# *Degrees of Value:* Strengthening College ROI Across California

MARCH 31, 2026

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## What a positive ROI can do

| Build public trust | Boost economic mobility | Drive economic strength | Close equity gaps |
| --- | --- | --- | --- |

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# California Competes:

*Higher Education for a Strong Economy*

## What we *believe*

Higher education is both a vaccine and an antidote against economic stagnation and social stratification—for individual Californians, our communities, and the state's economy.





## Our Policy *Priorities*

- Higher Education-Workforce Alignment
- College Access & Success for Adults
- Agile & Innovative Higher Education
- Coordinated Policy Setting & Implementation

*Research Briefs*

# Degrees of Value: Exploring How College ROI Differs Across California

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# How we define ROI

ROI = ADDED VALUE OF A COLLEGE DEGREE – EDUCATIONAL EXPENSES

*where the added value of a college degree is the difference between a college graduate's and a high school graduate's annual earnings, multiplied by 10 years, and educational expenses are a college student's annual education and living expenses minus their annual grant aid, multiplied by the standard number of years to complete their degree (two for an associate's, four for a bachelor's)*

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# Use the ROI Metrics Matrix to make sense of the ROI landscape

| | SOURCES | WHAT QUESTION(S) DOES THIS METRIC TRY TO ANSWER? | DEFINITION OF ROI (OR RELATED METRIC) |
|---|---|---|---|
| UPDATED ROI DATA TOOL | Georgetown University Center on Education and the Workforce | Which US colleges' students earn enough to recoup their costs? How does this rate vary by credential level, institution type, student' entering year, and time period for payback? | College graduates' cumulative earnings *minus* their total net price of attendance. |
| ROI, RELATED TO STATE OPPORTUNITY INDEX | Strada Education Foundation | What proportion of US college graduates earn enough more than a typical high school graduate to recoup their costs within 10 years, and how does the proportion vary by race, ethnicity, sex, and region? | College graduates' wages *minus* their total net price of attendance *minus* high school graduates' wages. |

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# A degree pays off for most graduates

**78%** of bachelor's holders

**62%** of associate's holders

**achieve a positive ROI**

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## Among bachelor's holders, White and Asian graduates are more likely to see a positive return than Black and Latinx graduates


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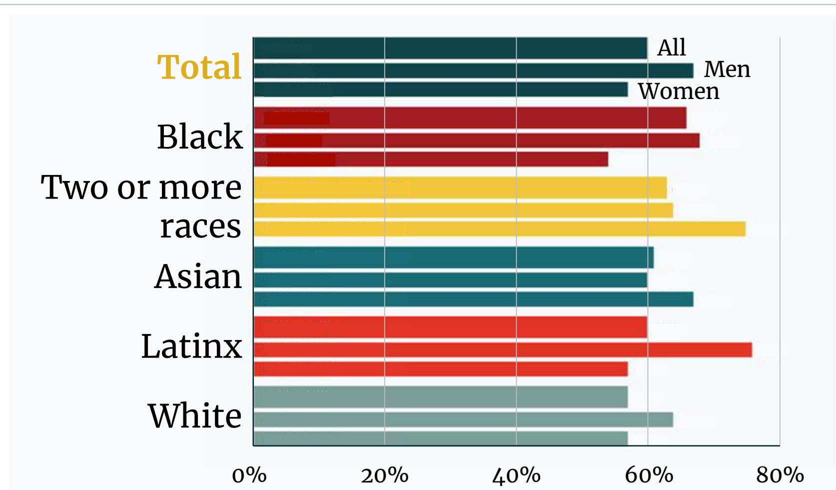
## Associate's degrees pay off, but with greater variation across demographic groups

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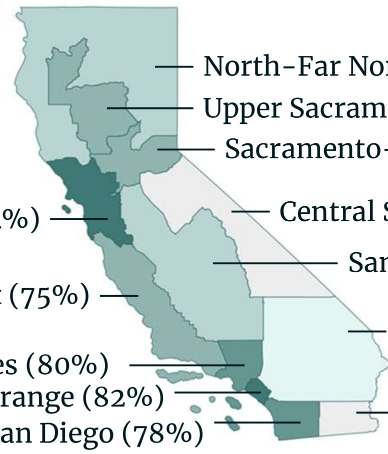
## Bachelor's degrees pay off most often in urban, coastal regions with strong economies




*Values are not available for the Central Sierra and Imperial regions because of small sample sizes.*

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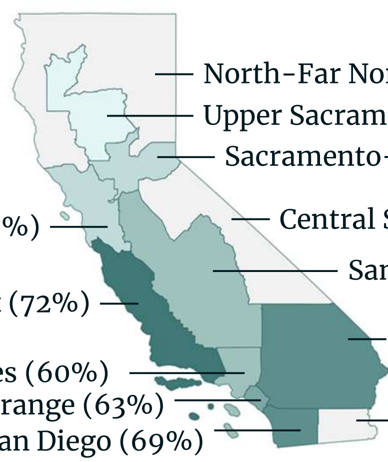
## The positive ROI rate for associate's degrees varies more by region than that for bachelor's degrees




*Values are not available for the Central Sierra, North-Far North, and Imperial regions because of small sample sizes.*

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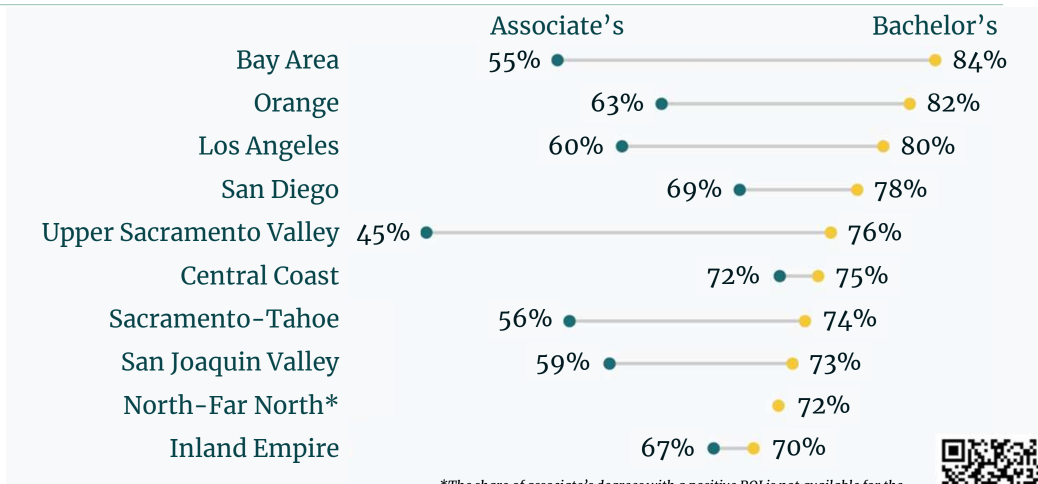
## Bachelor's pay off at a much higher rate than associate's in some regions, while in others the gap is slim




**The share of associate's degrees with a positive ROI is not available for the North-Far North region due to small sample size. For this same reason, values for both degree types are omitted for the Central Sierra and Imperial regions.*

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## How can we improve college's economic ROI?

Increase graduates' earnings

Decrease students' college costs

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# Opportunities to strengthen college ROI

| Deepen employer partnerships | Improve workforce data collection | Expand financial aid access | Streamline holistic supports |
|---|---|---|---|

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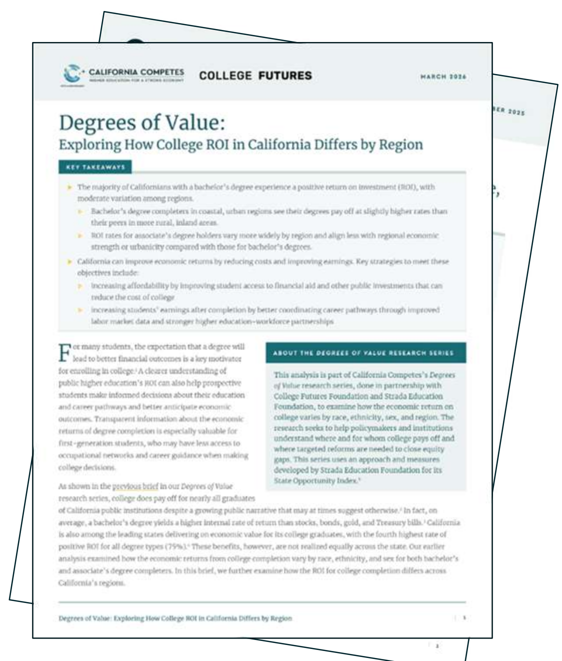
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Degrees of Value:
Exploring How College ROI in California Differs by Region

KEY TAKEAWAYS

- The majority of Californians with a bachelor's degree experience a positive return on investment (ROI), with moderate variation among regions.
  - Bachelor's degree completers in coastal, urban regions see their degrees pay off at slightly higher rates than their peers in more rural, inland areas.
  - ROI rates for associate's degree holders vary more widely by region and align less with regional economic strength or urbanicity compared with those for bachelor's degrees.
- California can improve economic returns by reducing costs and improving earnings. Key strategies to meet these objectives include:
  - increasing affordability by improving student access to financial aid and other public investments that can reduce the cost of college
  - increasing students' earnings after completion by better coordinating career pathways through improved labor market data and stronger higher education–workforce partnerships

For many students, the expectation that a degree will lead to better financial outcomes is a key motivator for enrolling in college.[1] A clearer understanding of public higher education's ROI can also help prospective students make informed decisions about their education and career pathways and better anticipate economic outcomes. Transparent information about the economic returns of degree completion is especially valuable for first-generation students, who may have less access to occupational networks and career guidance when making college decisions.

ABOUT THE *DEGREES OF VALUE* RESEARCH SERIES

This analysis is part of California Competes's *Degrees of Value* research series, done in partnership with College Futures Foundation and Strada Education Foundation, to examine how the economic return on college varies by race, ethnicity, sex, and region. The research seeks to help policymakers and institutions understand where and for whom college pays off and where targeted reforms are needed to close equity gaps. This series uses an approach and measures developed by Strada Education Foundation for its State Opportunity Index.[5]

As shown in the previous brief in our *Degrees of Value* research series, college does pay off for nearly all graduates of California public institutions despite a growing public narrative that may at times suggest otherwise.[2] In fact, on average, a bachelor's degree yields a higher internal rate of return than stocks, bonds, gold, and Treasury bills.[3] California is also among the leading states delivering on economic value for its college graduates, with the fourth highest rate of positive ROI for all degree types (75%).[4] These benefits, however, are not realized equally across the state. Our earlier analysis examined how the economic returns from college completion vary by race, ethnicity, and sex for both bachelor's and associate's degree completers. In this brief, we further examine how the ROI for college completion differs across California's regions.

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