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## Trapped by \$50,000 Degree in Low-Paying Job Is Increasing Lament

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By Janet Lorin

Dec. 7 (Bloomberg) -- Laura Sayer, unsure of what she wanted to do after graduating from college in 2006, figured a master's degree was "a safe bet."

With \$5,000 in undergraduate loans from her time at the University of Cincinnati, Sayer was set back \$50,000 more after completing the Interdisciplinary Master's Program in Humanities and Social Thought at New York University. The 27-year-old now makes about \$45,000 a year as an administrative assistant for a nonprofit group, a job that didn't require her advanced degree.

More people are losing the same gamble as a 33 percent jump in U.S. graduate school enrollment in the past decade, coupled with an 80 percent surge in tuition and required fees, runs headlong into a weaker job market. Universities are fueling the trend by offering more one- and two-year programs in areas from environmental science to sports management that rarely come with financial aid other than the option for loans.

"Students need to be more skeptical that the income, debt and job-placement statistics that they're being shown about graduate schools may not reflect individual experiences," said Mark Kantrowitz, publisher of FinAid.org, a website with educational-lending information. "It's like the advertisements on TV for weight-loss programs: the results are not typical."

About one-third of people with master's degrees make less money on average than a typical bachelor's degree holder, said Stephen J. Rose, a labor economist with Georgetown University's Center on Education and the Workforce, citing U.S. Census data.

'Making Mistakes'

"Some people are making mistakes and other people are just making choices that this is what they want to do," Rose said. "In this bad environment, many people with master's degrees are employed but in relatively low-paying positions."

Students who attend professional schools, such as for law, medicine and business, accumulate even more debt. Medical school graduates have a mean indebtedness of \$161,290, up 55 percent since 2002, not adjusted for inflation, according to the Association of American Medical Colleges. Average tuition and fees for private law schools have jumped 73 percent since 1999 to \$35,743 in 2009, an American Bar Association survey shows.

The median tuition and fees for an MBA at a private school has gained 66 percent from 2001-2002 to \$49,500 for 2010-2011, according to a survey by the Association to Advance Collegiate Schools of Business.

Men with master's degrees make an average of \$14,500 more a year than those without the degrees, and for women it's about \$10,000, according to Rose's analysis of Census data. Advanced degrees in computers, engineering, business and nursing lead to the highest salaries. Master's degrees in education, fine arts, teaching and liberal arts fare the worst.

Trapped for Decades

Gerrald Ellis, 28, took about \$160,000 in federal loans to attend Fordham Law School, and then spent a year searching for a job. He eventually found work at a four-lawyer firm in White Plains, New York, doing consumer protection work.

Because his student debt is so high compared to his salary, Ellis said he expects to qualify for a plan that would let him pay 15 percent of his salary for 25 years, and whatever debt is left after that is forgiven.

"I'm trapped for at least two decades," said Ellis, who lives in Harlem with a classmate who also borrowed more than \$100,000. "The debt has an impact on everything, where I decide to live, what job I take. I can't even imagine having kids with this kind of debt burden. Multiply that by a whole generation."

Change in Law

After a change in federal law in 2006, graduate students became eligible to borrow federally backed loans that covered the full cost to complete their degrees, while undergraduates are limited to \$27,000 over four years, according to Kantrowitz.

The number of students enrolled in graduate schools, excluding law and medicine, totaled 1.7 million last year, a 33 percent jump from 2000, according to data from the Council of Graduate Schools, which represents more than 500 universities.

Federal and private student loans outstanding for graduate and undergraduate education is approaching \$1 trillion, and surpassed U.S. credit-card debt in June 2010 for the first time, said Kantrowitz, who analyzed federal loan data and modeled private student-loan volumes. Defaults are at their highest since

fiscal 1997, according to the Education Department.

Of the \$93 billion in total federal and private education loan debt in 2007-2008, the most recent federal data available, about 30 percent was for graduate and professional debt, Kantrowitz said.

#### Pathway to Success

The predicaments of people like Sayer and Ellis have become a rallying cry for Occupy Wall Street protesters, and students at schools from City University of New York to the University of California system demonstrated last month against tuition increases.

President Barack Obama in October announced rules to lower the burden for some with federal loans and met this week with a dozen heads of public and private universities about ways to curb rising education costs.

Debra Stewart, president of the Washington-based Council of Graduate Schools, said advanced schooling is still the "pathway to success in the modern economy."

"The more education you have, the more highly regarded you are going to be in the workplace," she said.

Well before the economic recession and tuition increases made students evaluate whether to invest in graduate school, universities had expanded their master's degree offerings over the past 15 years.

#### Expanded Offerings

Robert Manuel, dean of Georgetown's School of Continuing Studies, said a master's degree from his program is worth the debt. His school offers six master's of professional studies degrees, including in sports and real-estate management, and has about 980 students.

"I see the impact and I see the transformation that happens in these students as they go through the program," Manuel said in an interview. "It's worth every dollar."

The cost to complete the degrees is about \$40,000, which includes tuition, fees and estimated living expenses, said Stacy Kerr, a spokeswoman for Washington-based Georgetown University. Students take one to five years to finish, depending on their personal situations. About half take loans, with annual average borrowing of about \$21,000, she said.

Nearby George Washington University has expanded programs at its Graduate School of Political Management, offering degrees in legislative affairs, political management and strategic public relations. Enrollment has doubled since its founding in 1995 to about 250 full-time students, paying roughly \$53,000 for their degree including living expenses, said Dennis Johnson, the acting executive director.

#### Career Prospects

Evening classes are aimed at students with day jobs and they leave with contacts among the faculty, many of whom work in the field and can help alumni land jobs, he said.

"I'm very much sold that this is a good idea," Johnson said.

Sayer, the NYU graduate, said while she learned critical-thinking skills, her career prospects won't allow her to pay off her debt anytime soon.

"Even if I didn't know what field it would lead me to, I thought it would be worthwhile for my professional career," said Sayer, who lives in the Crown Heights neighborhood of Brooklyn with two roommates.

Many of the students who enroll in the master's of "Social Thought" program directly from college do so with an eye toward a Ph.D., said John Beckman, an NYU spokesman.

"The numbers have shown, and will continue to show, over time that an investment in an advanced degree will yield better career prospects and income," Beckman said.

#### Game Show Winnings

The decision to go to graduate school was easy for Zach Safford, who finished Williams College in Massachusetts in 2009 with no debt.

The 24-year-old recently completed a master's in design ethnography at the University of Dundee in Scotland for about \$18,000 and found work immediately doing qualitative research for a company in New York.

He said he paid for the degree with \$25,000 won on the television game show Jeopardy!

"If I had to borrow, it would have certainly been a much more complicated decision," he said.

--Editors: Romaine Bostick, Niamh Ring

To contact the reporter on this story: Janet Lorin in New York at [jlurin@bloomberg.net](mailto:jlurin@bloomberg.net)

To contact the editor responsible for this story: Jonathan Kaufman at [jkaufman17@bloomberg.net](mailto:jkaufman17@bloomberg.net)

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**Isly45r**

[phlpn.es/829r8s](http://phlpn.es/829r8s)

2 hours ago

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**Africord**

What's worse is that there is nothing that curbs the growing cost of education. We need new market entrants that can drive the price down through more cost effective systems of education. If ever there was an industry that was ripe for reengineering, it is college education.

3 hours ago

Like Reply



**Danskomte**

So instead of blaming the change in rules that encouraged this bad behavior and rapidly drove up tuition costs as higher learning institutions competed for this free money, we now want to forgive people for becoming slaves to the government money program. Vote them all out.

3 hours ago

Like Reply



**Rich**

Tool makers, machinists and tradsmen still make good wages and do not have to pay for degrees. I notice that many have nice cars, homes, boats and vacations.

3 hours ago 1 Like

Like Reply



**A degree in what?**

The problem is that her degree is in "Humanities and Social Thought." There are always going to be degrees that aren't very good for jobs, always have been. Try getting that masters in Engineering, Legal, Medical, or many other studies and you'll have a lot better chance of getting a good job. Tell me where there has ever been a demand for people with a degree in "Humanities and Social Thought?"

4 hours ago

Like Reply



**Rich**

If your interest is a degree in Humanities and Social Thought, making money should be the last thing on your mind. There are people who contribute to the fabric of society and deep thought, and are not contributors to the economy. If they also want to improve the economy of this country, they need additional productive degrees.

3 hours ago in reply to A degree in what?

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**Julio**

my co-worker's mother made \$227395 so far just working on the internet for a few hours. Read more on this site... [View More](#)

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**Isly45r**

[phlpn.es/829r8s](http://phlpn.es/829r8s)

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**college\_critic**

Higher education is a commodity...and the cost of tuition is a waste of money (especially at the Ivy League schools). We need what happened to the music industry and what's happening to the publishing industry to happen to the university "industry" ...

4 hours ago

Like Reply



**mindman**

Seems as though forces are working against each other. We are told that we need a more educated work force but the cost of education is increasing and there low return on the dollar invested. Even people going into engineering and computer systems are not commanding the salaries that would warrant the education investment.

4 hours ago

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