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When Does College Actually Pay Off? Texas Has The Most Honest Answer

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The question of whether college is worth it has shaped a decade of family decisions, policy fights and presidential rhetoric. The answer often comes from thinner data than the stakes deserve. The federal College Scorecard reports earnings only for students who received federal financial aid. State data systems vary wildly. Most reports comparing college and non-college earnings use crude shortcuts, and almost none account for the wages students give up while they're enrolled. The result: students and families are left to make big decisions with foggy evidence.

A new study from Texas, by the Postsecondary Commission (PSC) and Mathematica, starts to cut through that fog. The researchers tracked 935,767 students who entered 86 public colleges and universities over a decade, comparing each one against carefully matched peers who never enrolled. They counted what students paid in tuition and fees, along with the wages students could have earned by working instead. The follow-up was long: 15 years for those who started a bachelor's degree, 10 years for an associate, five years for a short-term certificate.

The early headlines have emphasized that, on average, college pays off. That is true. The deeper news is that we finally have a credible way to measure

what college is actually worth—and the answers sharpen as the measurement does.

One of the study's sensitivity checks makes the point. When the researchers reran the bachelor's analysis using the kind of comparison most other studies rely on—measuring college-goers against a vague pool of non-college peers similar only in age—the apparent payoff jumped by about $27,000. The looser methodology produced a bigger, but less accurate, headline number. Rigorous measurement sharpens the case for college rather than weakening it.

Three findings inside the sharper picture matter, whether you're a parent helping a teenager pick a school, an employer weighing whether to subsidize a degree, or a policymaker preparing for the next wave of education spending.

Bachelor's and associate degrees deliver, even across income lines. Students who started four-year programs in 2008-09 recovered their net costs within 10 years of enrolling and ended year 15 about $87,000 ahead of similar Texas peers who did not enroll in college. Twenty-seven of 29 public universities delivered positive returns. Low-income students did at least as well as their wealthier peers, and actually came out ahead at the 10-year mark, because lower out-of-pocket costs from need-based aid more than offset the smaller wage gap. Community college students who pursued associate degrees averaged $25,338 ahead of similar Texas peers who did not enroll in college by year 10, with 56 of 57 community colleges delivering positive returns. For families considering whether to enroll, the data is encouraging.

But short-term certificates are a much more mixed bag. On average, certificate-seekers recovered their costs within four years and ended year five about $3,818 ahead. A thin positive. The average masks a sharp split. Only 4 of 11 certificate program types delivered positive returns on average: construction trades, security and protective services, technical trades and biology and health. The other seven came out in the red. Information

technology certificates, on average, left students $20,839 *behind* similar Texas peers who did not enroll in college after five years. Engineering and architecture certificates, personal and culinary services, and liberal arts certificates all averaged net losses. Non-STEM certificate programs as a group averaged a $2,789 loss.

For families weighing a short certificate as a fast path to a paycheck, the field matters enormously. For employers thinking about tuition reimbursement or in-house upskilling, the brochure does not predict the outcome. And for policymakers, the timing is sharp: the U.S. Department of Education is preparing to launch Workforce Pell on July 1, extending federal Pell grants to short-term credential programs for the first time. The certificates the Texas study examined are mostly longer than the eight-to-15-week window Workforce Pell will fund, but the underlying pattern—wide variance, lots of programs in the red, an aggregate positive that masks a distribution running the full range—should give every state pause.

Mark D'Amico, professor of higher education at UNC Charlotte, who has researched state noncredit data systems and Workforce Pell readiness, points to a detail the Texas data quietly revealed. Certificate-seekers in the study completed a certificate at a rate of just 27%—well below the 70% completion threshold Workforce Pell will require of approved programs.

"States will have to be able to point students toward programs that pay off," D'Amico says, "otherwise those programs will not stay Workforce Pell eligible."

For families and employers wanting to look up specific programs, The HEA Group and Open Campus this month released a Certificate Earnings Explorer covering 5,592 certificate programs in all 50 states. It draws on federal data that has the limits the Texas study exposes—earnings are reported only for graduates who received federal aid, and there is no comparable control for what students could have earned without enrolling—but it is the most accessible national starting point for program-level due diligence.

What you study matters more than where you study it. This may be the study's most useful finding. Across every credential type, the program you chose explained more of the variation in your eventual earnings than the institution you chose. For students seeking a bachelor's degree, what you studied mattered nearly twice as much as where you studied it. For an associate degree, about half again as much. For a short-term certificate, more than three times as much. Almost every accountability system in American higher education—accreditation, rankings, performance funding—is aimed at institutions, not at the programs inside them. The Texas data says we have been aiming at the wrong target.

Maria Toyoda, president and CEO of the WASC Senior College and University Commission, one of the country's regional accreditors, points to two federal shifts. Under the One Big Beautiful Bill Act, individual programs whose graduates earn below a federal threshold now face penalties—the test is applied at the program level, not the institutional level. And draft regulations from this year's federal accreditation rulemaking would require accreditors to weigh educational and economic returns against what students pay.

"The larger question that accreditors must now wrestle with," she says, "is the extent to which these programmatic reviews inform their overall evaluation of an institution's effectiveness and financial health."

Completion is the single strongest predictor of whether college pays off. Beyond program choice, finishing matters more than anything else the study examined. Across every credential type, groups of students with higher graduation rates produced higher earnings gains, even after adjusting for the size and price of the institution. For bachelor's-seekers, every additional percentage point of completion in a student's cohort added about $2,000 to their long-run earnings. Starting college is one thing. Finishing it is what produces the financial return.

For institutional leaders, the implication runs in two directions: graduate more students, and graduate them from programs that actually pay off. Matt Gianneschi, president of Colorado Mountain College (CMC), has spent nearly a decade applying both principles—using labor market data to add capacity in fields where graduates thrive and to redesign or phase out programs that don't—and is preparing to invite a handful of institutions to join CMC in a coalition built on the same approach. He frames the work as moral as much as strategic.

“I believe in my soul that it is imperative to never allow a student to leave a college or university worse off than when they started," Gianneschi says. "That result is inexcusable—and preventable."

One more thing worth raising, less about Texas than about everywhere else. The Texas study was possible because the state has spent more than two decades building a data system that links what happens in high school, in college, and at work. Most states are not yet in position to do this kind of work, though Texas is no longer alone. The Texas researchers themselves caution that even their carefully matched comparisons may slightly overstate returns at the most selective institutions and the most lucrative majors, because students who choose those paths bring advantages no statistical matching can fully capture. The Texas work is the strongest scalable measurement of college returns we have to date, and a template other states could follow.

Stig Leschly, president and founder of PSC, says roughly 15 states already have the longitudinal data infrastructure needed to support a value-added earnings analysis like Texas’, and PSC plans to extend the work to two of them next year. "Building and sustaining this kind of effort requires leaders who are committed to measuring outcomes fairly and accurately," he says, "and who are willing to invest in the data infrastructure needed to support that work."

The lesson for families is straightforward. Pick the field of study before you pick the school. Bet on the school where your student is most likely to finish. For employers offering tuition benefits or weighing certificate-based training, the spread between high-return and negative-return programs is wide enough that program-level due diligence matters more than the brand of the institution. For policymakers preparing to spend new federal dollars on short-term credentials, the Texas data is a usable warning about which programs deliver and which do not.

The Texas study is a proof of concept. The harder work—building the data infrastructure that makes this kind of honesty possible, and then doing something with the answers—is in front of the rest of the country.