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First-Year Earnings for the Same Degree and Major Can Vary by $80,000 at Different Colleges, Says New Georgetown University Report

Workers with less education can often make more than workers with more education;
Higher levels of education do not always result in higher student loan payments

(Washington, DC, October 14, 2020) Many college degrees look and sound alike, but the rewards from them are very different. In *Buyer Beware: First-Year Earnings and Debt for 37,000 College Majors at 4,400 Institutions,* the Georgetown University Center on Education and the Workforce (CEW) uses data from the College Scorecard to demonstrate the vastly different outcomes in expected earnings and debt payments for graduates.

The analysis shows stark differences in earnings by graduates of different colleges with the same degree in the same field of study. For example, earnings for students with a bachelor's degree in business administration from Mitchell College are $20,900 compared to $100,500 at Bismarck State College. Earnings for students who attain a master's degree in educational administration and supervision from Mercy College in New York are more than triple the earnings associated with the same degree from Valdosta State University in Georgia.

In general, graduates from more famous, selective colleges have higher earnings, but that is not always the case. For example, graduates of Santa Rosa Junior College in California with an associate's degree in nursing have higher first-year earnings ($89,700) than 12 different graduate degrees from Harvard.

The data show that workers with less education can often earn the same or more than workers with more education. While 22% of workers earning from $30,000 to $60,000 have a bachelor's degree, 27% have only a high school diploma.

The report also finds that 27% of workers with an associate's degree earn more than the median for workers with a bachelor's degree; 35% of workers with a bachelor's degree earn more than the median for workers with a master's degree; 31% of workers with a master's degree earn more than the median for workers with a doctoral degree; and 22% of workers with a master's degree earn more than the median for workers with a professional degree. For example, 44% of bachelor's degree programs lead to first-year earnings between $4,000 and $8,000 per month ($48,000-$96,000 per year), but so do 10% of associate's degree programs.

"Some of the best bargains for students are community colleges and other colleges without the big brand names," said Anthony P. Carnevale, lead author of the report and CEW director. "Some two-year degrees can pay off more than four-year degrees. This kind of consumer information is just becoming available, and we hope it will help consumers make better decisions."

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Higher levels of education do not always result in higher federal student loan debt payments. While associate's degree programs are generally more affordable than bachelor's and master's degree programs, graduates of some associate's degree programs end up with higher monthly student loan payments than graduates of many bachelor's and master's degree programs.

Overall, 309 bachelor's degree programs lead to higher monthly federal student loan payments than the median of monthly federal student loan payments for master's degree programs ($457 per month). There are 922 associate's degree programs that lead to higher monthly federal student loan payments than the median for bachelor's degree programs ($249 per month). For example, graduates of the associate's degree program in allied health at Southwest University at El Paso in Texas pay $400 per month ($4,800 per year) in student loans, more than the median for bachelor's degree programs across all institutions. On the other end of educational attainment, graduates of the master's degree program in theater arts from Yale University pay only $127 per month ($1,500 per year) in federal student loan debt.

The report reveals the overlap in monthly earnings net of federal student loan debt, showing, for example, that 49% of graduates with monthly earnings from $3,001 to $4,000 net of debt are from programs at the bachelor's degree level, 31% are from programs at the master's degree level, and 11% are from programs at the associate's degree level.

"It's important that students have a good idea how much money they will have to spend on rent, food, and credit card bills after paying their federal student loan obligations," said Martin Van Der Werf, CEW's associate director for editorial and postsecondary policy, and a co-author of the report. "Graduates from programs with low first-year earnings and high monthly student loan payments will face the most challenging financial situation after graduation."

The overlap in earnings net of debt across credential levels means that some programs at the associate's level have higher payoffs in the first year after graduation than some programs at the master's level. For example, first-year graduates from Harvard University with master's degrees in theological and ministerial studies have $2,465 a month ($29,600 per year) in earnings net of debt, and those in education have $4,378 per month ($52,500 per year). However, first-year graduates with an associate's degree in nursing from Santa Rosa Junior College in California have $7,332 per month ($88,000 per year) in earnings net of federal student loan debt.

Other Key Findings

- The lowest federal student loan payments, at $18 per month ($216 per year), are for undergraduate certificates in cosmetology from Grace International Beauty School in New York and for undergraduate certificates in allied health and medical assisting from Spartanburg Community College in South Carolina.
- The highest federal student loan payments, at $4,780 per month ($57,400 per year), are for doctoral degrees in dentistry from Roseman University of Health Sciences in Nevada.
- The 10 programs with the highest first-year earnings net of debt payments almost all award graduate credentials in dentistry and nursing.

To read the full report and explore a data visualization of the overlap in earnings and debt within programs and across institutions, visit cew.georgetown.edu/CollegeMajorROI.

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