

The Value of Higher Education: Is College Still Worth It?

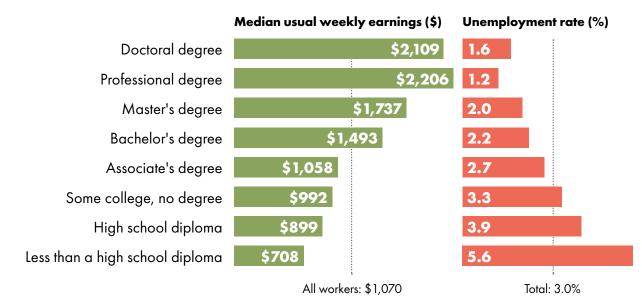
With headlines about declining enrollment, rising tuition costs, and demographic shifts, the future of higher education seems uncertain. One of the biggest questions on everyone's mind: is a college degree still worth it?

This article explores the value of higher education by summarizing current research on earnings and employment disparities at different education levels, focusing on both graduate and undergraduate degrees.

Higher Education Pays Off: Earning Power and Job Security

Many organizations publish good data surrounding the value of higher education. Chief among them – the Bureau of Labor Statistics – publishes an annual report called Education Pays, which details the median usual weekly earnings and unemployment rate at varying degrees of educational attainment. Their data show an almost direct trend between higher levels of education and higher earnings, as well as lower unemployment, as shown in the chart below¹. The BLS provides this data by compiling the results from various, consistent surveys they do. Other sources echo these trends.

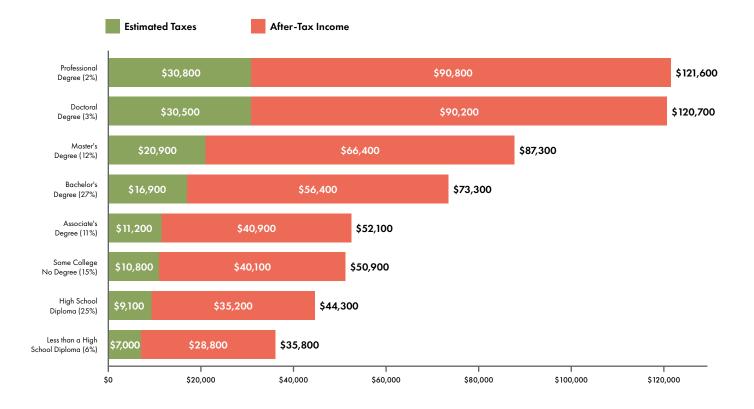
Earnings and unemployment rates by educational attainment, 2023



Note: Data are for persons 25 and over. Earnings are for full-time wage and salary workers. Source: U.S. Bureau of Labor and Statistics, Current Population Survey.

Take-Home Pay Increases with Education Level

The U.S. Census Bureau provides overarching data on income and estimated tax payments across various levels of educational attainment. The following chart – created by a team at the College Board, using the U.S. Census Bureau's data – shows the increase in overall salary, as well as take-home, after-tax income, as education levels increase². As shown, though higher earners pay more in taxes, the take-home pay increases with education level.



Real-World Salary Trends by Education Level

A final example of the value of higher education is driven by our access to aggregate job posting metrics through Lightcast[™]. This tool scrapes data from online job postings and provides summary reports. We ran an analysis for all job postings in 2023 and pulled the median annual advertised salary across various occupational groups; we then weighted this based on occupational size and filtered by the education level mentioned in the posting. This methodology produces some overlap (i.e., a posting that mentioned a bachelor's is required and a master's is preferred will pull into both groups) – as such, this is best seen as a high-level, directional indicator of salary trends across education levels. This is what we found³:

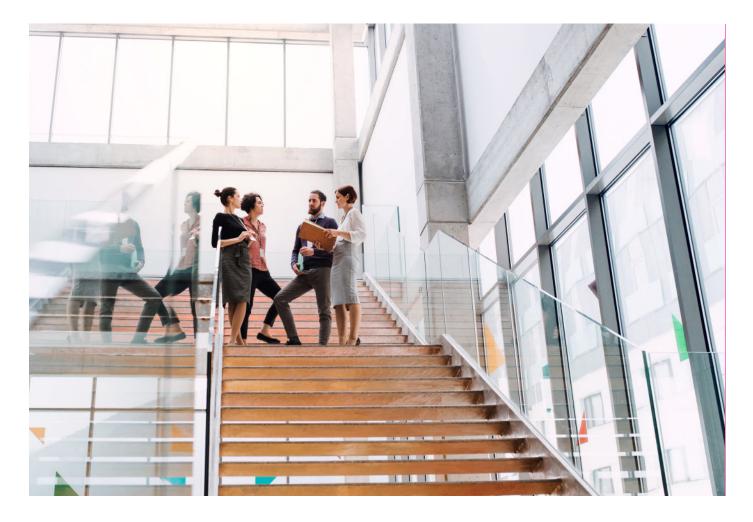
Education Level Mentioned	# of Postings (2023)	Median Advertised Salary
High School/GED	9,101,462	\$41,664
Associate's Degree	3,195,909	\$58,304
Bachelor's Degree	9,970,653	\$85,440
Master's Degree	3,060,908	\$100,288
Doctorate/Professional Degree	1,112,019	\$115,136

The median advertised salary in these job postings increased significantly as the level of education increased.

Various sources and our own research support the claim that a pathway to higher income is higher education. This is not without exception, and the cited research focuses on these trends at a very high level. Universities should consider the short-term as well in constructing degrees; if the price point is high, the student will want an immediate return on investment, lest they be saddled with loans for years to come.

Aligning Education with Market Demands

The value of higher education remains strong, with substantial evidence indicating that increased educational attainment leads to higher earnings and lower unemployment. However, in today's complex educational environment, universities must strategically align program offerings with market demands and career outcomes to ensure students receive a meaningful return on their investment.



To optimize your institution's program pricing and alignment with job market trends, leverage Elsmere Education's expert solutions. Contact us today to explore how our pricing analysis and strategic market insights can enhance your program's value and appeal.

Sources:

- 2. Ma, Jennifer and Matea Pender. Education Pays 2023. Accessed July 2024. https://research.collegeboard.org/media/pdf/education-pays-2023.pdf.
- 3. Lightcast, Job Postings Table, 2024.

^{1. &}quot;Education Pays, 2023." U.S. Bureau of Labor Statistics. Accessed July 2024. https://www.bls.gov/careeroutlook/2024/data-on-display/education-pays.htm.