

## Prosperity Benchmark Calculations

The steps below describe the methods ECONorthwest uses to calculate Lumina Foundation's credential-of-value benchmark and identify the number and share of individuals meeting the benchmark, using Census Bureau's American Community Survey Public Use Microdata (PUMS).

- **Data source:** One-year PUMS retrieved from Census
- **Population of interest:** All individuals age 25-64 [ $25 \leq \text{AGEP} \leq 64$ ] in the labor force [ESR does not equal 6]
- **Benchmark wage calculation:**
  - *Population used to calculate benchmark ("benchmark population"):* All individuals in the population of interest who have a high school diploma or GED as their highest educational attainment [SCHL = 16 or SCHL = 17], regardless of employment status.
  - *Benchmark:* Median wage and salary income among the benchmark population plus a 15 percent premium [ $1.15 * \text{Median WAGP}$ ], including individuals with zero wage and salary income. Wage and salary income are inflated using ADJINC.

Individuals in the population of interest who have a postsecondary degree [ $20 \leq \text{SCHL} \leq 24$ ]<sup>1</sup> and wage and salary income at or above the benchmark are considered to have met the benchmark and therefore have a credential of value.

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<sup>1</sup> ACS data do not identify individuals with short-term credentials (certificates, certifications) and these credentials are therefore not considered in these calculations.