## WHYWENED

## LEARNING AND EARNING EXCHANGE

If students are investing more to go to college, they need to have answers to basic questions about the value of postsecondary education. They need better information to make decisions that have lifelong economic consequences.

## THE GROWING COMPLEXITY OF TODAY'S ECONOMY

Getting a college education is one of the biggest investments people will make in their lives, but the growing complexity of today's economy makes it difficult for higher education to deliver efficiency and consistent quality. Today's economy is more intricate than those of decades past:



**Occupations grew** from **270 in 1950** to 840 in 2010;



**Postsecondary** programs of study more than quintupled between 1985 and 2010 - from **410 to 2,260**:



The number of colleges and universities more than doubled from **1,850 to 4,720** between 1950 and 2014; and



The number of college **students** swelled almost tenfold in the period between 1949 and 2014 - from 2.4 million to 20.2 million.









The variety of postsecondary credentials available has multiplied rapidly in recent years, including degrees, certificates, certifications, licenses, and badges and other micro credentials. New providers, and delivery modes and models such as online and competency-based education, have added further to the growing complexity.

## FOUR RULES TO UNDERSTAND THE CONNECTION **BETWEEN COLLEGE AND CAREERS**

The new relationship between postsecondary programs and the economy comes with new rules that require much more detailed information on the connection between individual programs and career pathways:



Rule 1. On average, more education yields more pay.

Over a career, a high school graduate earns \$1.4 million; an Associate's degree holder earns \$1.8 million; a Bachelor's degree holder earns \$2.5 million; a Master's degree holder earns \$2.9 million; a PhD holder earns \$3.5 million; and a professional degree holder earns \$4 million.



Rule 2. What a person makes depends on what that person takes.

A major in early childhood education pays \$3.4 million less over a career than a major in petroleum engineering.



Rule 3. Sometimes less education is worth more.

IT certificate holders who work in field earn \$70,000 per year compared with \$61,000 per year for the average Bachelor's degree holder. Thirty percent of Associate's degree holders make more than the average Bachelor's degree holder.



Rule 4. Programs are often the same in name only.

The value of programs and college majors varies according to the alignment between particular curricula and regional labor market demand.