



## 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 increase<sup>2</sup>. 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 found<sup>3</sup>:

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:

1. "Education Pays, 2023." U.S. Bureau of Labor Statistics. Accessed July 2024. <https://www.bls.gov/careeroutlook/2024/data-on-display/education-pays.htm>.
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.