



**Carnegie Foundation**  
for the Advancement of Teaching

**THE CARNEGIE POSTSECONDARY COMMISSION**

**REVITALIZING HIGHER**  
**EDUCATION: A BLUEPRINT FOR**  
**TRANSFORMATIVE CHANGE**



While the value of a college degree is increasingly scrutinized, it remains undeniable that a postsecondary education is the most valuable avenue for achieving social and economic mobility in the United States<sup>1</sup>. However, critical obstacles and challenges persist, particularly for low-income, underrepresented, and first-generation students who face crippling debt<sup>2</sup>, a lack of transparency, and employers no longer willing to trust-but-verify the correlation of skills and credentials.

In 2023, the Carnegie Foundation for the Advancement of Teaching in partnership with the XQ Institute convened the Carnegie Postsecondary Commission (CPC) to consider ideas and endeavors that will lead to transformational change of the American higher education system, and promise increased access, affordability, and meaningfully improved outcomes for students enrolled in postsecondary school, especially those furthest from opportunity.

The CPC is composed of leaders and innovators across the K12, postsecondary and the private sector. The vision is ambitious, calling for innovations and disruptions from pre-college preparation to post-graduation success. By catalyzing transformative change, the Commission aims to create a postsecondary system that effectively prepares millions more students for healthy, dignified, and fulfilling lives.

## **WHY CHANGE IS URGENTLY NEEDED**

The average cost of a four-year degree has more than doubled in the 21st century<sup>3</sup>, outpacing income growth and pushing students into significant debt<sup>4</sup>. This burden falls disproportionately on low-income students and their families as available financial assistance such as Pell grants fail to keep up with the increasing cost of a higher education degree<sup>5</sup>.

For students who manage to enroll in post-secondary education, completion rates remain staggeringly low<sup>6</sup>. Insufficient financial aid,

inadequate academic supports, fragmented pathways from secondary school, to post-secondary institutions and careers, and lack of information and guidance<sup>7</sup> create daunting challenges that far too few students can overcome. Even with a degree, more than half of recent four-year college graduates (52 percent) find themselves underemployed a year after they graduate. A decade after graduation, 45 percent of them still don't hold a job that requires a four-year degree<sup>8</sup>.

## **ENVISIONING A NEW PARADIGM: A BLUEPRINT FOR ACTION**

With this as a stark backdrop, the CPC was established to identify high leverage opportunities for action. Commissioned 'action' papers will provide the research to evaluate and share levers for impact, the elevation of promising and exemplary practices, and the targeted development of networks to work on high leverage challenges. The CPC is considering a range of innovations and policy reforms:

### **NEW MODELS OF POSTSECONDARY**

For decades, the quality of higher education institutions has largely been defined by inputs: resources allocated, students enrolled, facilities, and comprehensiveness of educational programs. These are inadequate proxies for institutional excellence. Outcomes – student persistence and completion, pathways to careers, earnings, and improved social and economic opportunity – should be key measures of institutional quality. These data must be conveyed in transparent, understandable ways to prospective students and policymakers. Along with others in the field, the CPC envisions a new accreditation process that encourages innovation by emphasizing student focused outcomes.

The public and philanthropic sector should foster and support new postsecondary options (both existing institutions and startups) that are outcomes focused, affordable, and provide flexibility to the learner regarding where, how, and when learning takes place.

### **AFFORDABILITY**

The financial burden of higher education remains the fundamental barrier to increasing economic opportunity across the nation. The CPC proposes a multi-pronged approach to tackling affordability. Increased public funding for higher education institutions, coupled with expanded and streamlined financial aid programs. Carefully constructed income-based repayment plans and debt forgiveness programs can offer additional relief and incentivize enrollment. Testing alternative funding models, including employer-sponsored education will diversify the funding landscape and make college more accessible.



## COMPREHENSIVE EDUCATION AND CAREER DEVELOPMENT APPROACH

The CPC advocates for a comprehensive approach to education and career development, recognizing the significance of a continuous learning journey from early childhood through postsecondary education (PK-16 Pathways). This holistic perspective encompasses traditional classroom education alongside out-of-school learning opportunities, including before- and after-school programs, summer experiences, mentorship, internships, and work experiences. Moreover, the CPC seeks to accelerate the adoption of models that emphasize flexibility and customization to cater to individual students' pace, needs, and goals. This involves competency-based models, online and hybrid learning platforms, and stackable credentials, supported by richer, individualized, technology-enabled, project-based, and applied learning methodologies. Additionally, the integration of work and learning is highlighted, emphasizing the transformative power of work-based opportunities such as internships, apprenticeships, and cooperative programs. By blurring the lines between education and employment, the CPC seek to enhance affordability and foster career readiness, ultimately contributing to a more inclusive and robust national economy.

## CREATE A CLEARER, MORE USEFUL PICTURE OF THE HIGHER EDUCATION LANDSCAPE

In early 2025, ACE and the Carnegie Foundation will release a series of changes that will modernize the Carnegie Classification of Institutions of Higher Education (Carnegie Classifications). They will revise the Basic Classification, and create new, multi-dimensional groupings of institutions that go beyond the single label (such as Master's Colleges and Universities: Medium Programs) that is now assigned to every U.S. college and university.

The classification categories will be expanded to more accurately describe the richness and multifaceted nature of today's colleges and universities and capture additional aspects of institutions' missions. The 2025 Carnegie Classifications will also include a framework for a new universal Social and Economic Mobility Classification that will group institutions using a variety of relevant student characteristics and student outcomes. The CPC is excited about the revised classifications and their potential to influence higher education actions in ways that benefit students and their higher education experiences.

## BUILDING A MORE INCLUSIVE SYSTEM

The Carnegie Postsecondary Commission seeks to reimagine postsecondary education in the United States, making it an even more powerful engine for opportunity. For its members, this is not just an educational imperative, it is a moral, economic and social obligation. Our call to action is clear: join the movement, share your most ambitious ideas, champion reform, and be a part of the change that will make higher education a reality for millions more students.

## ABOUT THE CARNEGIE FOUNDATION FOR THE ADVANCEMENT OF TEACHING

The mission of the Carnegie Foundation is to catalyze transformational change in education so that every student has the opportunity to live a healthy, dignified, and fulfilling life. Enacted by an act of Congress in 1906, the Foundation has a rich history of driving transformational change in the education sector, including the establishment of TIAA-CREF and the creation of the Education Testing Service, the GRE, Pell Grants, and the Carnegie Classifications for Higher Education.



## ENDNOTES

1. See Itzkowitz (2024), Ensuring a Living Wage Through Higher Education for more detail. <https://www.theheagroup.com/blog/ensuring-a-living-wage-through-higher-education>
2. See Marcus & Fazil (2023) Why are prices rising more for lower-income college students than their higher-income peers? The Hechinger Report for more detailed information.
3. See Hansen (2023), Average Cost of College & Tuition, College Data Initiative, for a more detailed breakdown of cost across institutions.
4. See endnote #2
5. See endnote #3
6. See Causey, Gardner, Pevitz, Ryu, and Shapiro (2023), Some College, No Credential Student Outcomes, Annual Progress Report – Academic Year 2021/22, Herndon, VA: National Student Clearinghouse Research Center for more information.
7. See Flaherty (2023) Nearly Half of Students Lack Key Academic Guidance, <https://www.insidehighered.com/news/2023/03/01/student-survey-reveals-gaps-core-academic-advising-functions> for additional information.
8. See Burning Glass Institute and Strada Institute for the Future of Work (2024), Talent Disrupted: Underemployment College Graduates and the Way Forward, <https://stradaeducation.org/report/talent-disrupted/>



## ACKNOWLEDGEMENT

First and foremost, we would like to thank Michael Itzkowitz and the HEA Group for their valuable analysis which helped us to create a grounded vision supported by the most recent access, affordability, and outcomes data for U.S. students. We would also like to thank each of our Carnegie Postsecondary Commission members who were instrumental in the development of this paper by contributing their lived experience as postsecondary leaders who are at the forefront of higher education transformation. We extend our gratitude and appreciation to all of the contributors below.

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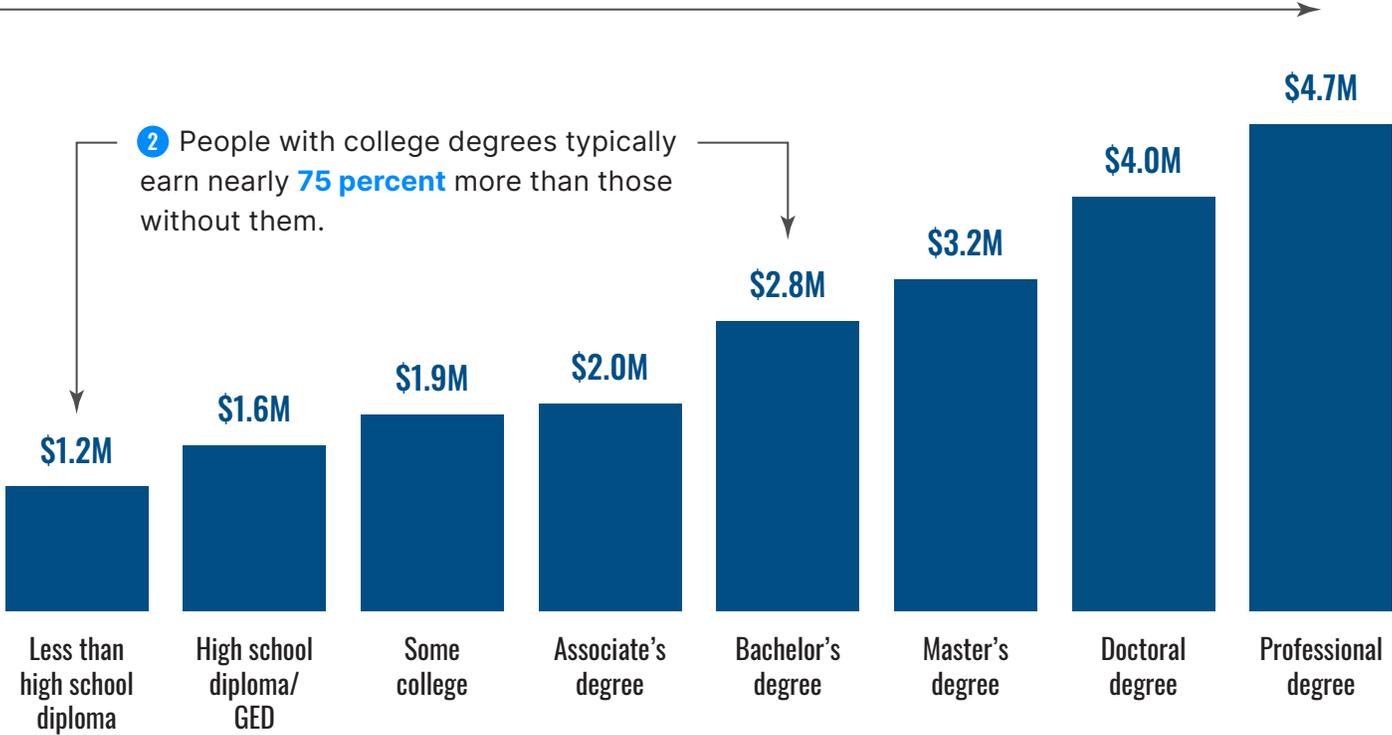
## KEY GRAPHS

The vision described by the CPC focuses on key actions that might be undertaken to transform the state of higher education systems in America. We conclude this paper with foundational information used by the CPC as evidence to support our efforts. While the data below are not intended to be exhaustive, we include key data that are specific to the value of higher education for all U.S. students, cost, and attainment of a higher education degree.

## OUTCOMES / EARNINGS

**FIGURE 1. MEDIAN LIFETIME EARNINGS BY EDUCATIONAL ATTAINMENT**

1 In most cases the earnings for students who complete a college degree are far better than those who do not, with earnings rising as the level of education increases

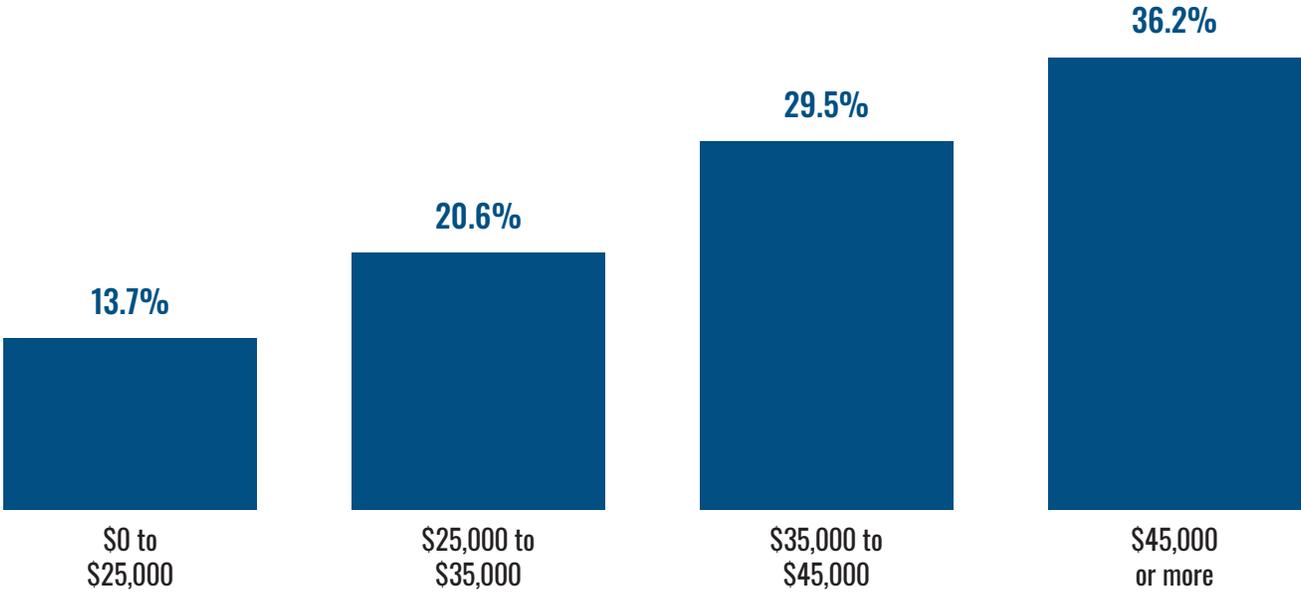


Source: *The College Payoff, 2021* (Georgetown University), Anthony P. Carnevale, Ban Cheah, and Emma Wenzinger; based on Georgetown University Center on Education and the Workforce analysis of the US Census Bureau, American Community Survey (ACS), 2009–2019.

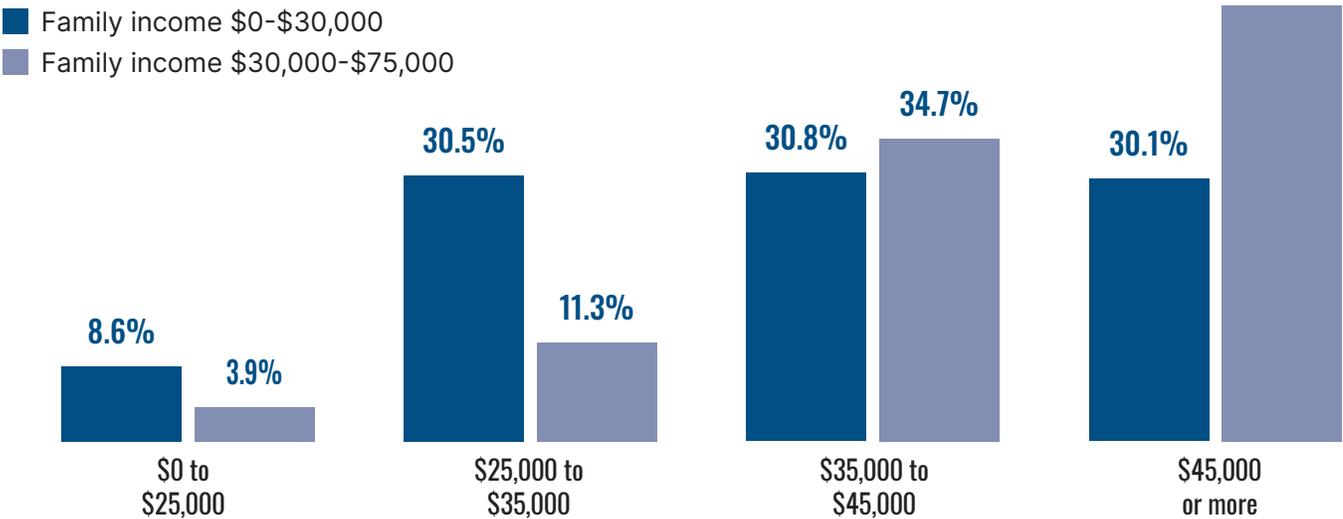
Note: The figure is based on data for 25- to 64-year-olds working full-time, full-year.

**OUTCOMES / EARNINGS**

**FIGURE 2. EARNINGS OF STUDENTS 10 YEARS AFTER ENROLLMENT (% OF COLLEGES)**



**FIGURE 3. EARNINGS OF LOW- AND MODERATE-INCOME STUDENTS 10 YEARS AFTER ENROLLMENT (% OF COLLEGES)**



# KEY GRAPHS

## COST

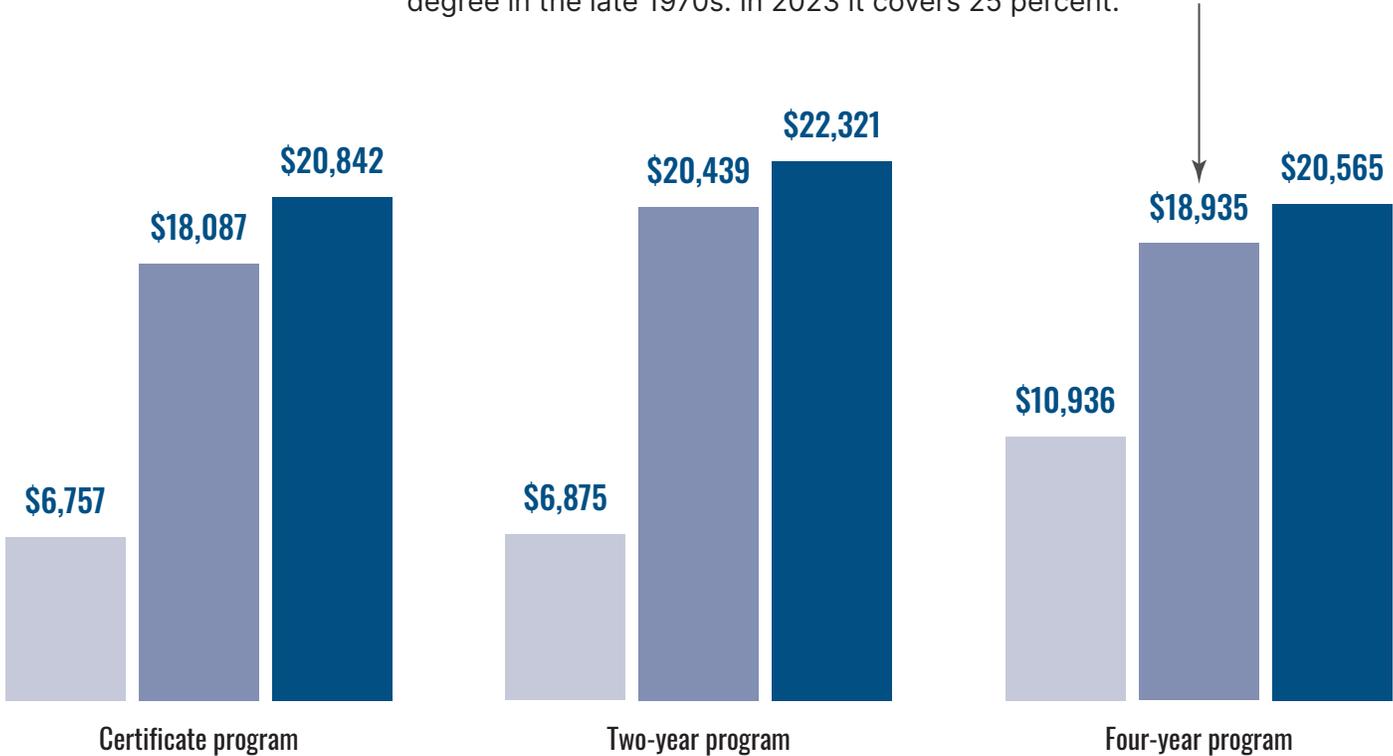
**FIGURE 4. AVERAGE ANNUAL OUT-OF-POCKET COSTS FOR MODERATE-INCOME FAMILIES (UP TO \$75,000)**

Institutional sector: ■ Public ■ Private ■ For-profit

1 Over the 30 years between 1992-93 and 2022-23, average published tuition and fees increased from \$2,340 to \$3,860 at public two-year, from \$4,870 to \$10,940 at public four-year, and from \$21,860 to \$39,400 at private nonprofit four-year institutions, after adjusting for inflation.

2 For the typical student enrolled in a four-year public institution, their degree costs about \$11,000 per year compared to \$19,000 per year at private four-year institutions and \$20,600 at for-profit four-year institutions

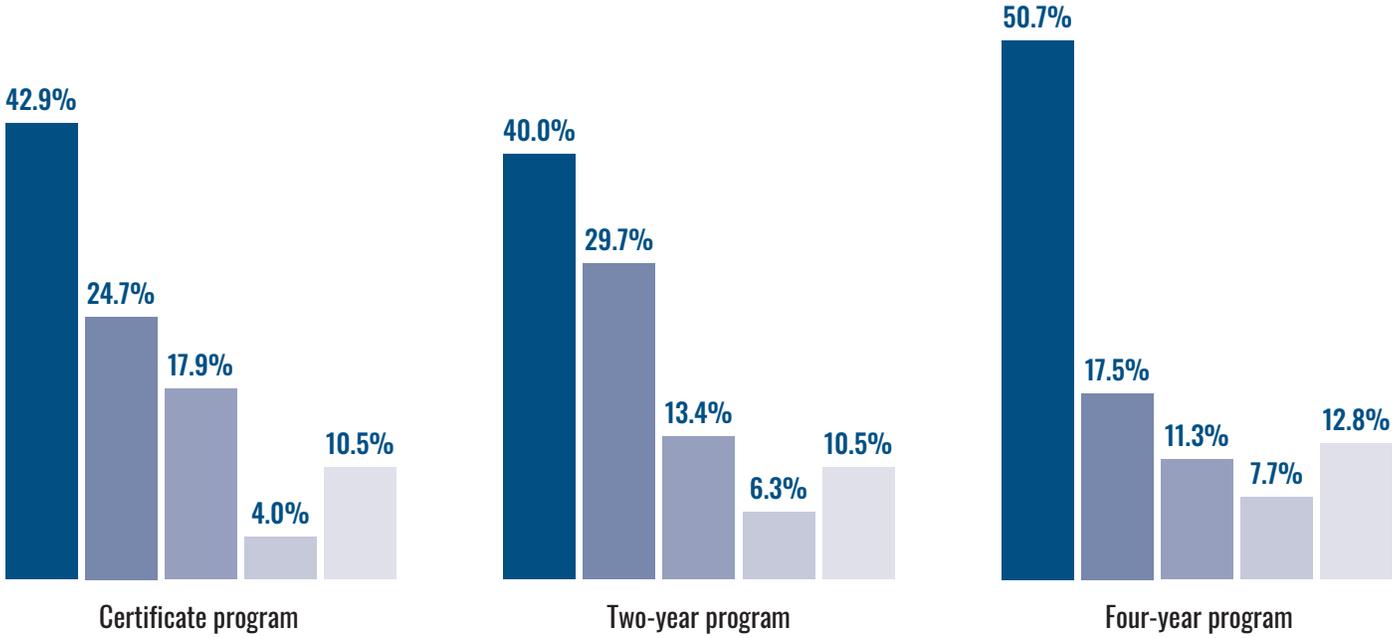
3 Pell Grants covered about 80 percent of the average cost of a four-year degree in the late 1970s. In 2023 it covers 25 percent.



ENROLLMENT

FIGURE 5. RACE AND ETHNICITY OF STUDENTS, BY TYPE OF INSTITUTIONAL PROGRAM

1 In the fall of 2010, there were more than 18 million undergraduates enrolled in colleges and universities across the United States. That figure has been falling ever since, dipping below 15.5 million undergrads in 2021. As recently as 2016, 70 percent of high school graduates were still going straight to college; now the figure is 62 percent.



Race/ethnicity: White Hispanic Black Asian Other

2 Between fall 2010 and fall 2020, the shares of undergraduate students who were Asian (5.9-7.3), Hispanic (14.5-21.9), and two or more races (1.7-4.4) increased while the shares of undergraduate students who were Black (15-13), White (61.6-52.7), or Native declined.