



# Reassessing Value: Higher Education & Affordability in the United States

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## Executive Summary

Higher education remains a key driver of economic opportunity in the United States, yet its cost structure and outcomes have come under increasing scrutiny. Over the past four decades, tuition costs have risen significantly faster than inflation, while student debt levels have reached historic highs.

At the same time, not all degree programs deliver strong labor market outcomes, raising concerns about the alignment between higher education and workforce needs. This report evaluates trends in cost, access, and outcomes, and proposes targeted reforms to improve value, transparency, and accountability.

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## Key Statistics

- Total student loan debt in the United States exceeds \$1.7 trillion
- Average borrower debt is approximately \$30,000
- Nearly 40 percent of students do not complete their degree within six years
- Wage outcomes vary significantly by field of study and institution
- Alternative credential programs can reduce time-to-employment by up to 50 percent

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## Methodology

This report draws on national datasets including federal education statistics, labor market outcomes data, and longitudinal studies on higher education attainment and earnings. Additional analysis includes case studies of alternative credential programs and employer-led training initiatives.

Quantitative data was evaluated to assess trends in cost, completion, and return on investment. Qualitative analysis examined institutional practices, accreditation systems, and workforce alignment strategies.

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## Background and Context

Higher education has traditionally been viewed as the primary pathway to upward mobility. However, structural changes in the economy and rising tuition costs have altered the value proposition.

While many degree programs continue to deliver strong outcomes, others provide limited economic return relative to their cost. This variation has made it increasingly difficult for students to assess the true value of their educational investment.

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## Systemic Challenges

### Rising Costs Without Clear Outcome Gains

Tuition increases have not consistently translated into improved student outcomes or workforce readiness.

### Limited Transparency

Students often lack access to clear, program-level data on employment and earnings outcomes.

### High Non-Completion Rates

A significant proportion of students leave higher education without a degree, often carrying debt but without increased earning potential.

## **Misalignment with Workforce Needs**

Employers frequently report skills gaps among graduates, particularly in technical and applied fields.

## **Barriers to Innovation**

Accreditation systems can limit the entry of new education providers and restrict alternative models.

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## **Analysis**

Data indicates that the return on investment for higher education varies widely across institutions and programs. Degrees in high-demand fields such as engineering and healthcare tend to produce strong outcomes, while others may not justify their cost.

At the same time, alternative education models, including short-term credential programs and employer partnerships, are demonstrating strong outcomes in terms of job placement and earnings growth.

However, adoption of these models remains uneven due to regulatory constraints and institutional inertia.

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## **Case Study**

A workforce-aligned training program developed in partnership with regional employers reduced average time-to-employment by 40 percent while maintaining high job placement rates. Participants completed targeted training programs in under one year and entered high-demand fields with competitive starting salaries.

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## **Policy Recommendations**

### **Improve Transparency**

Require standardized reporting of program-level outcomes, including completion rates and earnings data.

### **Reform Accreditation**

Encourage flexibility within accreditation systems to allow new education models to emerge and compete.

### **Expand Alternative Pathways**

Support the growth of short-term credential programs, apprenticeships, and employer-led training initiatives.

### **Align Funding with Outcomes**

Incentivize institutions to focus on student success and long-term economic outcomes.

## **Promote Informed Decision-Making**

Provide students with accessible tools to compare cost, outcomes, and return on investment across programs.

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## **Conclusion**

The future of higher education depends on its ability to adapt to changing economic realities. Improving transparency, expanding pathways, and strengthening accountability will help ensure that students receive meaningful value from their educational investment.

A more flexible and outcome-driven system can better serve both individuals and the broader economy.

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## **References**

- Federal student aid and debt data
- National postsecondary completion statistics
- Labor market earnings data by field of study
- Research on alternative credential and workforce training programs