

Increased College Degree Attainment from 2010 to 2020 Will Fuel \$14.2 Trillion Gains in Net Lifetime Earnings for US Workers, Georgetown University Report Says

Rising college attainment benefited all racial/ethnic groups but has done little to close equity gaps.

(Washington, DC, January 18, 2024) New research from the Georgetown University Center on Education and the Workforce (CEW) indicates that between 2010 and 2020, the proportion of US adults who hold college degrees increased by 6.7 percentage points, from 38.5% to 45.2%. As a result of this rising tide of attainment, US workers can expect to earn an additional \$14.2 trillion over their lifetimes—money that will bolster the US economy through consumer spending, tax revenue, and employment. However, while all demographic groups experienced increases in college degree attainment, attainment gaps between racial/ethnic groups barely budged.

CEW's latest report, *Learning and Earning by Degrees: Gains in College Degree Attainment Have Enriched the Nation and Every State, but Racial and Gender Inequality Persists*, examines the monetary and nonmonetary benefits associated with increased college degree attainment between 2010 and 2020. The report also considers the effect of rising levels of college attainment on racial/ethnic and gender gaps in attainment and earnings, and it provides insight into the potential monetary benefits that would result from closing such gaps. The report concludes with state-level comparisons of overall college degree attainment gains and the associated economic benefits, including those made specifically by Black/African American and Hispanic/Latino residents.

“Increased college degree attainment has been a boon to many workers and to society at large, but we’re still a long way from racial and economic justice,” CEW Director and lead author Anthony P. Carnevale said. “While all racial/ethnic groups increased their educational attainment, substantial attainment gaps persist between white adults and Black/African American, Hispanic/Latino, and Indigenous adults. Attainment gaps by race/ethnicity were significant in 2010, and they remained significant in 2020.”

Between 2010 and 2020, college degree attainment gaps narrowed slightly between white adults and Hispanic/Latino adults, as did attainment gaps between white adults and adults from other/multiracial backgrounds. Meanwhile, degree attainment gaps widened between white adults and American Indian/Alaska Native adults, Native Hawaiian/Pacific Islander adults, and Black/African American adults. Asian/Asian American adults are the only racial/ethnic group to have higher educational attainment than white adults, and their advantage narrowed slightly over the period.

Gaps in educational attainment between different racial/ethnic groups are concentrated entirely at the bachelor's or graduate degree levels, where earnings are the highest. As a result, attainment disparities at those degree levels play a crucial role in earnings inequality. At the same time, among adults with the same

level of educational attainment, those from marginalized racial/ethnic groups are not paid the same as white adults. For example, at the bachelor's degree level, the cost-adjusted median lifetime earnings for white adults are \$2 million, compared to \$1.7 million for Black/African American adults and \$1.5 million for both Hispanic/Latino and American Indian/Alaska Native adults. These earnings gaps have many likely sources, including discrimination, systemic barriers that affect hiring practices, occupational segregation, and wage discrimination.

Gender disparities compound with racial/ethnic disparities to tell a similar story. CEW's analysis shows that within nearly all racial/ethnic groups, women's college attainment surpasses men's. However, men outearn women within the same racial/ethnic group at every degree level.

“Equal degree attainment does not mean people earn the same. In fact, women need much more education than men to reach the same earnings,” said Jeff Strohl, CEW's director of research and report co-author. “For example, the median annual earnings for white women with bachelor's degrees are roughly \$41,000, compared to median annual earnings of more than \$42,000 for white men who have some college credit but no degree.”

Ultimately, closing gaps in both degree attainment and earnings would produce substantial benefits for the American economy. CEW analysis reveals that if all racial/ethnic groups had degree attainment at least as high as that of white adults, the nation's workers would accrue an additional \$11.3 trillion in net lifetime earnings on top of the \$14.2 trillion they are already set to gain. If workers in each racial/ethnic group also had earnings at least as high as those of white adults with the same level of education, net lifetime earnings would rise by another \$6.3 trillion. These additional net lifetime earning gains would include \$177 billion for American Indian/Alaska Native adults, \$31 billion for Asian/Asian American adults, \$1.8 trillion for Black/African American adults, \$4 trillion for Hispanic/Latino adults, \$26 billion for Native Hawaiian/Pacific Islander adults, and \$180 billion for other/multiracial adults.

Beyond higher earnings, the report also details many nonmonetary benefits associated with higher educational attainment. These include longer life expectancy, lower rates of disease, lower levels of incarceration, higher resistance to authoritarianism, and higher levels of civic participation.

“The monetary and nonmonetary benefits of educational and earnings parity should motivate policymakers in the US to confront the systemic inequalities that allow attainment and earnings gaps to persist,” said Kathryn Peltier Campbell, CEW's associate director of editorial policy and report co-author. “Despite widespread skepticism about the value of a college education, degrees convey substantial benefits in the American economy.”

To view the full report, including profiles showing attainment gains by state, visit:

cew.georgetown.edu/AttainmentGains

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