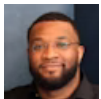


# 2023 Economic Mobility Index



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It’s an age-old question for many students, families, and taxpayers: which college is the best? Different ranking systems have attempted to quantify the value of higher education in a simple roundup list for decades. But we have a new approach, shifting focus to institutions that offer strong return on investment for students with the greatest financial need—providing real economic mobility. Coupled with increasing Congressional interest in ensuring return on investment for all students, there is more demand than ever to create new forms of defining, measuring, and communicating the mission and value of higher education today.

Third Way first introduced the Economic Mobility Index (EMI) in 2022 to approach assessing institutions of higher education. Distinct from traditional rankings and measures of institutional value, we seek to highlight institutions that are fulfilling higher education’s purpose of promoting economic mobility for their students. That means not only serving students from low-income backgrounds well and setting them up for economic success, but also enrolling significant proportions of students with high financial need in the first place. This update recreates the EMI for

2023 using the latest data from the College Scorecard released this spring. Below, we unpack the 2023 data and examine the attributes and characteristics of institutions that fare well on the EMI. For more information about the EMI and previous reports, [click here](#).

## 2023 Highlights

As with our 2022 report, institutions in California, New York, and Texas—many of which are broad access, public regional, or minority-serving (including Hispanic-serving) institutions—perform strongly on the EMI. It's no secret that institutions offering low tuition costs and enrolling large percentages of Pell-eligible students are walking the walk when it comes to providing economic mobility to today's college graduates. Institutions that are affordable and offer a quick return on investment are committed to access and success for low- to moderate-income students who stand to gain the most in economic and social returns from higher education. Within the top 20 institutions on the 2023 EMI, several belong to the same state systems of institutions—namely, the California State University system (eight institutions) and the City University of New York (CUNY) system (five institutions).

**Over one-third of the 281 institutions in the top 20% of schools on Third Way's Economic Mobility Index are Hispanic-serving institutions, a federal designation for schools with an undergraduate enrollment of at least 25% Hispanic students.**



The notable success of institutions in California, New York, and Texas on the EMI is rooted in part in their geography: these schools have a strong overall reach to low- to moderate-income students and are situated in large, urban population centers where students from lower-income backgrounds make up a larger share of the population seeking a postsecondary credential. The institutions in these states have had to adapt and build campus cultures and policies to best support these students—and many have done so successfully when judged on the return on investment and lower cost for access they offer. Additionally, numerous schools reaching the top 20% on the EMI—placing them in Tier 1 on our list—are minority-serving institutions (MSIs), including seven Historically Black Colleges and Universities (HBCUs) and 99 Hispanic-serving institutions (HSIs). Over one-third of the 281 institutions in the top 20% of schools on Third Way's Economic Mobility Index are Hispanic-serving institutions, a federal designation for schools with undergraduate enrollment of at least 25% Hispanic students.

Institutions that rank highly on the EMI do so because they enroll large proportions of low- to moderate-income students and provide a quick return on investment, demonstrating a commitment to helping students not only access college, but also get across the finish line to reap the benefits of a postsecondary credential. Many institutions that rank highly on the EMI have undertaken various initiatives that focus on completion, equity, and positive post-graduation outcomes. The City University of New York system's Accelerate, Complete, and Engage (ACE) program, which provides comprehensive student support and academic services, boosted four-year graduation rates by over 12 percentage points.<sup>1</sup> The California State University system's Graduation 2025 initiative, focused on addressing barriers to student success and closing equity gaps in degree attainment, has contributed to a 16 percentage point increase in four-year graduation rates for first-time college students.<sup>2</sup>

When it comes to institutions moving around on the EMI, slight differences from year to year are to be expected and, overall, are inconsequential from our 2022 report to this 2023 update. Likewise, there's little difference between an EMI ranking of 50 and 65 given the vast number of institutions within College Scorecard data, and both schools should be celebrated for their commitment to student success. Rather than presenting this year's data solely by numeric ranking, we are also choosing to cluster institutions into five tiers (each made up of approximately 281 institutions) to highlight the great work happening at so many institutions around the country. Tier 1 represents the top 20% of institutions on the EMI, Tier 2 between 20% and 40%, Tier 3 between 40% and 60%, Tier 4 between 60% and 80%, and Tier 5 within the bottom 80% to 100% for economic mobility. The institutions in the top tier are unambiguously delivering strong economic mobility outcomes and are spotlighted below alphabetically.

## **Conclusion**

The number one reason a student goes to college today is to get a good job and climb the income ladder. Institutions faring well on the EMI go above and beyond to ensure that their students can finance their education sustainably and receive demonstrated return on investment from their college credential. There's a lot to be excited about in higher education as the sentiment around

college rankings is slowly moving away from prestige and more toward the best bang for your buck —and in turn uplifting the institutions doing the hard work of educating their students, providing return on investment, and being engines of socioeconomic mobility in the United States. The EMI offers another tool to contextualize the value of higher education and learn from the examples of standout institutions prioritizing positive outcomes and setting their graduates on an upward trajectory.

## Methodology

To update the EMI, we used data from the most recent College Scorecard release from April 2023 (which reflects institution-level data from the 2020–2021 academic year) and the US Census Bureau’s American Community Survey (2021 five-year estimates).

We first calculated each institution’s price-to-earnings premium (PEP) for low-income students. The low-income PEP shows how long it takes students from families earning \$30,000 or less per year to recoup the cost of obtaining their credential based on the net price they paid and the earnings boost they received from attending. We constructed this using the formula:

$$\text{Total Average Net Price for Low-Income Students} / (\text{Median Earnings of Low-Income Graduates} - \text{Median Earnings of a High School Graduate in the State}) = \text{Number of Years to Recoup the Net Cost}$$

We used \$30,000 as our marker for identifying low-income students based on the data available in the College Scorecard. This figure is also the income bracket most closely representative of the income of Pell Grant recipients, the majority of whom come from families earning less than \$40,000 per year. Because the College Scorecard only reports data on federally-funded institutions and students, our calculations are limited to schools and students that receive federal aid. We also eliminated all institutions lacking the necessary data to calculate a PEP value from our analysis. This report includes institutions where a bachelor's degree is the predominant degree offered, so our measure of total average net price in the PEP calculation assumes four years of enrollment.

Once we established a PEP value for each institution’s low-income students, we assigned a percentile rank to identify where institutions stack up in delivering fast ROI for their low-income students. The school that gave its low-income students the highest return received a 100% PEP percentile rank. To calculate the EMI value, we then multiplied each school’s low-income student PEP percentile rank by the percentage of Pell recipients it enrolls. This calculation helps to contextualize which schools not only serve low-income students well, but also serve a large share of them in the first place, and thus are powerful drivers of upward mobility. Lastly, we assigned a numerical rank, which we used to create five tiers reflective of institutions’ performance on the EMI, since we know that there is little practical difference between numbers on a ranked list. Within the data, 266 institutions showed no ROI for low-income students and therefore were not ranked

within the overall tiers for providing socioeconomic mobility. For institutions with multiple campuses that report data separately, we used only the campus location with the highest enrollment for the EMI ranking. For institutions with both online and in-person locations, we kept the online campus plus the highest-enrolled in-person location.

## Data Dictionary

Source	Variable	Description	Measurement Year
US Department of Education College Scorecard	Predominant Degree	Predominant undergraduate degree awarded at the institution	Academic year 2020–21, reported in IPEDS 2021–22
US Department of Education College Scorecard	Control of institution	The type or control of institution – public, private non-profit, or private for-profit	Academic year 2021–22, reported in IPEDS 2021–22
US Department of Education College Scorecard	Average net price for \$0–30,000 family income at public or private institutions	The average annual total cost to attend the institution for a student whose family earns \$0–30,000 annually	Academic Year 2020–21, reported in IPEDS 2021–2022
US Department of Education College Scorecard	Median Earnings for Low-Income Students	Median earnings of students with a family income of \$0–30,000 per year who are working and not enrolled ten years after enrollment in the institution	Calendar years 2019 and 2020 pooled earnings cohort (adjusted to 2021 dollars)
US Census, American Community Survey 2021 5-year estimate	Median salary of a high school graduate (or equivalent) in the state where the institution is located	Estimates of the median salary of a high school graduate (or equivalent) with no college education in each state	2021 five-year estimates from pooled 2017–2021 data
US Department of Education College Scorecard	Proportion of Pell Grant recipients	The proportion of undergraduates enrolled at the institution who received a Pell grant	Academic Year 2020–2021, reported in 2021–2022 IPEDS

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## ENDNOTES

- 1.** Zhu, Jing, Michael Scuello, and Diana Strumbos. "Evaluation of Accelerate, Complete, Engage (ACE) at CUNY John Jay College of Criminal Justice." The City University of New York, April 2023, <https://www1.cuny.edu/sites/asap/wp-content/uploads/sites/8/2023/04/CUNY-ACE-Study-Four-Year-Graduation-Results-Full-Report-April-2023.pdf>. Accessed 2 August 2023.
- 2.** The California State University System. "Graduation Initiative 2025". <https://www.calstate.edu/csu-system/why-the-csu-matters/graduation-initiative-2025>. Accessed 2 August 2023.