Enhancing How We Measure Individual Colleges' Contributions to Economic Mobility

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About the Carnegie Classifications White Papers

The Carnegie Foundation for the Advancement of Teaching and the American Council on Education (ACE) partnered in February 2022 to reimagine the future of the Carnegie Classifications. As part of this collaboration, the Carnegie Foundation for the Advancement of Teaching and ACE are working to develop new and refined versions of the classifications that better reflect the public purpose, mission, focus, and impact of higher education.

An aspect of this work involves learning from experts about key topics that can inform future methodological and data decisions. The Carnegie Classifications White Papers series aims to contribute to the body of knowledge and research about the impact of the historic Basic Classification, areas of consideration for a new Social and Economic Mobility Classification, and the role of classification systems. The analyses and takeaways from these papers provide guidance for potential updates. All released white papers can be found at carnegieclassifications.acenet.edu.

Reimagining the Carnegie Classifications is made possible by a cohort of funders that are dedicated to utilizing the classifications to help postsecondary education advance students' social and economic mobility through learner-centered outcomes. Partners include ECMC Foundation, the Bill & Melinda Gates Foundation, Imaginable Futures, the Kresge Foundation, Lumina Foundation, Mellon Foundation, the Alfred P. Sloan Foundation, and Strada Education Foundation, as well as a donor who wishes to remain anonymous.

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Education has long been celebrated as the primary pathway to achieving upward mobility in the United States, and that idea holds some truth. In most cases today, college graduates not only outearn workers who have no more than a high school diploma, but they do so to a greater extent than at any point over the past century (Autor, Goldin, and Katz 2020). As a result, individuals holding a bachelor's degree experience a $1.2 million increase in median lifetime earnings compared to those with only a high school diploma, while associate's degree holders receive a $400,000 boost in median lifetime earnings (Carnevale, Cheah, and Wenzinger 2021).

While the potential returns provided by college education are large, the benefits and costs of pursuing a postsecondary degree vary widely. Economic outcomes diverge significantly across both institutions and fields of study (Carnevale et al. 2017; Cunha and Miller 2014). Furthermore, the financial cost of attending college ranges across institutions and has been rising steadily for decades (Ma and Pender 2022). Complicating matters further, the American higher education system is deeply stratified. Well-resourced institutions, which often yield the highest earnings returns, predominantly enroll students from privileged backgrounds. Meanwhile, underfunded institutions shoulder the responsibility of educating most students from historically underrepresented racial/ethnic and socioeconomic groups, many of whom encounter obstacles on the path to college and career success (Bastedo and Jaquette 2011; Posselt et al. 2012). Thus, while all colleges possess the potential to foster economic mobility, some institutions have proven more effective than others at fulfilling this crucial role in our society.

In the context of these high-stakes conditions, new data are available on post-college earnings for students at nearly every degree-granting institution in the United States. These data finally make it possible to measure the extent to which each college is providing solid economic returns to students and fostering economic mobility. A flurry of recent efforts has thus attempted to evaluate this important dimension of institutional performance.

This paper provides a brief overview of the methodologies employed by three organizations at the cutting edge of measuring colleges' contributions to fostering economic mobility: Opportunity Insights, Third Way, and the Georgetown University Center on Education and the Workforce. We (the authors are staff of the Georgetown University Center on Education and the Workforce) compare and contrast the data and approaches used by each organization to measure how much individual institutions contribute to economic mobility. Subsequently, we offer four recommendations aimed at improving the measurement of economic mobility in higher education using existing federal data:

1. **Measures of economic mobility should be disaggregated by demographic characteristics.** Educational and economic opportunities are circumscribed by race, class, and gender. Considering all of these factors would therefore provide more information about each college's facilitation of economic mobility for different groups of students. It would also shed light on each college's role in cultivating racial justice and gender equality. The most recent version of the U.S. Department of Education's College Scorecard disaggregates the median earnings of former students at each college by gender. That data should be included in future approaches to measuring colleges' contributions to fostering economic mobility.

2. **Attempts to assess institutions should incorporate multiple measures of economic mobility.** It is not uncommon for institutions to excel on one measure of economic mobility while underperforming on another, and no single metric captures the entirety of an institution's contribution to economic mobility. For example, 85 percent of four-year colleges fall in different performance groups (quintiles) across the economic mobility measures developed by Opportunity Insights, Third Way, and the Georgetown University Center on Education and the Workforce. The most complete picture of institutional performance will consider multiple measures.

3. **Measures of mobility should take into account each college's success in enrolling students from historically underrepresented groups relative to their representation in the potential pool of admissible students**. The access provided to students from historically underrepresented groups varies

across colleges, in part, because institutions serve different geographic areas and have different academic standards for admission. These factors influence the potential demographic and socioeconomic composition of each college's student body. For example, the Pell Grant eligibility rate among 18-to-39-year-olds without a college degree ranges from 55 percent or lower in 41 commuting zones to 65 percent or higher in 48 commuting zones across the more than 400 zones with at least one public community college. Institutions that serve areas with a lower proportion of admissible students from historically underrepresented groups should be held to a different standard of access than institutions that serve areas with a higher proportion of those individuals.

4. **Measures of economic mobility should account for where individuals work after college.** Living costs and wages diverge substantially across different parts of the country, and migration patterns after college vary across institutions. It is important to account for these differences when comparing one institution's performance to another; ignoring them misclassifies colleges into performance groupings. Using the U.S. Census Postsecondary Employment Outcomes dataset, we find that only half of colleges that fall in the middle (third quintile) of the 10-year earnings distribution among college graduates also fall in the middle of the distribution when the earnings measure is adjusted for the flow of graduates working in state and in each of the nine census divisions.

At the same time, federal data sources must also be augmented to improve the measurement of economic mobility in higher education. Specifically, we offer three recommendations for expanding the set of data that is collected:

1. **The next iteration of the U.S. Department of Education's College Scorecard should disaggregate earnings measures for each college by student race/ethnicity.** This should be possible thanks to demographic questions newly added to the Free Application for Federal Student Aid (FAFSA) in the 2023–24 award year.

2. **Future releases of the College Scorecard should also include cost-of-living-adjusted earnings metrics** to account for where individuals work after college.

3. For more detailed and comprehensive disaggregation of economic mobility measures for various student groups, **passage of the College Transparency Act by the U.S. Congress is crucial**. This act would enable the creation of a data network that connects individual-level data collected by various federal agencies, including by the U.S. Department of Education and Internal Revenue Service. Currently, such a network is prohibited under the Higher Education Act, making it challenging to assess how well institutions are serving different student populations.

Implementing these seven recommendations would provide a more accurate and comprehensive understanding of the extent to which each college and university is facilitating access to economic opportunity and collective prosperity in our society.

Different definitions and different data sources produce diverging assessments of colleges' contributions to fostering economic mobility

Economic mobility can be defined in many ways. As a result, efforts to measure the role of colleges in fostering economic mobility have taken different approaches using distinct metrics.

One notable approach was developed by Opportunity Insights, whose research team uses income tax return data linked to college attendance records at the individual level to calculate intergenerational mobility for 2,199 colleges or aggregate groupings of colleges within the same higher education system (Chetty et al. 2020). The Opportunity Insights team compares individuals' income percentile in their early 30s to the income percentile of their parents during the same individuals' adolescence. The researchers constructed a mobility rate for each college, which represents a combination of access granted to students from low-income families and these students' success

in achieving upward mobility. Specifically, the mobility rate measures the proportion of students who are from the bottom 20 percent of the parental income distribution and reach the top 20 percent of the income distribution in their early 30s.

One significant advantage of the Opportunity Insights approach is the use of detailed family income data to measure low-income student enrollment at each college. This approach overcomes several challenges associated with using the Pell Grant recipient rate as a proxy for low-income status: the fact that some students do not apply for financial aid; the fact that the income threshold for Pell Grant eligibility has increased over time; and the fact that Pell eligibility is determined by more than family income alone (Carns 2022; Delisle 2017). As a result of these limitations, Pell status is an imperfect proxy for low-income status; not all Pell Grant recipients are from low-income families, and some low-income students do not receive Pell aid. In contrast to proxying for low-income status using the Pell Grant recipient rate, individual tax return data allows for direct measurement of the proportion of students from low-income families that each college enrolls. However, using income tax data linked to college attendance requires access to restricted-use data from the U.S. Department of the Treasury; those data are available exclusively to the Opportunity Insights team.[1] In addition, due to tax-reporting limitations, the mobility rates constructed by Opportunity Insights are not available for all degree-granting institutions.[2] Finally, the intergenerational measure of economic mobility constructed by Opportunity Insights focuses primarily on traditional-age college students and does not account for the institution's performance in serving adult learners, who represent a substantial portion of today's undergraduates.[3]

The introduction of the publicly accessible College Scorecard dataset in 2015 has facilitated other approaches to measuring the role of colleges in fostering economic mobility. This dataset, maintained by the U.S. Department of Education, provides a wealth of information on institutional characteristics and outcomes for all colleges and universities participating in federal financial aid programs. The scorecard includes aggregate early-career earnings data for students who received federal financial aid during college.[4] The dataset reports the mean, median, 25th percentile, and 75th percentile of the earnings distribution at each college across various time spans, currently ranging from six to 10 years after students entered the institution.

Third Way has used the College Scorecard dataset and data from the U.S. Census Bureau's American Community Survey to construct a measure of economic mobility for 1,320 four-year institutions (Itzkowitz 2022). Similar to Opportunity Insights, Third Way combines measures of access and success to construct its metric but defines these measures differently. The Third Way researchers define access according to the Pell Grant recipient rate at each college, while they measure success by the estimated number of years it takes low-income students to recoup their total out-of-pocket cost of attendance. Specifically, Third Way calculates success as the ratio of the average net price paid by undergraduates from families with incomes of $30,000 or less to the earnings premium associated with attending the institution. The earnings premium represents the difference between the median 10-year earnings of students from families with incomes of $30,000 or less and the median earnings of all high school graduates ages 25–34 in the state where each institution draws most of its students.

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1   Although the individual-level data are not publicly accessible—and therefore cannot be reproduced, updated with more recent cohorts of students, or modified by others—the mobility rates and other aggregate economic outcomes calculated by the Opportunity Insights team are publicly accessible at **https://opportunityinsights.org/data**.

2   Institutions for which mobility rates are unavailable are instead assigned an average mobility rate across all colleges within the same higher education system—a proxy necessitated by how those systems report college attendance on federal tax documents. This affects more than 300 institutions, collectively enrolling nearly 20 percent of undergraduates in the Opportunity Insights data sample.

3   In spring 2022, 27 percent of undergraduates were age 25 or older (see National Student Clearinghouse 2023). Although the Opportunity Insights team constructed its mobility rates using samples that included only traditional-age students, the data used includes adult learners. Thus, it is theoretically possible to calculate mobility rates that include both traditional-age and adult learners using tax return data linked to college attendance records.

4   Although the College Scorecard data are limited to federal financial aid recipients, research shows that the median earnings of financial aid recipients is representative of the median earnings of all enrollees at most colleges (Looney 2017).

A key advantage of Third Way's approach is its sole reliance on publicly accessible data, allowing for easy modification and updates to the metrics over time. However, limitations in the scorecard data introduce the possibility for measurement error, potentially making the economic mobility estimates more informative for some colleges than for others. Notably, because the scorecard only reports earnings up to 10 years after students entered college, the dataset does not report outcomes over a long enough time horizon to accurately capture individuals' long-term earnings at all colleges. Thus, the earnings metrics reported in the scorecard do not fully capture the long-term return on investment (ROI) for certain institutions.[5] Using the Pell Grant recipient rate as a measure of access also introduces inconsistencies across colleges due to differences in the underlying income distribution of Pell Grant recipients across institutions and differences in the federal aid application rate among low-income students.

While these limitations are important, we consider the College Scorecard sufficiently useful for evaluating institutional performance in fostering economic mobility. Indeed, at the Georgetown University Center on Education and the Workforce, we have relied on the College Scorecard to estimate the ROI for low-income students at 3,410 less-than-two-year, two-year, and four-year institutions (Carnevale, Cheah, and Van Der Werf 2022). Like Third Way, we use each college's Pell Grant recipient rate as a proxy for low-income access. However, for our measure of success, we combine the graduation rate of Pell Grant recipients with an estimate of the ROI for low-income students. Our ROI measure estimates the net earnings for students from families with incomes of $30,000 or less over a 40-year timeframe after subtracting their total out-of-pocket cost of attendance.[6]

In summary, Opportunity Insights's approach stands out due to the organization's unique access to individual-level federal tax data, setting it apart from the approaches developed by Third Way and in our own work using publicly accessible datasets. However, there are also important differences between the measures of success developed by Third Way and us to evaluate the economic outcomes of low-income students. Whereas Third Way incorporates a measure of the college earnings premium into its approach, we do not. Additionally, unlike Third Way, we include multiple measures of success and estimate the earnings component of success across individuals' entire working lives.

Each of the three approaches has its strengths and limitations, and one is not inherently superior to the others since economic mobility can be defined and measured in many ways. Nevertheless, the underlying differences between the three can lead to very different conclusions about the relative performance of institutions in fostering economic mobility. For example, when using each of the three measures to categorize colleges into performance groups, only 6 percent of four-year institutions consistently fall within the same quintile, while 85 percent fall in different quintiles depending on the measure used (see Figure 1).[7] The differences in relative performance can be substantial. When comparing institutional performance across combinations of the three measures, we find differences in relative performance spanning two or more quintiles (equivalent to more than 20 percentile points) for over a quarter of colleges (see Figure 2). These findings emphasize the importance of incorporating multiple measures of economic mobility into any assessment system. Relying on a single measure carries the risk of mischaracterizing an institution's performance.

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5   The meaningfulness of scorecard data as an indicator of long-term ROI varies across institutions for several reasons, including that the likelihood of pursuing further education and the age profile of the student body varies across institutions. Thus, even the 10-year post-entry earnings metrics reported in the College Scorecard likely capture stable measures of lifetime income at some colleges but not others.

6   To estimate ROI over a 40-year period, we use the median earnings measures in years six and 10 reported in the College Scorecard to estimate median earnings prior to year six and in the intervening years. We then assume that the median earnings for individuals who attended each college do not change after year 10.

7   The average correlation across the three measures is 0.470. Accounting for classical measurement error increases it to 0.727. Measurement error therefore overstates the amount of disagreement among the three measures, but meaningful disagreement still exits (note that the error-adjusted correlation is not close to 1). This reinforces our conclusion that relying on a single measure of economic mobility can mischaracterize an institution's performance.

FIGURE 1. DIFFERENT MEASUREMENT APPROACHES OFTEN YIELD DIFFERENT CONCLUSIONS ABOUT EACH INSTITUTION'S RELATIVE PERFORMANCE IN FOSTERING ECONOMIC MOBILITY
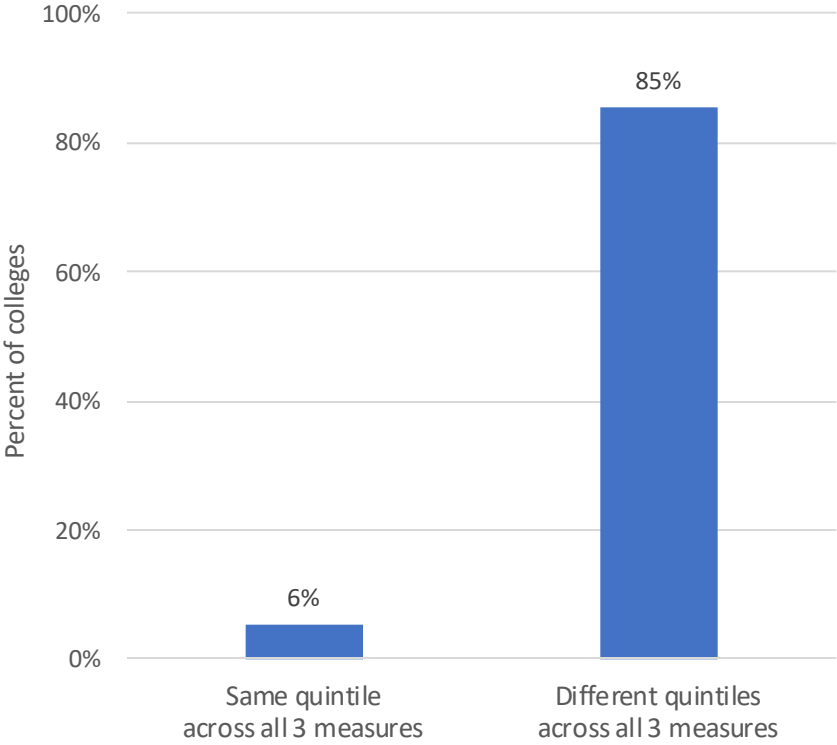
Source: Georgetown University Center on Education and the Workforce analysis of economic mobility measures.
Note: The sample is restricted to four-year institutions with all three economic mobility measures (N=1,143 colleges).

FIGURE 2. AT OVER ONE-QUARTER OF FOUR-YEAR INSTITUTIONS, PERFORMANCE IN FOSTERING ECONOMIC MOBILITY VARIES BY MORE THAN 20 PERCENTILE POINTS WHEN DIFFERENT MEASURES ARE USED FOR ASSESSMENT
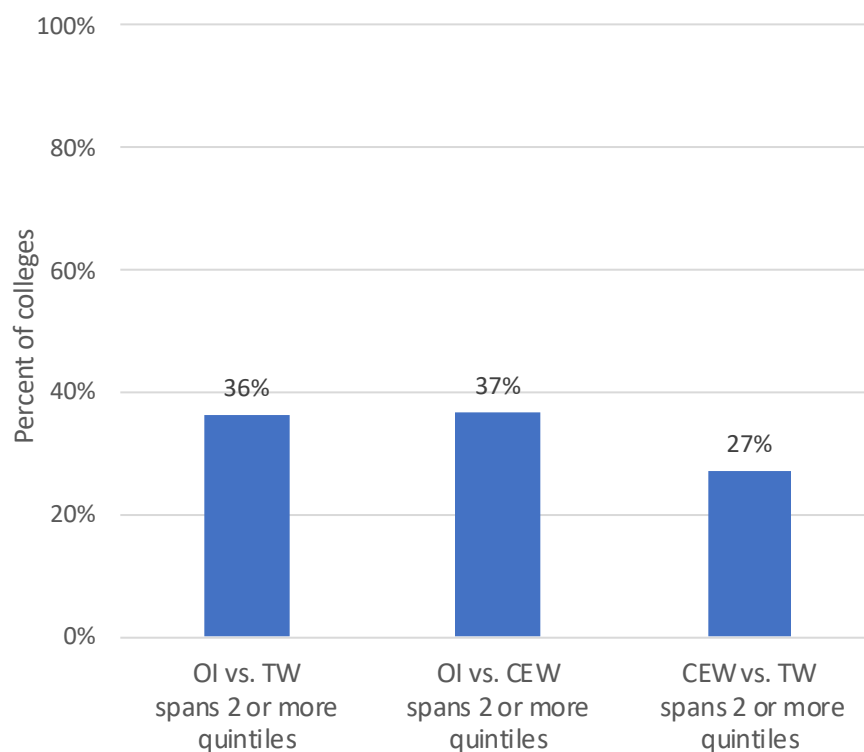
Source: Georgetown University Center on Education and the Workforce analysis of economic mobility measures.

Note: The sample is restricted to four-year institutions with all three economic mobility measures (N=1,143 colleges). OI = the mobility rate calculated by Opportunity Insights's research team. TW = the Economic Mobility Index calculated by Third Way's researchers. CEW = the weighted score calculated by researchers at the Georgetown University Center on Education and the Workforce.

Performance groupings are much more sensitive to the metrics used to evaluate low-income students' college access than to the metrics used to evaluate their economic success

Often, outcomes vary more across colleges than they do for different student groups within the same college. This holds true for the graduation rates of low-income versus high-income students, for instance, as well as the median earnings of students receiving federal financial aid versus those who do not (Looney 2017).[8] As a result, different measures of mobility that use the same definition of access but different definitions of success tend to classify colleges into relatively similar performance groupings. For instance, we find only modest differences in institutional performance when using two simplified versions of our economic mobility metric, which both rely on the Pell Grant recipient rate to represent low-income student access but which measure success using ROI estimates at different income thresholds (i.e., $30,000 or less versus $75,000 or less). Ninety-two percent of colleges in the top quintile according to the first metric also fall within the top quintile according to the alternative metric (see Table 1, Panel A).

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8   For example, the average graduation rate of high-achieving, lower-income students at selective colleges is 92 percent and matches the average graduation rate of their high-income classmates (Giancola and Kahlenberg 2016).

However, changing the measure of low-income student access can lead to significant differences in institutions' relative performance. Institutional rankings vary considerably when we again use two simplified versions of our economic mobility metric, this time measuring success by the ROI of students from families with incomes of $30,000 or less across both metrics and defining low-income student access in two different ways—by the Pell Grant recipient rate and the percent of federally-aided students from families of $30,000 or less. Less than half of the colleges (47 percent) in the top quintile based on the first metric also fall within the top quintile based on the alternative metric. Furthermore, 13 percent of colleges in the top quintile according to the first metric fall into one of the bottom two quintiles according to the alternative metric (see Table 1, Panel B).

TABLE 1. PERFORMANCE GROUPINGS ARE MORE SENSITIVE TO THE METRICS USED TO MEASURE COLLEGE ACCESS THAN TO THE METRICS USED TO MEASURE COLLEGE SUCCESS

	(1)	(2)	(3)	(4)	(5)	(6)
PANEL A. SAME ACCESS METRIC, DIFFERENT SUCCESS METRIC						
EM_{Alt1}: % Pell * $ROI_{Faminc < \$75K}$						
$EM_{Benchmark}$: % Pell * $ROI_{Faminc < \$30K}$	BOTTOM QUINTILE	QUINTILE 2	QUINTILE 3	QUINTILE 4	TOP QUINTILE	TOTAL
Bottom Quintile	89%	11%	0%	0%	0%	100%
Quintile 2	7%	76%	17%	0%	0%	100%
Quintile 3	0%	8%	72%	19%	1%	100%
Quintile 4	0%	1%	10%	75%	14%	100%
Top Quintile	0%	0%	0%	8%	92%	100%
PANEL B. DIFFERENT ACCESS METRIC, SAME SUCCESS METRIC						
EM_{Alt2}: % Faminc < $30K * $ROI_{Faminc < \$30K}$						
$EM_{Benchmark}$: % Pell * $ROI_{Faminc < \$30K}$	BOTTOM QUINTILE	QUINTILE 2	QUINTILE 3	QUINTILE 4	TOP QUINTILE	TOTAL
Bottom Quintile	40%	22%	14%	11%	12%	100%
Quintile 2	27%	30%	21%	14%	9%	100%
Quintile 3	17%	25%	29%	18%	12%	100%
Quintile 4	11%	16%	23%	30%	20%	100%
Top Quintile	6%	7%	13%	27%	47%	100%

Source: Georgetown University Center on Education and the Workforce analysis of economic mobility measures.

Note: EM = Economic mobility measure. Faminc = Family income of federally-aided undergraduates. Numbers may not sum due to rounding.

Measuring low-income student enrollment without considering the income distribution of each college's potential applicant pool results in unfair evaluation of institutional performance

One implication of these findings is that measuring an institution's contributions to fostering economic mobility without considering the proportion of students from low-income families in the potential applicant pool of each college may lead to unfair conclusions. Existing approaches to measuring economic mobility do not account for this consideration, however. One reason why is that it can be difficult and controversial to define the potential applicant pool for some colleges, especially those that enroll a significant number of out-of-state students. For example, should the potential applicant pool for public flagship universities be defined as academically qualified high school graduates within their state or nationwide?

Questions like this lack a clear answer and require careful deliberation, perhaps even involving institutions in determining how the potential applicant pool should be defined. However, the challenge of defining a potential applicant pool for each college should not justify the exclusion of access measures that account for the proportion of the college-age population that is low-income in the communities served by the institution. Including this information in the measurement of economic mobility is important for three reasons:

1. The proportion of college-age individuals from low- and middle-income households varies across communities. For example, the Pell Grant eligibility rate among 18-to-39-year-olds without a college degree ranges from 55 percent or lower in 41 commuting zones to 65 percent or higher in 48 commuting zones across the more than 400 zones with at least one public community college (see Figure 3).[9] Institutions operating in areas with lower Pell eligibility rates in the community should arguably be held to a different access standard than institutions in areas with higher Pell eligibility rates.

2. The extent to which the share of students from low- and middle-income households falls short of the Pell eligibility rate in the community also varies tremendously across institutions. At 344 public community colleges (representing 39 percent of all institutions in the sector), the gap between the Pell Grant recipient rate at the college and the Pell Grant eligibility rate in the local community differs from the average by at least 10 percentage points (see Figure 4).[10]

3. On its own, the Pell Grant recipient rate does not reflect each college's relative performance in serving students from low- and middle-income households. For instance, Delgado Community College in New Orleans, Louisiana has a Pell Grant recipient rate that is 45 percentage points higher than Barton County Community College in Great Bend, Kansas. However, the Pell eligibility rate in the communities surrounding both institutions is nearly identical. Likewise, the Pell Grant recipient rate is similar at Prince George's Community College in Maryland and New Mexico State University–Grants, despite the rate of Pell eligibility in the community being almost 20 percentage points higher in Grants, New Mexico than in the DC metro area that Prince George's Community College serves (see Figure 5).

Given the significant variation in institutional performance that arises from using different access measures and the fact that overall enrollment rates may not capture each college's potential for expanding access to students from low- and middle-income households, we recommend using multiple economic mobility metrics in future efforts to measure colleges' contributions to fostering economic mobility. These metrics should incorporate different measures of access, including at least one that considers the enrollment rate of students from low- and/or middle-income households relative to the proportion of those individuals in each institution's potential applicant pool.

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9 Commuting zones are geographic units of analysis that delineate a local economy where people live and work. We assigned each county in the United States to a commuting zone using a crosswalk developed by the Economic Research Service (ERS) of the U.S. Department of Agriculture, which was last updated in 2012. These commuting zones were developed by grouping counties into larger areas based on common commuting patterns identified from U.S. Census Bureau commuting data. According to this process, ERS identified 709 commuting zones across the United States. Among these zones, 436 (61 percent) included at least one public community college in operation from 2014 to 2017.
We estimated the Pell Grant eligibility rate in each public community college's commuting zone in a three-step process. First, we used the U.S. Department of Education's 2015–16 National Postsecondary Student Aid Study to calculate crosswalks of the Pell Grant recipient rate by family income band separately for dependent and independent students. Second, we used the U.S. Census Bureau's American Community Survey 2014–2018 five-year pooled sample to obtain the distribution of 18-to-39-year-olds without a college degree by age and family income residing in each community zone. Third, we estimated the overall Pell Grant eligibility rate among 18-to-39-year-olds without a college degree in each commuting zone by applying the crosswalks constructed in step one to the age-by-family income distributions constructed in step two.

10 The average Pell Grant recipient rate across all public community colleges in the United States is 37 percent, and the average Pell Grant eligibility rate in the local commuting zones of those colleges is 59 percent. The average difference between the Pell Grant recipient rate and the Pell Grant eligibility rate in the local community is therefore -22 percentage points. Although we focus on public community colleges in this analysis, others have similarly shown that the proportion of low-income students enrolled at public flagship universities does not necessarily reflect the proportion in the potential applicant pool to those institutions (Hoxby and Turner 2019).

FIGURE 3. THE PROPORTION OF COLLEGE-AGE INDIVIDUALS WITHOUT A COLLEGE DEGREE WHO ARE ELIGIBLE TO RECEIVE A PELL GRANT VARIES ACROSS COMMUNITIES IN THE UNITED STATES
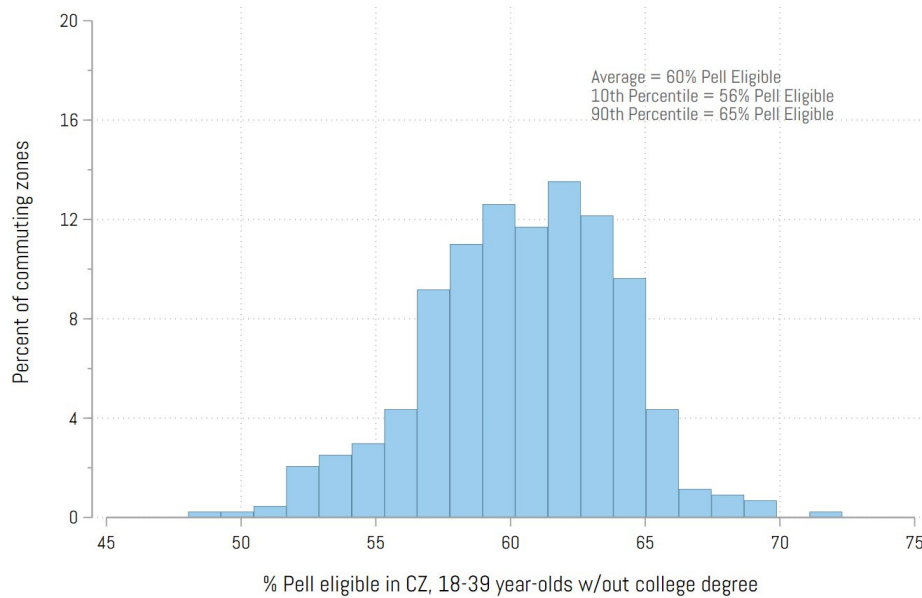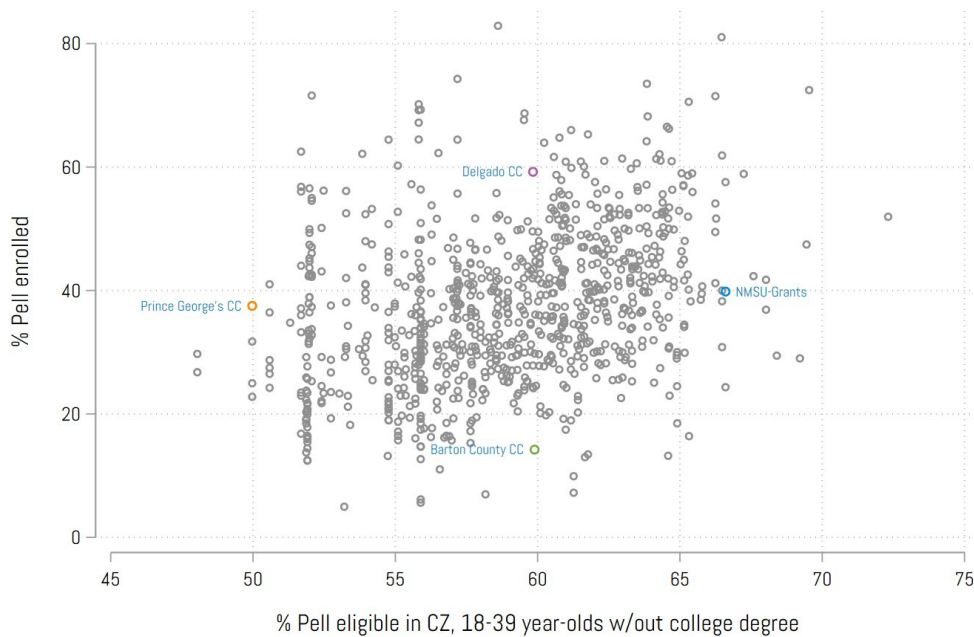

Sources: Georgetown University Center on Education and the Workforce analysis of data from the U.S. Census Bureau, American Community Survey, 2014–18, and the U.S. Department of Education, National Postsecondary Student Aid Study, 2016.
Note: CZ = Commuting zone. The sample is restricted to 436 commuting zones with at least one public community college.

FIGURE 4. THE DIFFERENCE BETWEEN THE PELL GRANT RECIPIENT RATE AND THE RATE OF PELL GRANT ELIGIBILITY IN THE COMMUNITY VARIES ACROSS PUBLIC COMMUNITY COLLEGES
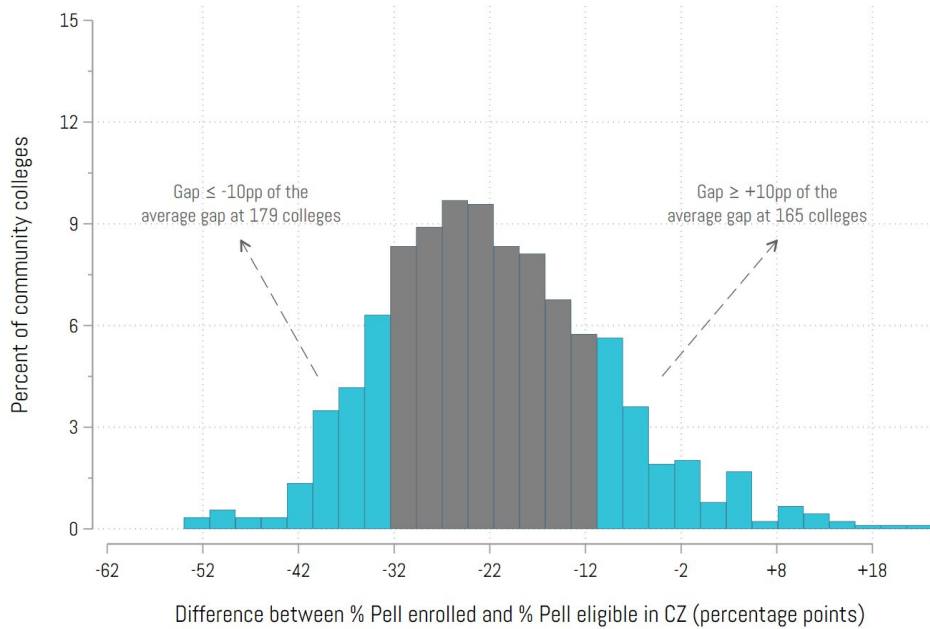
Sources: Georgetown University Center on Education and the Workforce analysis of data from the US Census Bureau, American Community Survey, 2014–18; U.S. Department of Education, National Postsecondary Student Aid Study, 2016; and U.S. Department of Education, Integrated Postsecondary Education Data System Student Aid Data, 2015–18.
Note: CZ = Commuting zone. The sample is restricted to 887 public community colleges for which the Pell Grant recipient rate is reported and the rate of Pell Grant eligibility in the community is estimable.

FIGURE 5. THE PELL GRANT RECIPIENT RATE DOES NOT EQUALLY REFLECT EACH COLLEGE'S RELATIVE SUCCESS IN ENROLLING PELL-ELIGIBLE STUDENTS FROM THE LOCAL COMMUNITY

Sources: Georgetown University Center on Education and the Workforce analysis of data from the U.S. Census Bureau, American Community Survey, 2014–18; U.S. Department of Education, National Postsecondary Student Aid Study, 2016; and U.S. Department of Education, Integrated Postsecondary Education Data System Student Aid Data, 2015–18.
Note: CZ = Commuting zone. The sample is restricted to 887 public community colleges for which the Pell Grant recipient rate is reported and the rate of Pell Grant eligibility in the community is estimable.

For illustrative purposes, we have focused on assessing each public community college's success in enrolling Pell Grant students relative to the proportion of Pell Grant–eligible individuals within commuting distance of the institution. However, a similar approach can and should be used to measure levels of access provided to groups who are historically underrepresented along other dimensions. This includes assessing each college's success in enrolling a racially and ethnically diverse student body, adult learners, and first-generation college students. Comparing the makeup of each college's student body to its pool of admissible students across multiple demographic characteristics provides the most accurate and comprehensive way of measuring an institution's role in making higher education accessible to historically marginalized and excluded populations.

Attempts to measure colleges' contributions to fostering economic mobility should account for the cost of living where individuals work after college

After college, individuals who attended different institutions live and work in different communities. For example, 30 percent of graduates of the University of Michigan work in the state 10 years after earning their degrees, compared to 63 percent of graduates of The Ohio State University.[11] These migration patterns are consequential to measuring economic mobility because the cost of living varies across communities and workers' earnings are pegged, in part, to local living costs.

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11   Georgetown University Center on Education and the Workforce analysis of U.S. Census Bureau's Post-Secondary Employment Outcomes dataset, 2023.

Existing approaches to measuring economic mobility have not accounted for the post-college migration patterns specific to each institution. One reason for this is data limitations, especially in publicly accessible datasets. The College Scorecard, for instance, reports only raw earnings metrics for each college and does not adjust for post-college migration flows. The U.S. Census Bureau's Post-Secondary Employment Outcomes (PSEO) dataset includes some information about the migration flows of students after college, but many institutions are not included in the dataset. Furthermore, those that are included only report information for college graduates and solely for those who are working in-state and in each of the nine census divisions. As a result, measures of economic success that are currently used to evaluate institutional performance partly reflect earnings differences across colleges resulting from migration flows that are unrelated to colleges' contributions to fostering economic mobility.

As with measuring access without considering the potential for each institution to enroll students from low-income backgrounds, measuring success without accounting for each institution's post-college migration patterns misrepresents the relative earnings gains produced by colleges. Using the PSEO dataset, we find that fewer than 60 percent of colleges assigned to each of the middle three quintiles based on a measure of earnings that does not adjust for post-college migration flows fall within the same quintile based on an alternative measure that adjusts for the flow of graduates (see Table 2).[12] Furthermore, because living costs—and thus earnings potential—can vary widely both within and across states, we expect that the differences in performance when assessing colleges using unadjusted versus cost-of-living-adjusted earnings measures would be considerably larger if we could account for post-college migration flows across smaller geographic areas.

Given the sensitivity of institutional rankings to even crude post-college migration adjustments, we recommend that the U.S. Department of Education include cost-of-living-adjusted earnings metrics in future releases of the College Scorecard. These adjustments should account for the post-college migration flows of both graduates and non-graduates at the most detailed level of geography the data can support, such as in the local labor market. Furthermore, future releases of the College Scorecard should also disaggregate earnings measures for each college by student race and ethnicity. The revised Free Application for Federal Student Aid (FAFSA) in the 2023–24 award year includes new questions about each applicant's race and ethnicity, making it possible to assess how well institutions are fostering economic mobility for different racial and ethnic groups of students. This data would provide a more complete picture of the role of colleges both in cultivating economic opportunity as well as racial justice.

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12   We calculated cost-of-living-adjusted earnings measures for graduates in a four-step process. First, we obtained the distribution of graduates from each college working in state and out of state in each of the nine census divisions 10 years after earning a degree from the U.S. Census Bureau's PSEO dataset. Second, we constructed cost-of-living adjustment factors for each state and census division using state regional price parities (RPPs) developed by the Bureau of Economic Analysis of the U.S. Department of Commerce. To construct the adjustment factor for each census division, we weighted the state-level RPPs based on the proportion of individuals aged 18 or older residing in each state within each census division. Third, we calculated an overall cost-of-living adjustment factor for each college by taking a weighted sum of the in-state and nine census division RPPs using the proportion of graduates working in state and out of state in each census division as the weights. Lastly, we divided the raw median 10-year earnings measure reported in the PSEO dataset by the overall cost-of-living adjustment factor.

TABLE 2. PERFORMANCE GROUPINGS BASED ON POST-COMPLETION EARNINGS ARE SENSITIVE TO THE POST-COLLEGE MIGRATION PATTERNS OF GRADUATES AT EACH INSTITUTION

	(1)	(2)	(3)	(4)	(5)	(6)
	10-YEAR MEDIAN EARNINGS QUINTILE ADJUSTED FOR LIVING COSTS					
10-Year Median Earnings Quintile Unadjusted for Living Costs	**BOTTOM QUINTILE**	**QUINTILE 2**	**QUINTILE 3**	**QUINTILE 4**	**TOP QUINTILE**	**TOTAL**
Bottom Quintile	74%	26%	0%	0%	0%	100%
Quintile 2	25%	48%	27%	0%	0%	100%
Quintile 3	1%	22%	50%	27%	0%	100%
Quintile 4	0%	4%	23%	57%	16%	100%
Top Quintile	0%	0%	0%	16%	84%	100%

Sources: Georgetown University Center on Education and the Workforce analysis of U.S. Census Bureau, Post-Secondary Employment Outcomes, 2023; U.S. Census Bureau, Population Division, 2021; and U.S. Department of Commerce, Bureau of Economic Analysis, Regional Price Parities by State and Metro Area, 2020.

Note: The sample of institutions is restricted to 541 that report 10-year earnings for graduates of associate's degrees and/or bachelor's degrees in the Post-Secondary Employment Outcomes database. Institutions are assigned to quintiles of the earnings distribution separately by degree type. We use the U.S. Bureau of Economic Analysis's state regional price parities to adjust the 10-year median earnings for each college according to the flow of graduates working in state and in each of the nine census divisions 10 years after earning a degree.

In summary, measurement of a college's role in fostering economic mobility could be improved by incorporating multiple measures of access and success into future approaches. The methodologies employed by Opportunity Insights, Third Way, and in our own work at the Georgetown University Center on Education and the Workforce demonstrate the many possible ways of defining and measuring economic mobility. Each approach offers a distinct but complementary perspective on institutional performance. Thus, by incorporating multiple measures—including a measure of access that considers the capacity for institutions to enroll low-income students and a measure of success that accounts for the post-college migration patterns of each college—future approaches will offer a more comprehensive understanding of the extent to which colleges and universities are fulfilling their potential as engines of economic opportunity in our society.

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