



# Key Facts & Findings

## *California College Programs That Pay*

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The *California College Programs That Pay* report kicks off College Future Foundation's next phase of research on the question of ROI—return on investment—in postsecondary education in California. It follows the May 2024 seminal report on ROI, *Golden Opportunities: Measuring Return on Investment in California Higher Education for Low- and Moderate-Income Learners*. This second report continues our focus on the economic returns of postsecondary education for learners on their journey toward economic mobility.

The first *Golden Opportunities* report focused on ROI at an institutional level; this report dives deeper into economic outcomes at the program level.

**The question:** *How long does it take students of a specific college program to recoup higher education costs after they graduate?*

**The parameters:** The research analyzes data for those earning bachelor's degrees, associate's degrees, and certificates to assess the earnings outcomes of over 260,000 graduates at 2,695 undergraduate college programs offered at 324 institutions in California. It measures the earnings of students five years after they'd earned their credential. The research includes students who received a grant or loan from the federal government.

### **The findings:**

- The good news: Nearly 9 out of 10 programs across California allow graduates to recoup their educational costs in less than five. And over a third of college programs allow their graduates to recoup their costs in less than 12 months.
- Room for improvement: Of those examined, 12% of college programs within California show their graduates taking five years or longer to recoup their out-of-pocket costs; 112 of those programs were found to offer no economic ROI to students whatsoever. This means that the majority of graduates at these programs actually earned less than the typical high school graduate, even five years after they've earned their college credential.

### **The research found that program type makes a difference:**

- Associate's degree programs tend to have the shortest time to ROI, with most programs (65%) allowing graduates to recoup costs within 1 year. The low cost of two-year institutions, such as the California Community Colleges, and the earnings premium they lead to, are some contributing factors to these outcomes.

- Bachelor's degrees generally take graduates longer and cost more but, because of high returns, the research shows most programs allows graduates to recoup costs in less than five years.
- While some certificates pay off quickly, they are also the riskiest credentials—nearly a quarter leave graduates with no economic ROI.

### **Sector of an institution is also a factor:**

- There are also substantial differences in the sector delivering the education and the length of time it takes graduates to recoup their educational investment.
- Almost all programs offered at public institutions (97%) in California show their graduates able to earn back the costs of obtaining a credential within five years. Nearly half (48%) allow this within one year.
- Private non-profits generally take longer, as only 7% of programs allow graduates to recoup their costs within 12 months.
- For-profits show their graduates taking longer, and nearly a fifth of their programs (17%) show no economic return whatsoever.

### **Most popular programs by degree type:**

- Within the report, we also examined the most popular credentials that students pursue.
- While some of the most popular college programs offer strong returns, others do not.

### **Institutions that enroll a high proportion of low- and moderate-income students AND provide a quick ROI:**

- In our first report, we identified 9 institutions that enroll more than 50% of low- and moderate-income students AND allow them to recoup their costs in less than a year. Eight of these were in the Cal State system, and one was a UC (Merced).
- This report examined the program-level ROI at those 9 institutions to gain insight into these above-average outcomes. Over half of the programs offered at these institutions enable their graduates to recoup their educational costs in under a year. And almost all programs of study at these institutions show the same result in under five years' time.

#### **LEARN MORE**

Access additional resources, including the full report and data available for download, at <https://collegefutures.org/golden-opportunities-programs-that-pay>.