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What's the Value of a College Education?



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By LAUREN YOUNG, Reuters

May 1, 2012

How much is that college degree really worth? That depends on your major. It turns out that some undergraduate and graduate diplomas are worth a lot more during a lifetime of work.

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In fact, the difference in earnings **between one major and another** can be more than 300 percent, according to recent research from Georgetown University's Center on Education and the Workforce. Researchers there crunched

U.S. Census data looking at 171 majors in 15 categories. The full study, "Hard Times: Not All College Degrees Are Created Equal," is available from the [school's website](#).

Anthony Carnevale, the center's director, explains why students need to pay attention to their earnings potential when picking a major:

Q: Why is it important to get a college degree?

Anthony Carnevale (AC): Access to college is what distinguishes the middle class from low-income Americans. People with at least some college education stay in the

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middle class or move up.

Over the next decade, there will be 31 million job openings that will require at least some form of education - 9 million newly created jobs along with 22 million jobs from baby boomers who are retiring. Roughly two-thirds of those jobs will require some form of education or formal training beyond high school. After the recession of 1981 to 1982, what you took in college largely determined what you'd become in life.

Q: Break it down financially.

AC: The salary premium for college grads continues to rise while the number of jobs for those with just a high school diploma is shrinking fast. We always knew that people with an associate degree earned less than those with a B.A., on average. That is still true. The difference is about \$500,000 to \$600,000 throughout a career. Over the course of a lifetime, a college degree is worth an extra \$1 million in earnings (over a high school diploma).

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It's even better if you have a professional degree, like accounting. You will make \$3.7 million during your career, on average. A doctor will earn \$6 million. But it's tough to find a job in an area like architecture right now, which is tied to the housing market. The unemployment rate for recent college graduates with degrees in architecture is 13.9 percent.

Q: What's your advice to students who are trying to pick a major?

AC: If you become a petroleum engineer, you'll earn \$90,000 out of college. If you become social worker, you will make \$35,000. The differences are huge. The question is, what are you prepared for and what do you want to do? What are your interests? What are your abilities?

Do your homework before picking a major. When it comes to job prospects and compensation, not all college degrees are created equal.

Q: Are there other keys to financial success?

AC: Professionals like engineers, scientists and even financial types tend to have two careers. First, they have a technical career - they are a chemist, engineer, biologist, bank analyst. But then they have a second career as a manager.

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If you work in a job that's more technical, the odds that you will become a manager are much higher than if you become a schoolteacher. I can tell you, it's good to be the boss. You make a lot more money when you are in charge.

Q: How does graduate school factor into the earnings mix?

AC: If you study chemistry, engineering or other technical trades, you are crazy if you don't go to grad school because the jump in income is really huge: It can be as much as \$500,000 to \$1 million over a career. Arts students also need graduate degrees because it is the only way you can teach or work in a museum.

Right now, the total amount of **student loan debt exceeds \$1 trillion**, which is more than credit card debt.

Q: How can you tell if a college degree is worth it if you have to rack up massive loans?

AC: That's a tricky question. If you go into a profession like nursing and have \$200,000 in debt, it's worth it because you will still make \$3 million during your career.

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The issue is coming up with the cash. You need to compare the cost and the benefit. Even the expensive colleges cost only a fraction of their ultimate payoff. In fact, one could argue that the only choice more expensive than going to college is not going to college.

Q: So is a liberal arts degree still valuable?

AC: Only 10 percent of degrees now are in the liberal arts. Educators are very concerned that the economic value of a college degree will crowd out Shakespeare. It still makes sense to go to an elite four-year liberal arts college and attend a graduate or professional school. And if you go to a place like Harvard, it's like a big summer camp. You can go there for four years, learn a lot, make great connections, and develop as a human being. But then you will need to go to graduate school to focus and prepare for an occupation.

Q: There are more women in college today than men. So why aren't women



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out-earning men?

AC: There is a huge gender bias in all this stuff. The jobs that pay are dominated by males. Even though 40 percent of math majors in college are female, they become schoolteachers. Men that major in math go into technical areas.

Q: How do your peers view your research?

AC: The classics people at Georgetown walk the other way when they see me coming. Their view is that this commercializes learning. They are right. Maybe colleges do not want to be training foot soldiers for capitalism. But, by and large, whether they like it or not, they are selling jobs to students.

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Brian Bath

Ha ha.

The cost is worth nothing since employers do not value it nor does the United States.

As for those adjusting for inflation your addition is way off.As for those

1 month ago

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CharlesPyott

Definitely NOT worth it in my case. I went to Georgetown, the School of Foreign Service, and yet -- adjusted for inflation -- my annual income is the same today (\$29,000) as it was in 1994 (\$20,000), at my 1st real job after graduating.

1 month ago

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Michael Bindner

It depends on how it is used and how much effort is put into it. Having a good placement office and links to grad schools is also important, which is why online degrees are worth less in the job market. Alumni networks are also important. The whole tech sector is one big Indian university alumni network.

1 month ago

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Morris

This is correct. I majored in Political Science - which many online ridicule - and I earn a good living working in municipal government. I spent half of a year at a non-profit after college earning a meager living - but I applied myself and fought for my current job.

(with obvious exceptions for technical training / field-specific courses) Drive, hard work, and grit matter as much - if not more - than your major and where you earned it.

4 weeks ago in reply to Michael Bindner

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