

The Value Index



Creating the Value Index

The value of higher education is multifaceted, not just about earnings. This study combines quantitative and qualitative benefits into one Value Index

Sources of Data

- American Community Survey – 2019 (approximately 2.1 million records)
- Current Population Survey – Multiple samples from 2018 and 2019 (approximately 110,000 records)
- General Social Survey – 2016 (approximately 1,300 records)
- CDC – 2019 mortality multiple cause file – (2.8 million records)

Note: All data for the US



Value Index Dimensions and Variables

The **Value Index** is a qualitative and quantitative measure with five **dimensions** – each of which have four **variables** – that indicate value relative to educational attainment



Economic Related

Earnings
Employment Status
Labor Force Status
Poverty Status



Health Related

Age of Death
Health Insurance Status
Food Security
Access to Vehicles



Home related

Housing Mobility
Doubled-up Household Status
Home Ownership
Access to Internet



Civic/Social Related

Voter Participation
Voter Registration
Attended Movies
General Happiness



Professional Related

Occupational Prestige
Job Tenure
Career Satisfaction
Travel Time to Work

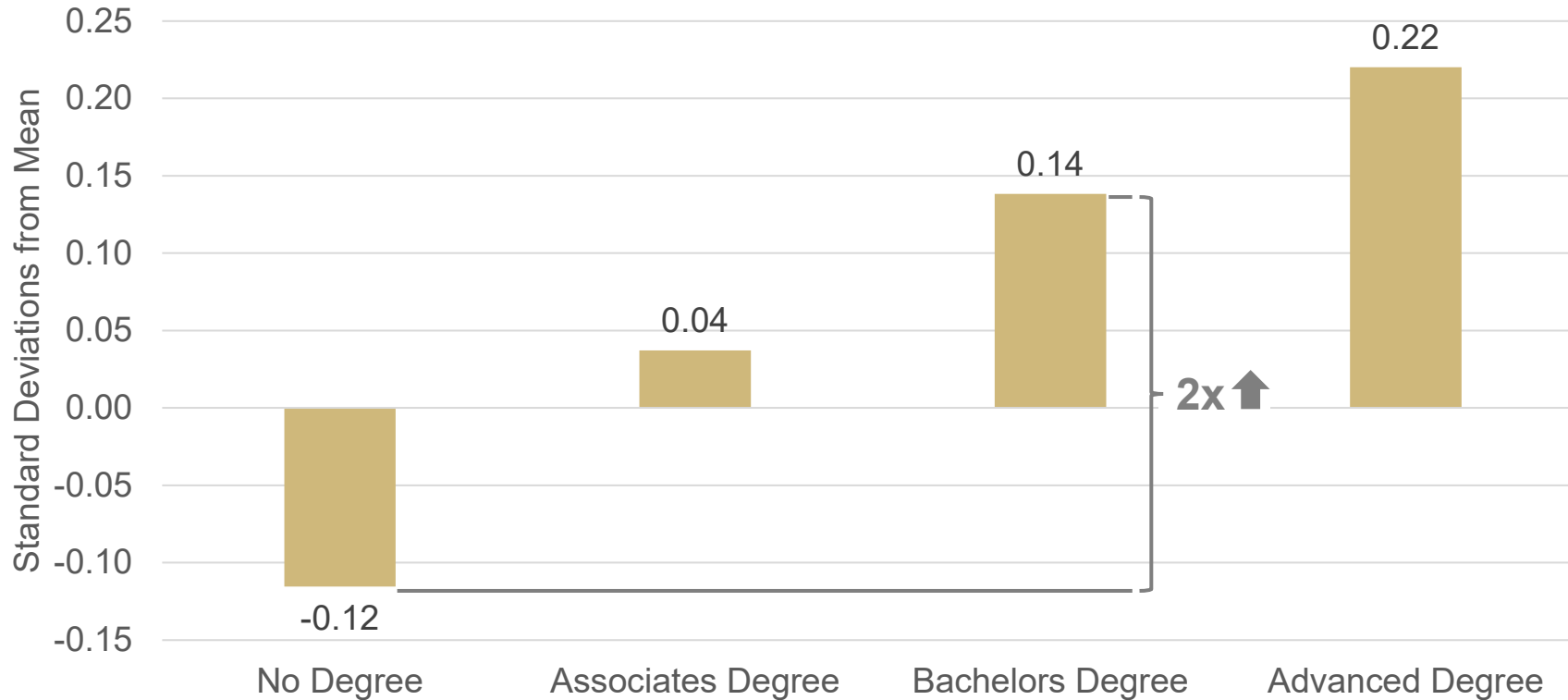
Methodology

1. Converted all Value Index variables into “standard scores” – stated as standard deviations from the mean
 - This allows for “apples to apples” comparisons of variables and for combination of variables into indexes (indexes created by averaging the “standard scores”)
2. Broke the data into 4 education cohorts
 - No degree
 - Associates Degree
 - Bachelors Degree
 - Advanced Degree
3. Compared the Value Index across the 5 dimensions and compared them over the 4 education cohorts



Overall Index of Value of Higher Education

(Combination of all Variables)



Across the spectrum of factors more education results in a higher Value Index score

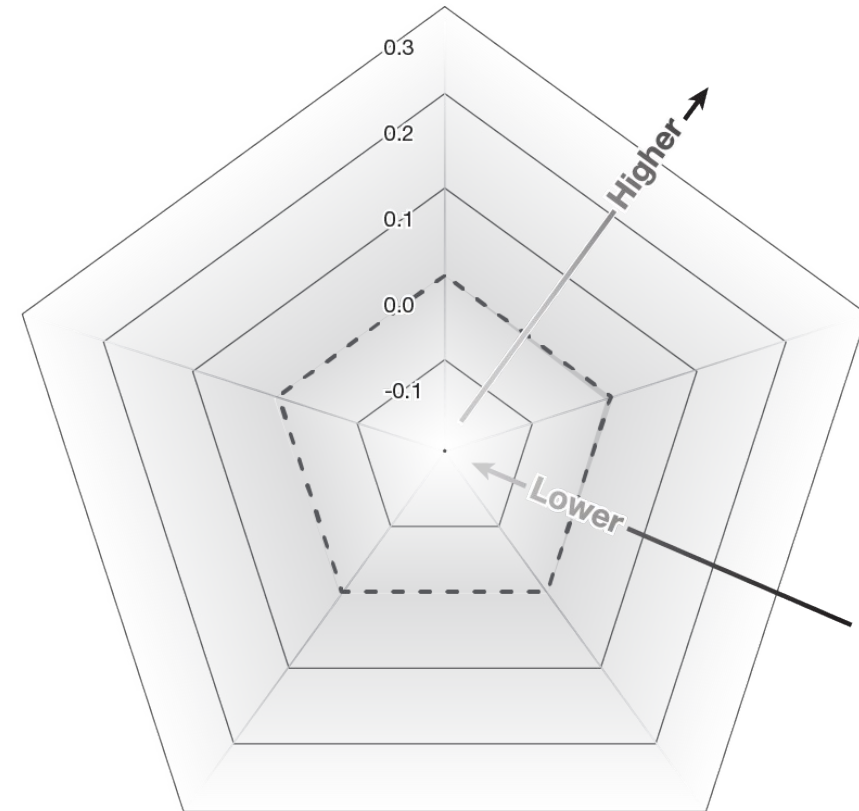
Americans with a bachelors degree score approx.

2x higher

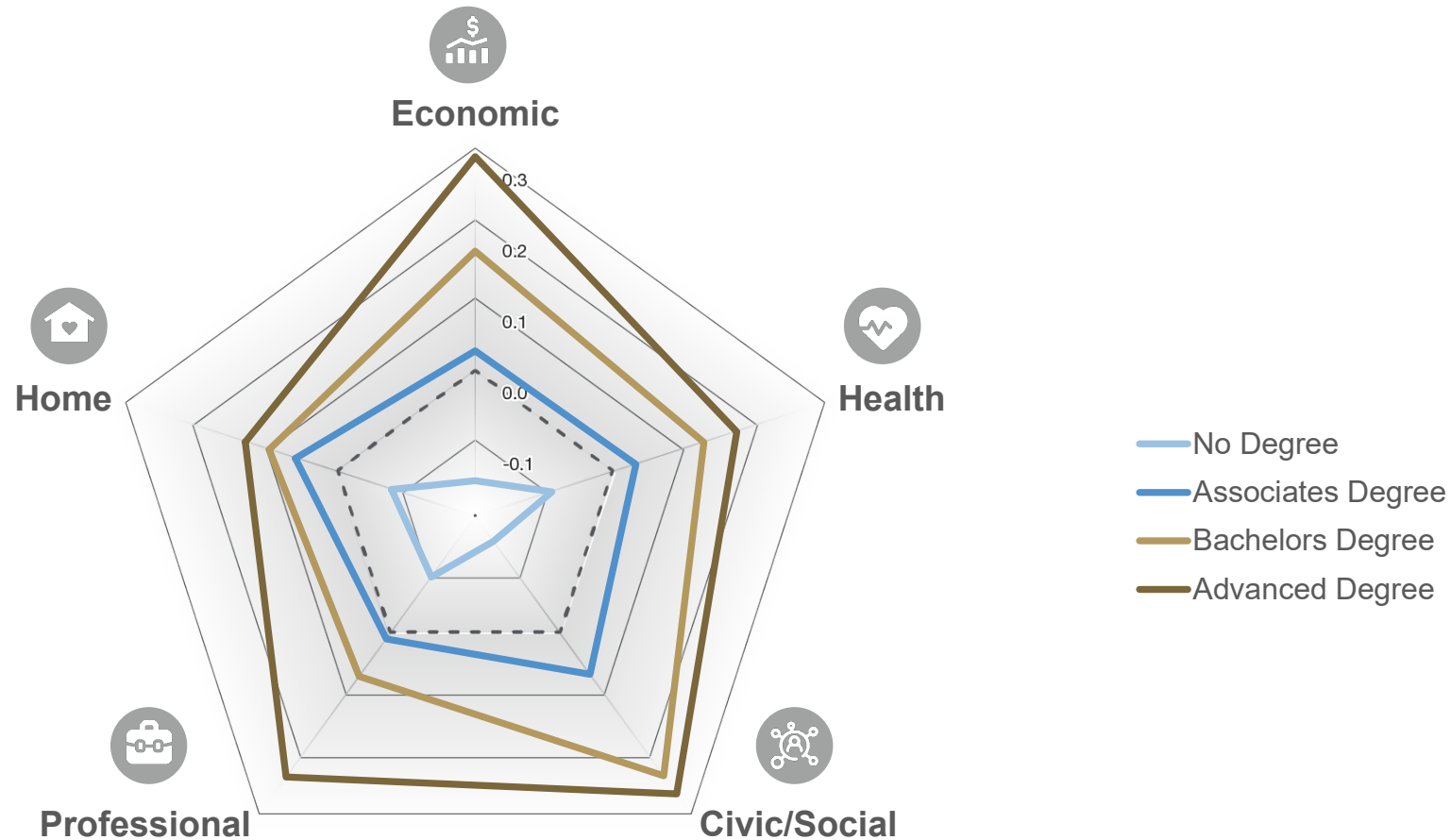
higher on the Value Index compared to those with no degree

Radial Graph Reading

- The 0.0 contour (dotted line) is the mean – the national average for the given Dimension or Variable.
- The contours are scaled as standard deviations above or below the national average.
- Points outside the 0.0 contour identify education cohort scores *above* the national average and inside the 0.0 contour identify cohort scores *below* the national average.
- The further out on the graph, the higher the score.



Valuing an Academic Degree by Major Dimension

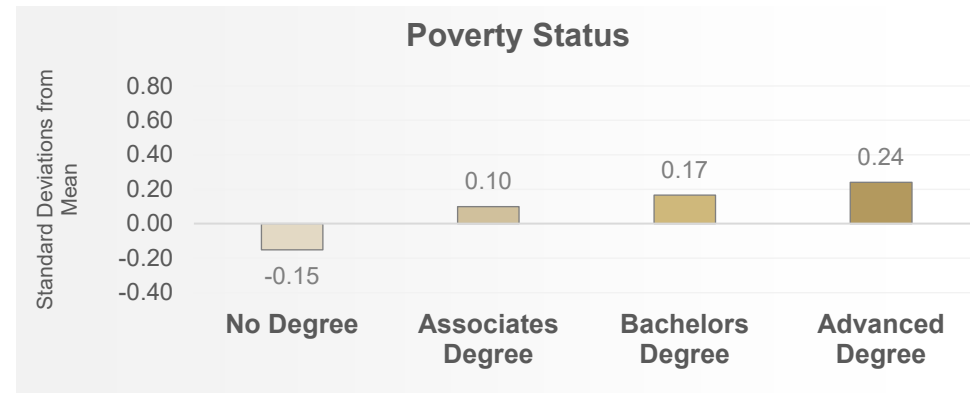
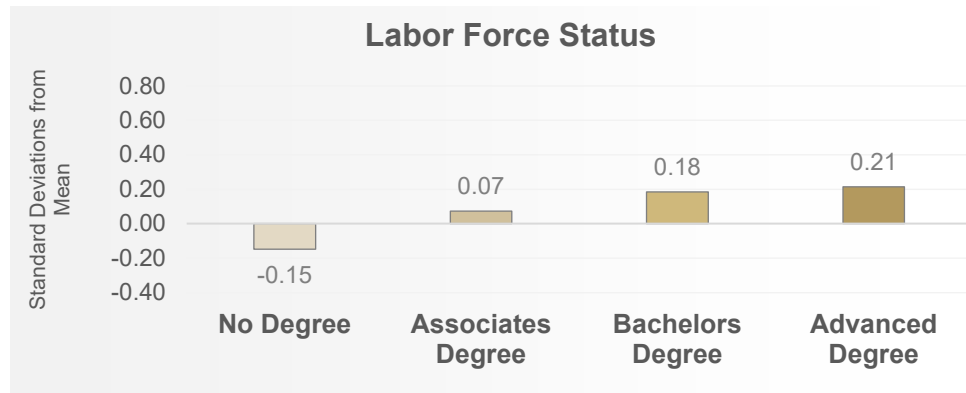
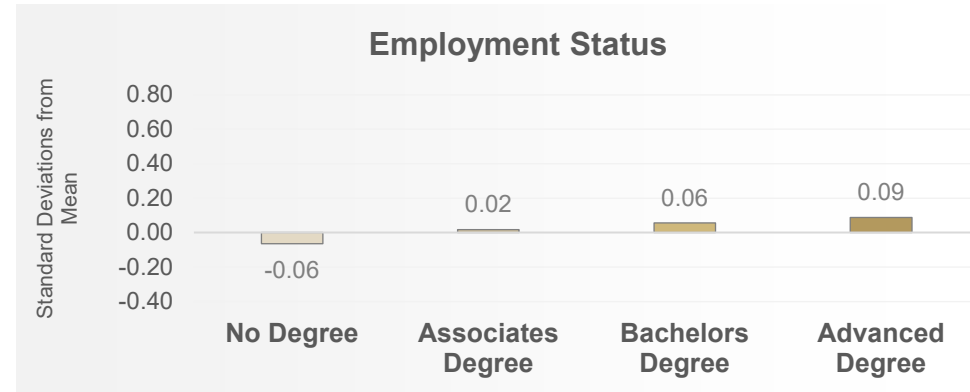
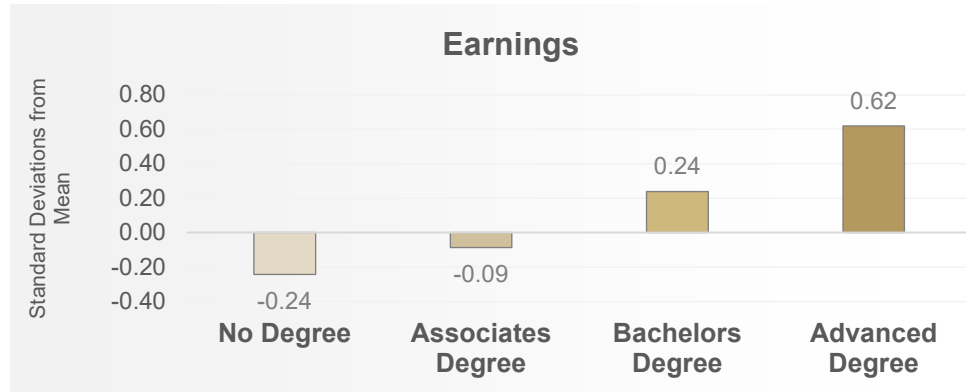


More education results in a higher Valuemetric score even when drilling down into individual dimensions

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Economic by Individual Variables

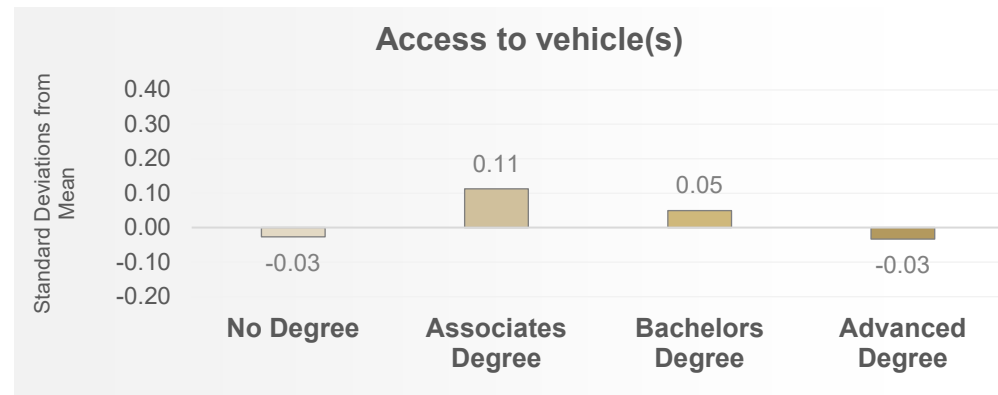
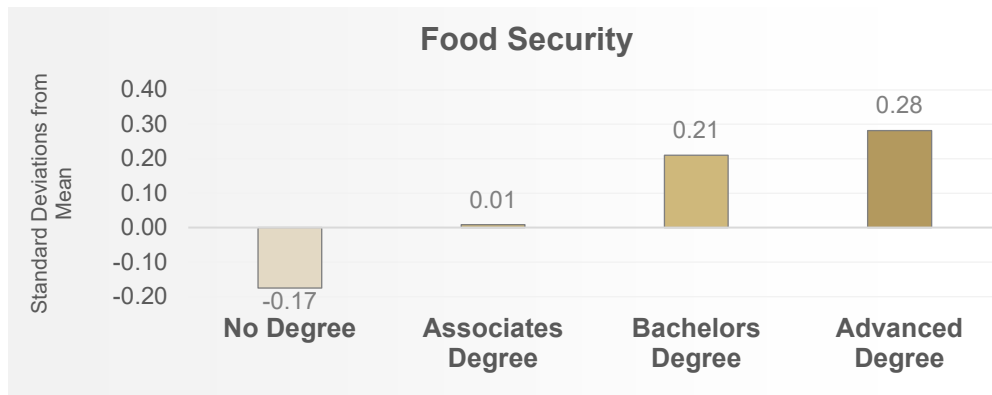
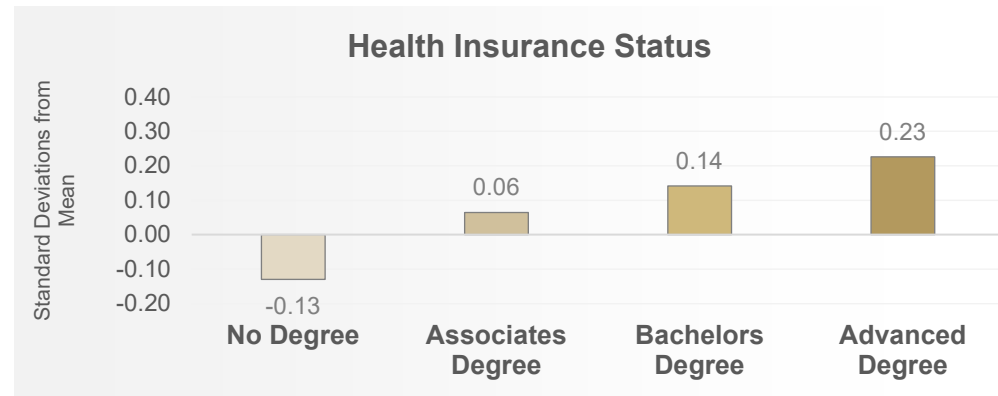
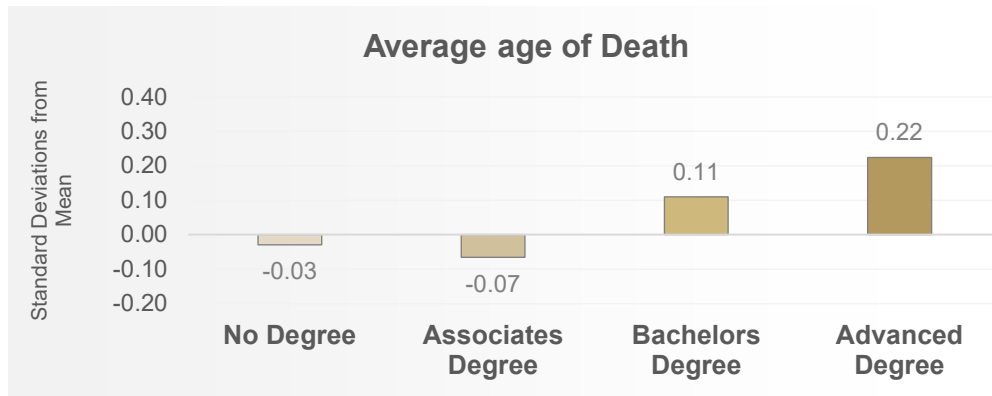


Wage and Salary Earnings; Employed or not; In the Labor Force or not; Above or below poverty line

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Health by Individual Variables

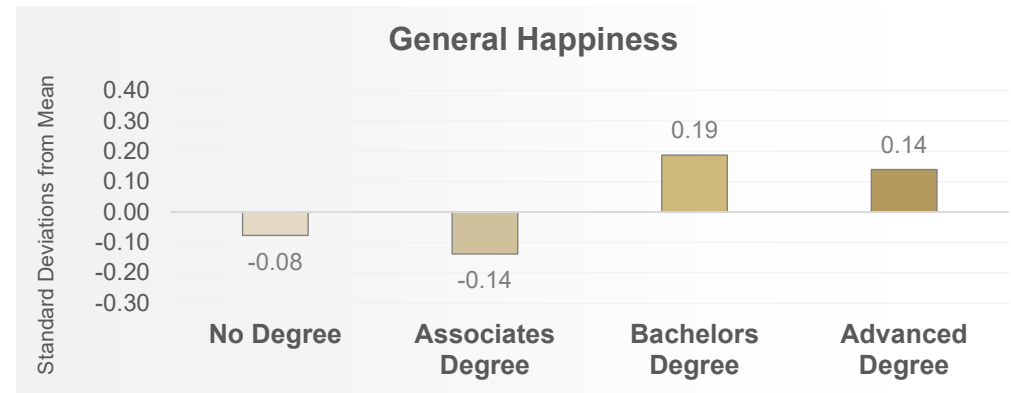
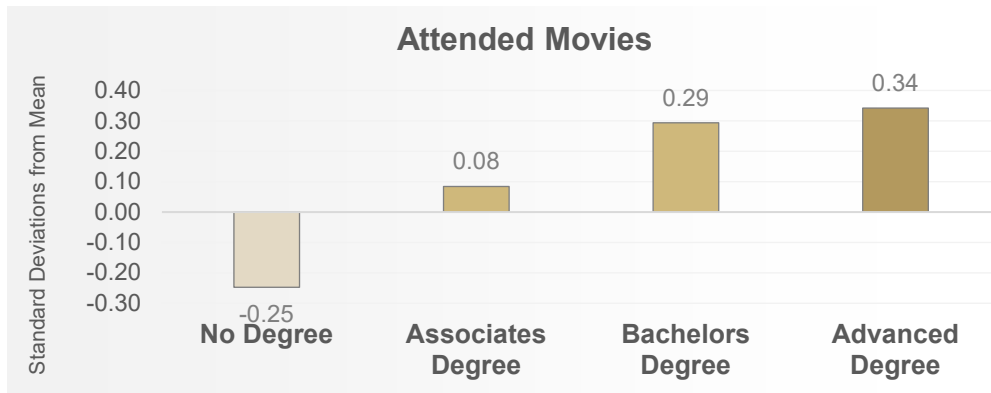
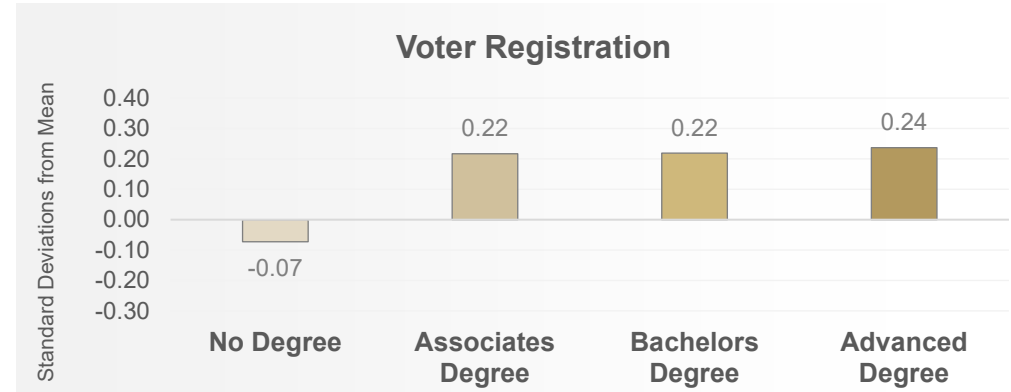
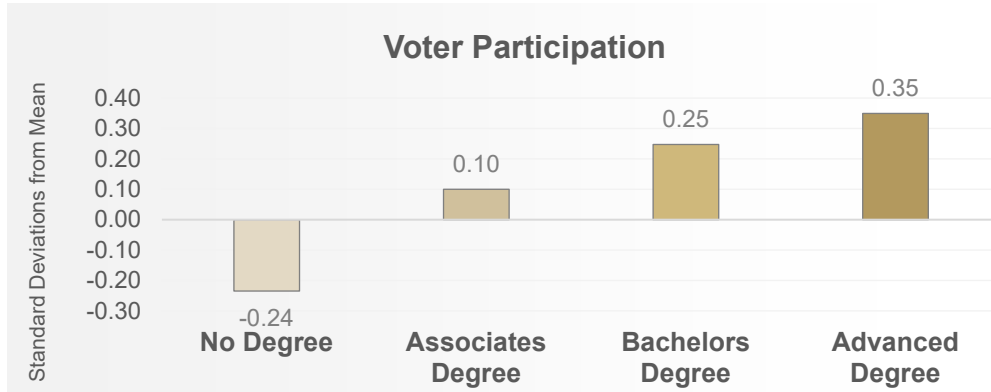


Average of the ages of death reported on the death certificates; Had health insurance coverage or not; Level of food security; Number of cars available to household members

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Civic/Social by Individual Variables

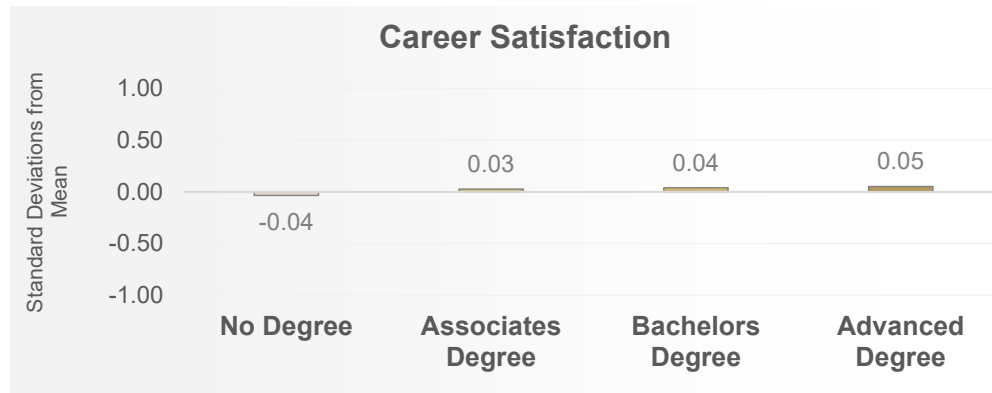
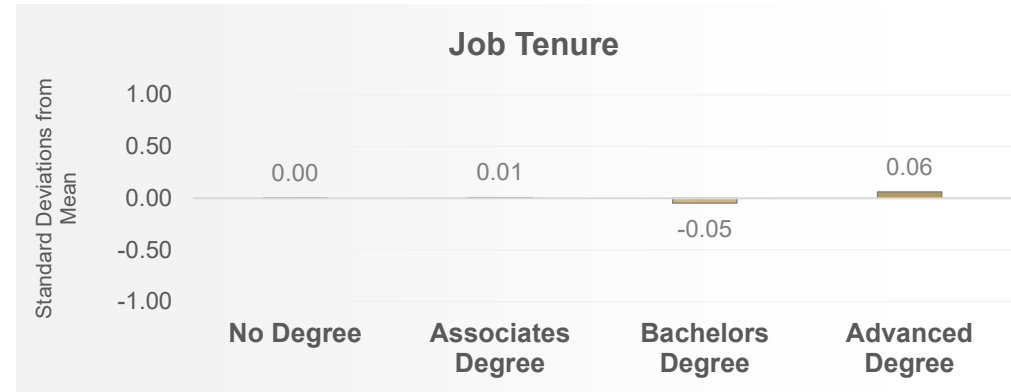
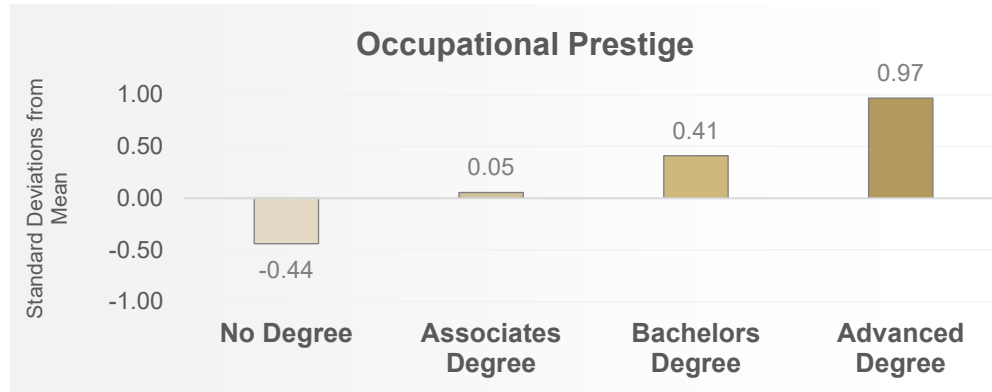


Voted in last election or not; Registered to vote or no; Attended movies in last year or not (proxy for recreational amenities); Self reported happiness scale

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Professional by Individual Variables

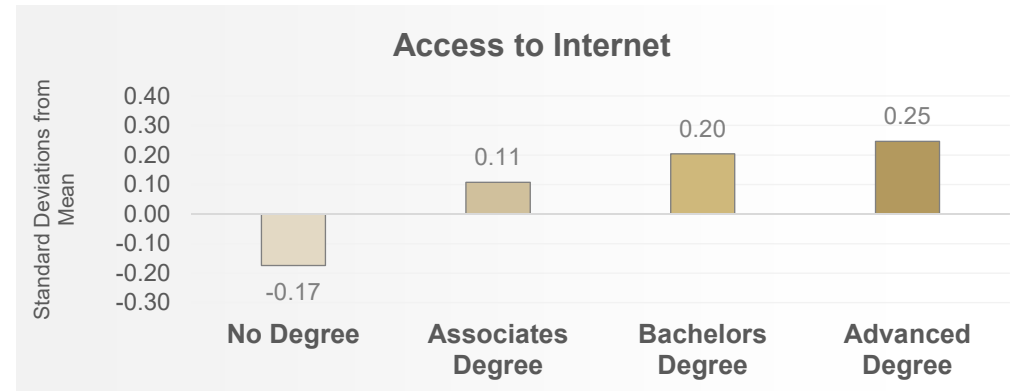
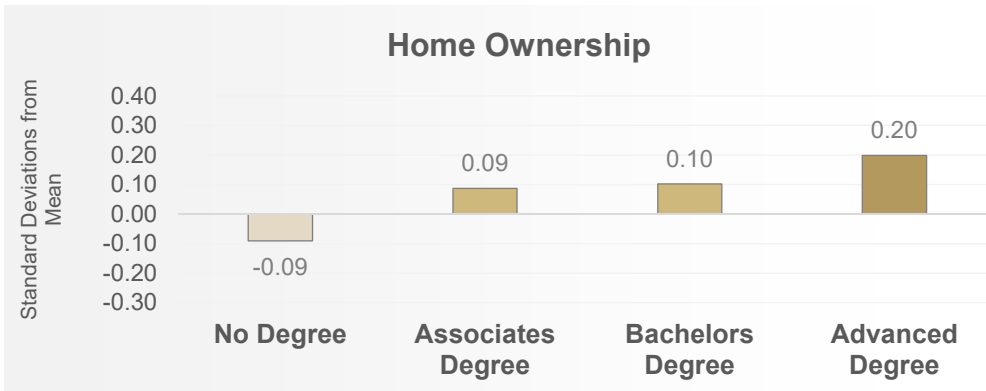
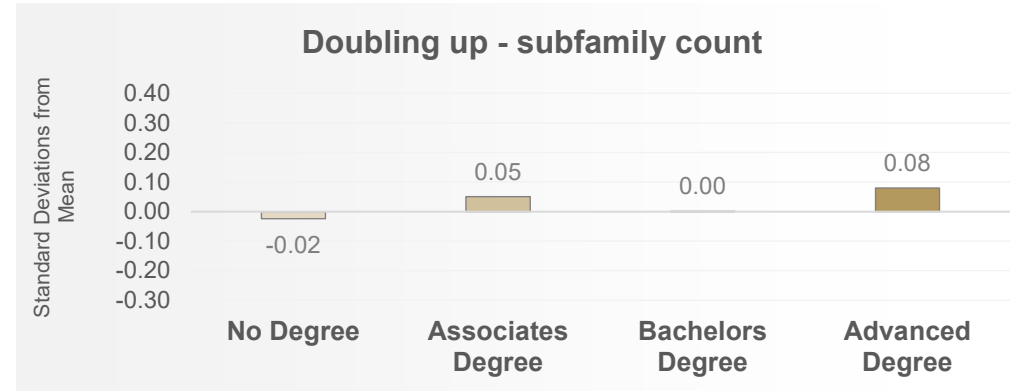
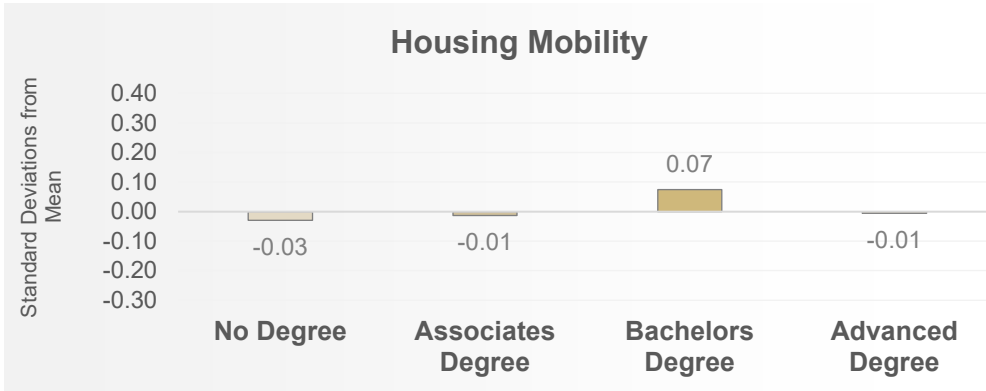


A constructed variable that assigns a prestige score to each occupation using the occupational classification; Years at current job; Self reported career satisfaction scale; Minutes it takes to get to work

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Home by Individual Variables



Years at current address; Number of discrete subfamilies living with the primary family in the housing unit; Own your house or not?; Access to the internet or not?