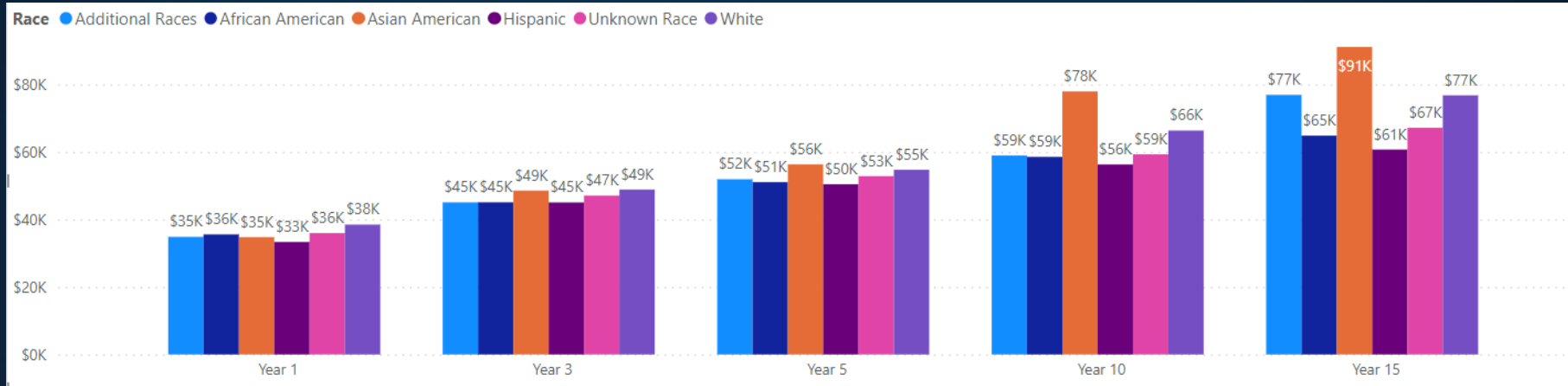


Factors Impacting Differences in Lifetime Earnings



- Workforce needs
- Cost of living
- Major
- Occupational salaries
- Gender
- Race/ethnicity
- Additional credentials obtained

Earnings Differences by Race/Ethnicity



Working within Texas Industries

- Differences in the share of women, men, underrepresented minorities, and non-underrepresented minorities working within industries 1- and 10-years after graduation

Industry	1st Year				10th Year			
	Female	Male	URM	Non-URM	Female	Male	URM	Non-URM
Accommodation and Food Services	3%	4%	3%	5%	1%	2%	1%	2%
Administrative and Support and Waste Management and Remediation Services	5%	7%	6%	7%	4%	6%	4%	6%
Agriculture, Forestry, Fishing and Hunting	0%	<1%	<1%	<1%	0%	<1%	0%	<1%
Arts, Entertainment, and Recreation	1%	1%	1%	1%	1%	1%	<1%	1%
Construction	1%	3%	2%	2%	1%	3%	2%	2%
Educational Services	32%	16%	31%	18%	43%	21%	44%	23%
Finance and Insurance	8%	10%	8%	9%	8%	10%	8%	10%
Health Care and Social Assistance	18%	6%	14%	12%	14%	6%	11%	10%
Information	3%	4%	3%	4%	2%	4%	2%	3%
Management of Companies and Enterprises	1%	1%	<1%	1%	1%	1%	1%	1%
Manufacturing	2%	7%	3%	6%	3%	8%	3%	6%
Mining, Quarrying, and Oil and Gas Extraction	1%	2%	1%	2%	1%	3%	1%	2%
Other Services (except Public Administration)	1%	1%	1%	2%	1%	1%	1%	2%
Professional, Scientific, and Technical Services	8%	14%	7%	14%	7%	13%	6%	14%
Public Administration	4%	4%	5%	3%	5%	6%	6%	4%
Real Estate and Rental and Leasing	2%	2%	1%	2%	1%	1%	1%	2%
Retail Trade	7%	9%	8%	7%	3%	5%	3%	5%
Transportation and Warehousing	1%	2%	1%	1%	1%	2%	1%	2%
Unknown	1%	1%	1%	1%	<1%	<1%	<1%	<1%
Utilities	<1%	1%	<1%	1%	1%	1%	1%	1%
Wholesale Trade	3%	5%	3%	5%	3%	7%	3%	6%
All	100%	100%	100%	100%	100%	100%	100%	100%



Placing Education Benefits and Costs in Context

- Great opportunity to highlight credentials of values using earnings data
 - Texas has some of the most comprehensive data in the nation
 - Linking THECB and Texas Workforce Commission data
 - Use the data to highlight students' investments in higher education and the return on those investments



Current 60x30 Student Debt Goal

- By 2030, undergraduate student loan debt will not exceed 60 percent of first-year wages for graduates of Texas public institutions



Metric: Percent of No Debt and Manageable Debt

- Ratio of the monthly loan payment to monthly gross earnings
 - Loan repayment based on 10 years at 5% interest
- 10% Threshold is “manageable”
 - U.S. Consumer Financial Protection Bureau
- The % of students who have
 - no debt,
 - manageable debt (below the threshold), and
 - unmanageable debt (exceed the threshold)



Possible Limitations when using this metric

- This metric requires reported earnings
- There are various reasons for there to be no earnings
 - Graduated but pursuing additional credentials
 - Self-employed
 - Employed in occupations not reported (USPS, military, etc)
 - Out of state/out of the country
 - Out of work/unemployed
 - Not looking for work
- Cost of living differences
- Supply and demand impacts within a given region of the state



Actionable Opportunities

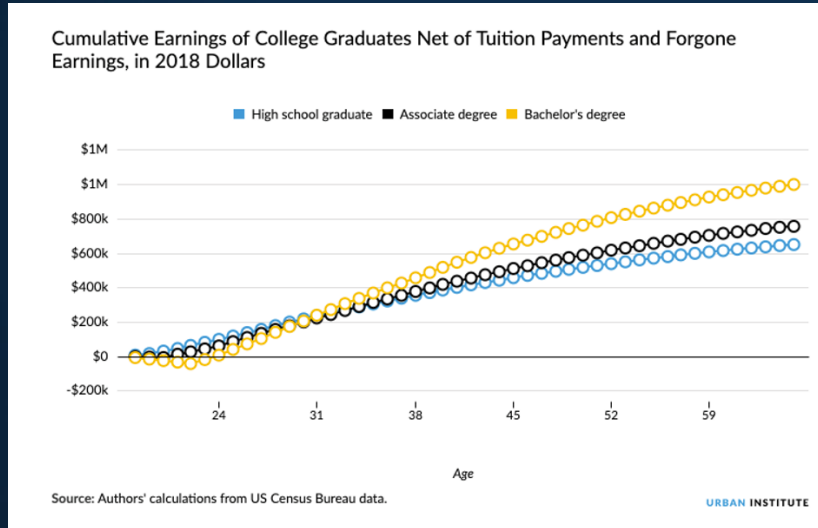
- Monitor debt levels
 - By institutional-type, program, and student demographics
- Strategic financial aid packaging
- Enhance the value of socially impactful credentials and occupations
 - Pre-K Teachers, K-12 Teachers, Social Workers, Healthcare Workers, Counselors, Artists, Musicians, and Urban Planners
- Explore opportunities to introduce micro-credentials that could increase value



Next Steps: Break-even Point and Thresholds

- Break-even Point

- Thresholds



- Comparing earnings by program against Texas residents' earnings by educational level



QUESTIONS

