

**BLOG** Published August 26, 2024 • 2 minute read

# 2024 Price-to-Earnings Premium and Economic Mobility Index

**Emily Rounds & Chazz Robinson**

The number one reason students pursue a college degree is to gain financial security and increase their employability. An undergraduate education is one of the most expensive investments a person will make in their lifetime, and with millions in taxpayer dollars flowing to institutions, it's imperative for students, their families, and policymakers to understand if schools are offering a return on their investments. Third Way's Higher Ed Value Metrics were developed to help us understand this by measuring value and return on investment at four-year institutions across the country.

Get the takeaways from the 2024 Price-to-Earnings Premium and Economic Mobility Index below, and head to [www.higheredvaluemetrics.org](http://www.higheredvaluemetrics.org) to find the full data and interactive dashboards.

## **Price-to-Earnings Premium**

The Price-to-Earnings Premium (PEP) measures the value that higher education institutions provide their students by looking at the net price the average student pays out-of-pocket to obtain an academic credential relative to the additional amount they earn by attending that institution in the first place.

### **In 2024:**

- Public colleges dominate the top 10 spots on the PEP, and private non-profits secure top spots in the PEP for low-income students.
- 80% of institutions prepare low-income students to recoup tuition in fewer than 10 years.
- \$755 million taxpayer dollars fund the lowest 25 performing institutions.
- For-profit colleges are a risky bet for students—66% either only deliver ROI 26 years after graduation or do not deliver ROI at all.

## **Economic Mobility Index**

The Economic Mobility Index (EMI) assesses institutions on how well they serve low-income students and provide them with a return on their investment. The metric uses the results of our low-income PEP analysis and multiplies institutions' comparative rank by the percentage of Pell Grant recipients that they enroll.

### **In 2024:**

- California, Texas, and New York lead the EMI for the third year in a row. Of the top 25 schools on the EMI, 76% are based in California, Texas, and New York.

- Minority Serving Institutions excel at providing economic mobility for their most vulnerable students. In Tier 1 of the EMI, there are 96 Hispanic-Serving Institutions, 63 Asian American and Native American Pacific Islander-Serving Institutions, and 8 Historically Black Colleges and Universities.
- Public institutions dominate the EMI—186 of the 270 (69%) of the spots in Tier 1.
- Institutions that do well on the EMI have higher enrollments of Pell recipients. The average percentage of Pell students at the schools in Tier 1 is 41%.

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