

Changing the Value Equation for Higher Education



What do Americans value from their education? Is it all about better wages?

The truth is, we haven't known — because too often, the voices of education consumers are absent.

For years, efforts to answer the value question have focused on wages graduates earn to determine the value of postsecondary education. For good reason: Studies show that college graduates earn an average of up to \$1 million more in their careers than non-graduates.

But does income equal value?

Higher education's value proposition has been scrutinized since the last recession, fueled by high underemployment among college graduates and employers' struggles to find workers with the skills they need. Completion rates of students from the lowest-income households have stagnated for decades, while the cost of a college education keeps climbing. These issues raise questions about the cost and benefits of a college education regardless of its earnings advantages.

It's time to consider whether using wages alone to measure value goes far enough.

To more fully measure value, consumers' voices need to be included.

So Strada Education Network set out to make those voices heard.

Working in partnership with Gallup, we interviewed more than 340,000 individuals from all education pathways about their experiences. The goal: Create a dataset so large and so deep that educators, policymakers and employers could take action. That national data provides a unique glimpse into the

challenges and opportunities in each state, specific communities and campuses. Building this massive dataset enables us to analyze consumer perspectives by demographics, income, occupations and more to learn where they find value from their education.

In an environment of declining enrollments and an unsteady cost-benefit analysis, consumer insights offer guidance and solutions to increase the value of higher education. Consumers tell us they value their education when they can clearly see its connection with careers:

- Consumers report higher rates of value for vocational and technical programs and graduate degrees than the terminal bachelor's degree.
- Even within a terminal bachelor's degree, consumers value majors that are closely aligned with careers, such as health care and education.
- Consumers in any pathway see greater value when they see the relevance of their coursework in their work and day-to-day life.

Consumers' voices offer a road map to transform postsecondary education by leading us away from the days when value was measured using wages alone.

Consumer voices can help us change the value equation in American postsecondary education. We simply need to include them in the conversation.

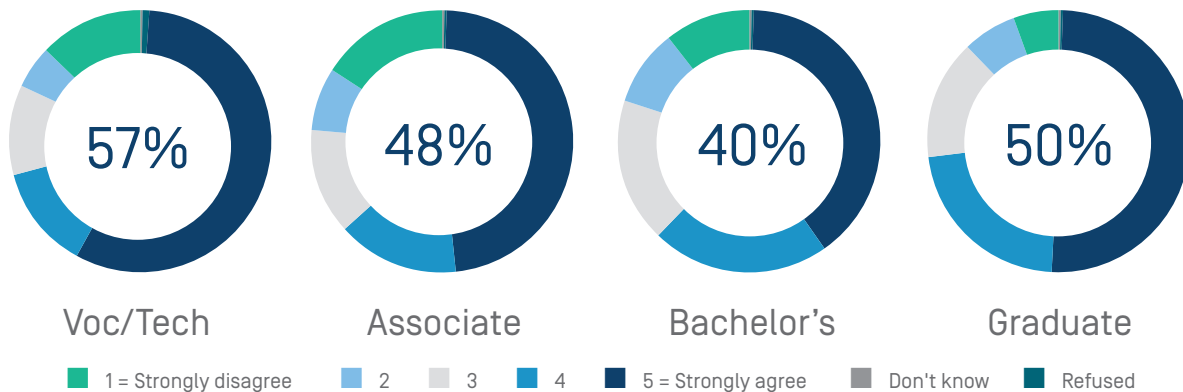


As we listened to individuals through the Strada-Gallup Education Consumer Survey, we considered two dimensions: cost value (whether consumers believe their education was worth the cost) and career value (whether consumers believe their education made them an attractive job candidate). We call this formula the Education Consumer Value Equation.

As an example of the insights that data provide, we looked at individuals who graduated since 2000 to get a snapshot of the current system's state. In that group, we found that how strongly people valued education depended on the type of postsecondary program they completed. For example, among people who completed a nondegree vocational program, such as a certificate program or noncredit training at a technical college, 70% agreed that their education was worth the cost, compared to 62% of those who completed a terminal bachelor's degree. That eight-point gap widens when we look only at the respondents who strongly agreed that their education was worth the cost: 57% for vocational or technical training programs, compared to only 40% for terminal bachelor's degrees.

Graduates of nondegree vocational and technical programs were most likely to strongly agree that their education was worth the cost.

STRONGLY AGREE EDUCATION IS WORTH THE COST



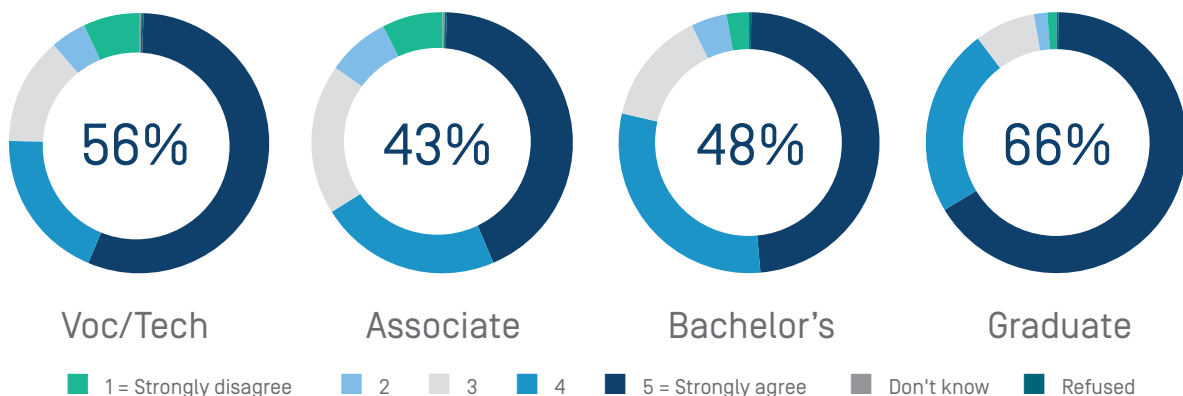
Source: Strada-Gallup Education Consumer Survey. Base: U.S. Adults age 18-65 not currently enrolled, who graduated in the year 2000 or later, or voc/tech, or stopped out and under age 40, n=94,693

We found a similar gap between vocational training programs and terminal bachelor's degrees when we looked at career value: 56% of vocational program graduates strongly agreed that their education made them an attractive job candidate, compared to only 48% of baccalaureate program graduates. Graduate degree program graduates reported an even higher rate — at 66% — while associate degree program graduates reported the lowest career value rate at 43%.

Those value gaps — between career-focused vocational and graduate degree programs on the one hand and baccalaureate and associate degree programs on the other — raise an important question: What's behind these differences?

Graduates of graduate and nondegree vocational and technical programs were most likely to strongly agree that their education makes them an attractive job candidate.

STRONGLY AGREE EDUCATION MAKES THEM ATTRACTIVE JOB CANDIDATES



Source: Strada-Gallup Education Consumer Survey. Base: U.S. Adults age 18-65 in the workforce not currently enrolled, who graduated in the year 2000 or later, or voc/tech, or stopped out and under age 40, n=85,782

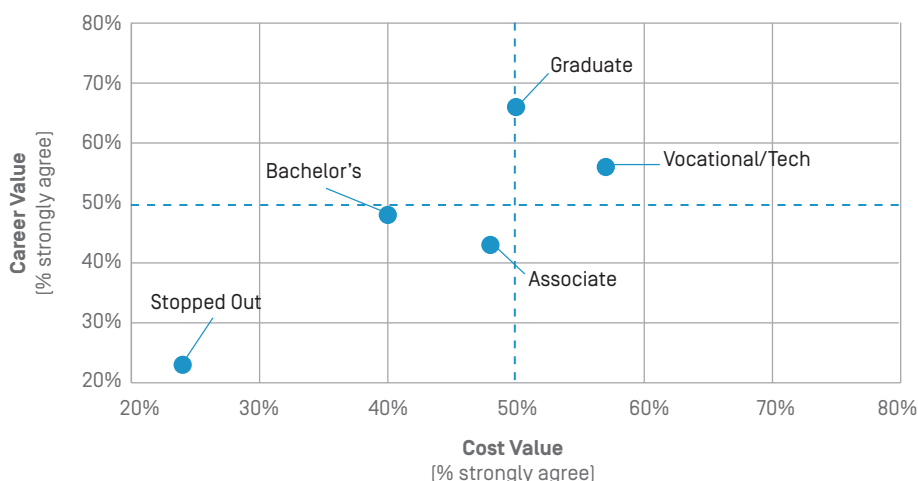
To better visualize these perceived values of each degree and the field of study within a degree, we created the Education Consumer Value Equation. We take the percentage of individuals who strongly agree their education is worth the cost and the percentage who strongly agree it makes them an attractive job candidate. The equation is then represented on a grid. When presented this way, a connection between perceived value and career alignment becomes readily visible, lending a clue as to what education consumers value: pathways that lead directly to careers.

This idea that consumers want an education that is relevant to a career path is reflected further when looking at fields of study. Majors more directly associated with specific jobs received higher value ratings. For example, more than half of respondents who received degrees in health care fields strongly agreed that it was worth the cost (52%) and made them an attractive job candidate (72%). Compare those figures to liberal arts fields, which develop broader skills that students may not directly correlate with specific jobs. Among these graduates, only 34% strongly agreed their degree was worth the expense, and just 36% strongly agreed it would benefit their careers. For those fields that are not as directly aligned with careers, colleges and universities can increase the value by making those connections clearer through advising, mentoring and applied learning.

One of the most telling and concerning findings: Few consumers who stopped out and did not graduate – and therefore didn't have credentials that could lead to a job – placed a strong value on the education they did receive. Only 24% strongly agreed it was worth the cost, and 23% strongly agreed it strengthened their job candidacy. The message is consistent: Education consumers value a tight connection between education and career.

The Education Consumer Value Equation

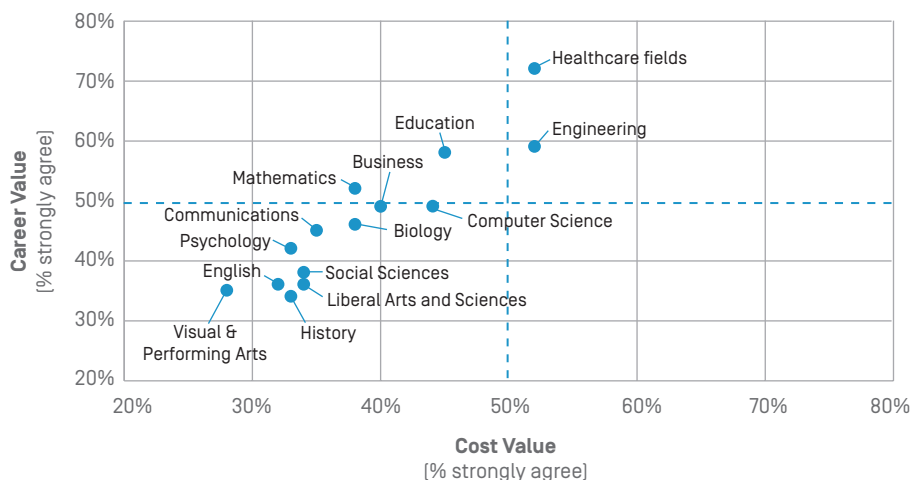
INDIVIDUALS PLACED GREATER VALUE ON PROGRAMS THAT ARE CLOSELY TIED TO CAREERS.



Source: Strada-Gallup Education Consumer Survey. Base: U.S. Adults 18-65 who graduated or attended in 2000 or later, national n=94,693.

Making coursework align with jobs

CONSUMERS SAW GREATER CAREER AND COST VALUE WITH MAJORS THAT ARE TRADITIONALLY ASSOCIATED WITH CAREERS, SUCH AS HEALTHCARE AND EDUCATION.

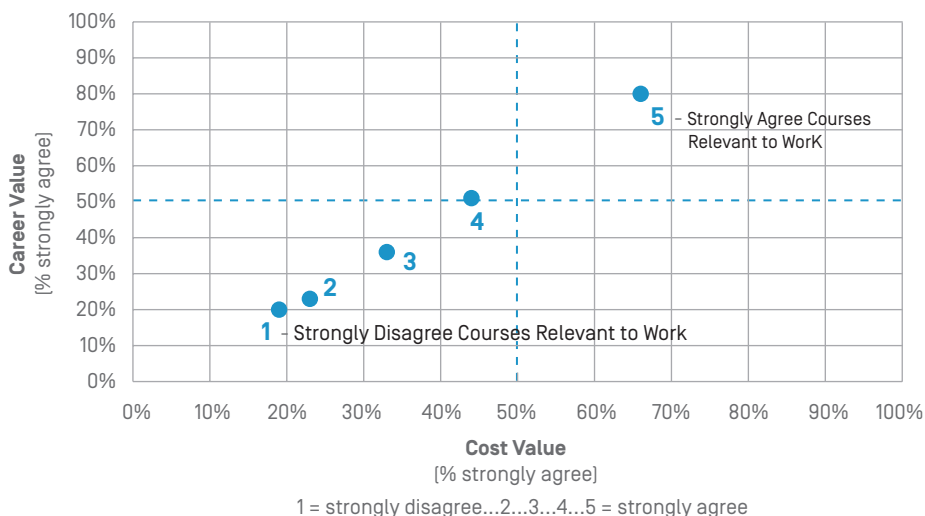


Source: Strada-Gallup Education Consumer Survey. Base: U.S. Adults age 18-65 not currently enrolled, who graduated with a terminal bachelor's degree in the year 2000 or later, n=33,054

What can we draw from these responses to improve the value education consumers receive, regardless of their field of study or the degree they pursue? Strengthening the connections between coursework and jobs is one place to start. When we asked individuals with a bachelor's degree to rate the relevance of their coursework on a five-point scale and then plotted it on a value equation grid, the connections between career relevance and value again became apparent. When respondents saw job relevance in their coursework, regardless of their major, the value they saw in the cost of their degree (66% strongly agreed) and in helping their career (80% strongly agreed) increased significantly. This makes clear that education consumers see value as more than just completing a degree. They are looking for completion with a purpose.

Course relevance increases value

CONSUMERS PLACED MORE VALUE ON THEIR EDUCATION WHEN THEY FELT THEIR COURSES WERE RELEVANT TO THEIR WORK.



Source: Strada-Gallup Education Consumer Survey. Base: U.S. Adults age 18-65 in the workforce not currently enrolled, who graduated in the year 2000 or later, or voc/tech, or stopped out and under age 40, n=82,912

Consumers identified several areas their colleges and universities can focus on to increase value: When consumers find their courses are relevant to work, and when they have high-quality, applied-learning experiences and excellent career and academic advising, they see more value in their education.

About the Strada-Gallup Education Consumer Survey

Results for the Strada-Gallup Education Consumer Survey are based on telephone surveys conducted from June 2016 through April 2019 with a random sample of more than 340,000 respondents aged 18 to 65, living in all 50 U.S. states and the District of Columbia. The sample includes national adults with a minimum quota of 70% cellphone respondents and 30% landline respondents, with additional minimum quotas by time zone within region. Landline and cellular telephone numbers are selected using random-digit-dial methods. Landline respondents are chosen at random within each household based on which member will have the next birthday.

Interviews are conducted in English and Spanish. Samples are weighted to correct for unequal selection probability and nonresponse. The data are weighted to match national demographics of gender, age, race, Hispanic ethnicity, education and region. Demographic weighting targets are based on the most recent current population survey figures for the population aged 18 to 65.

All reported margins of sampling error include the computed design effects for weighting. At the 95% confidence level, the percentage point margin of error for sample size of 94,000 is +/- 0.3, for 85,000 it is +/-0.5 and for 33,000 it is +/-0.6. In addition to sampling error, question wording and practical difficulties in conducting surveys can introduce error or bias into the findings of public opinion polls.

Strada Education Network is a national social impact organization dedicated to improving lives by forging clearer and more purposeful pathways between education and employment. We engage partners across education, nonprofits, business and government to focus relentlessly on students' success throughout all phases of their working lives.

Learn more about how Strada Education Network is listening to education consumers and compiling the nation's largest dataset of consumer insights on education experiences after high school, as well as collecting insights from employers, alumni, and current college students.

Visit stradaeducation.org/consumer-insights.



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