



K-12 Return on Investment Analysis



WHAT IS A RETURN ON INVESTMENT (ROI) ANALYSIS FOR K-12 PROGRAMS?

A ROI analysis of K-12 programs assesses program alignment with postsecondary programs, student outcomes and alignment with high-demand, high-skill and high-wage pathways. The ROI analysis includes student access, enrollment and completion data as well as outcomes data such as postsecondary enrollment, employment (including wage) and enlistment. The ROI analysis occurs at least every three years, is published publicly and is used to develop and implement policy and program changes.

An ROI analysis helps state leaders answer pressing education-to-workforce questions.

WHAT QUESTIONS DOES AN ROI ANALYSIS ANSWER?

- Are the investments of taxpayer money and student time “worth it”? For them? For the economy? For business and industry?
- In other words, do K-12 programs prepare students for what’s next?
 - ENROLLMENT: If students go on to the next level of education (high school to college or technical program), do they enroll and persist through the first semester?
 - EMPLOYMENT: When students enter the workforce (if it happens after high school), what wages are they earning? Do the K-12 programs set them up for success with a career that is in-demand or showing growth for employers?
 - ENLISTMENT: If students go into the military, do they qualify as an officer or for specialty programs?
- Do the programs or industry-recognized credentials offered in K-12 match with high-demand, high-skill, high-wage occupations?

FROM ANALYSIS TO ACTION: WHAT CAN STATES DO WITH ROI ANALYSIS RESULTS?

States can use three major approaches to leverage the results to drive change.

| Transparency | Structural | Incentives |
|---|--|--|
| Provide transparent information to high school students before they make decisions on high school courses, postsecondary options, and career aspirations. | Create new or expand existing K-12 CTE programs that align with high-demand, higher-wage, higher-skill occupations. | Implement outcomes-based funding based on success of students within six months of graduation (employment, enrollment or enlistment), with higher amounts for higher-need students (e.g., low-income) |
| Provide transparent information to schools/districts so they can evaluate and make changes/improvements to their existing programs with weak outcomes. | Eliminate K-12 programs with low enrollment or graduate numbers (e.g., <10 students). Allocate supplemental startup funding to launch or expand programs, with amounts tied to those with strongest projected outcomes. | Provide tiered/weighted funding based on alignment to high-demand, higher-wage, higher-skill occupations, with greater amounts of funding for programs with strong alignment. Use incentive funding to drive program improvement instead of applying uniform funding cuts. |



STATE ACTIONS

Mississippi found that [K-12 CTE students](#) who entered straight into the workforce after high school graduation had average annual earnings of \$13,032 in their first year of work. This is in stark contrast to the [\\$27,435](#) median income in 2024 for a single person household. For community colleges students who did not go into a bachelor's program, 66% found a job within a year – with 35% in aligned jobs – earning an average of \$32,422 in their first year of work. Mississippi is still in the process of figuring out how to actualize the data into change.

In **Arkansas**, a 2023 [CTE ROI](#) found that agriculture comprises half of the top ten programs of study and much-needed occupations such as medical ranked 20th in terms of completions; furthermore, advanced manufacturing, engineering, and pre-engineering have some of the lowest completion rates.

CONCLUSION

A ROI analysis is a critical tool for states to evaluate and strengthen education-to-workforce pathways. By committing to data-driven decision-making, states can ensure pathways lead to meaningful student outcomes, align with workforce demands, and maximize public investments. States can integrate ROI analyses into their education and workforce strategies and ensure pathways deliver tangible returns for students, employers and communities.

