2026-11-27

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HIGHER EDUCATION

A college education pays off in Colorado

But not as much as it does in other states; gap is second-lowest in U.S.

Translate

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Students who completed a Colorado college program in 2017-18 earned about 55% more than state residents with only a high school diploma, according to a new study. That gap, called a wage premium, was the second-lowest in the country.

Colorado degree or certificate holders earned about $61,000 a year on average in the four years after graduating, according to the data from The HEA Group, which studies the value of higher education.

High school diploma holders earned about $39,000 a year in the four years after graduating. Although that's a difference of more than $20,000, it falls short of the national average of nearly $26,000 and a 76% wage premium.

Michael Itzkowitz, The HEA Group president, said Colorado's high school diploma holders have higher pay than the national average. Colorado also has a higher percentage of students who completed college programs with low earnings.

And although the state's bachelor's and certificate earners make at least the national average, Colorado's associate degree holders earn less.

Colorado advocates and college leaders say the data has prompted discussions about whether the state should have more oversight and if students have the information they need to select college programs."This is not a finger-pointing activity," Itzkowitz said. "But because we can see how different states are performing within different kinds of degrees, the hope is that states will interact more with each other and learn."

Note

The HEA Group analysis offers insight into the value of a Colorado college degree or certificate before the federal government enacts the "do no harm" rule, which will prohibit students from using federal loans at college programs that don't net them more money than students who never went to college at all.

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The rule says if a program fails to show that it improves a student's pay higher than a high school diploma in two out of three consecutive years, it will lose eligibility to participate in federal direct student loan programs. The federal government will start to designate ineligible programs in the 2028-29 year.

In Colorado, 11% of students completed a college program in 2017-18 that resulted in earnings below what a high school graduate made, the data shows. That's almost double the national average. About a third of those students earned cosmetology certificates.

The report also highlights some programs, such as allied health and medical assisting services, that net earners slightly less than what the average high school graduate makes.

This doesn't necessarily mean a program is bad, Itzkowitz said: some fields, such as entry-level medical professions, have societal importance even if they offer lower pay.

"Some programs lead to careers that provide significant social benefit or align with a student's personal goals, even if earnings are comparatively lower," a spokesperson for the Colorado Department of Higher Education said. The department has not restricted any college programs because of low earnings, the spokesperson said.

The HEA Group report matches federal wage data with a state's 2017-18 college graduates who received a federal loan or Pell Grant, free aid for low-income students. It then compares their salaries to inflation-adjusted earnings for more recent Colorado high school graduates who didn't go to college.

The report found that:

- High school graduates on average earn $39,174 a year. That's compared with a national average of $34,808 a year.

- Colorado bachelor's degree holders make $68,264, earnings near the national average of $67,988.

- Associate degree holders make $51,848, lower than the $53,315 national average.

- Certificate holders earn about $45,214, which is higher than the national average of $42,509.

Advocates and education leaders shared different ideas about how the state can ensure students earn higher pay after graduation.

Kristin Hultquist, a higher-education policy strategist and former Metropolitan State University of Denver trustee, said too many Colorado students earn for-profit education credentials that produce low returns. She wants the state to have an active enforcement role.

"We have to make sure our program mix matches what's in demand in Colorado," she said.

Colorado does offer students information on their potential earnings, such as return on investment reports and an analysis on job field pay. But Shannon Nicholas, vice president

of business and education group Colorado Succeeds, said students should have a fuller picture of the jobs and wages available to them so they can make better choices. She said employers should make clear which credentials workers need to access higher-paying jobs. They also should help pay for that step, she said.

"Learners need to know the ladder exists before they start climbing," Nicholas said. "Right now too many short programs are treated as the finish line."

The new "do no harm" rule will provide more information to students about program outcomes, said Colorado Mountain College President Matt Gianneschi. That will create more informed consumers, he said.

Gianneschi is wary of any state mandate that colleges and universities should cut certain programs because of earnings. That should be left to colleges more in tune with local job needs, he said.

Colorado Mountain College has created a process to eliminate programs that don't benefit students, he said, such as one used to cut a portion of its outdoor education program. Those conversations are difficult, he said.

"It's not a question of the quality of the program," he said. "It's a question of the marketplace."

This story was originally published by Chalkbeat, a nonprofit news site covering educational change in public schools.