

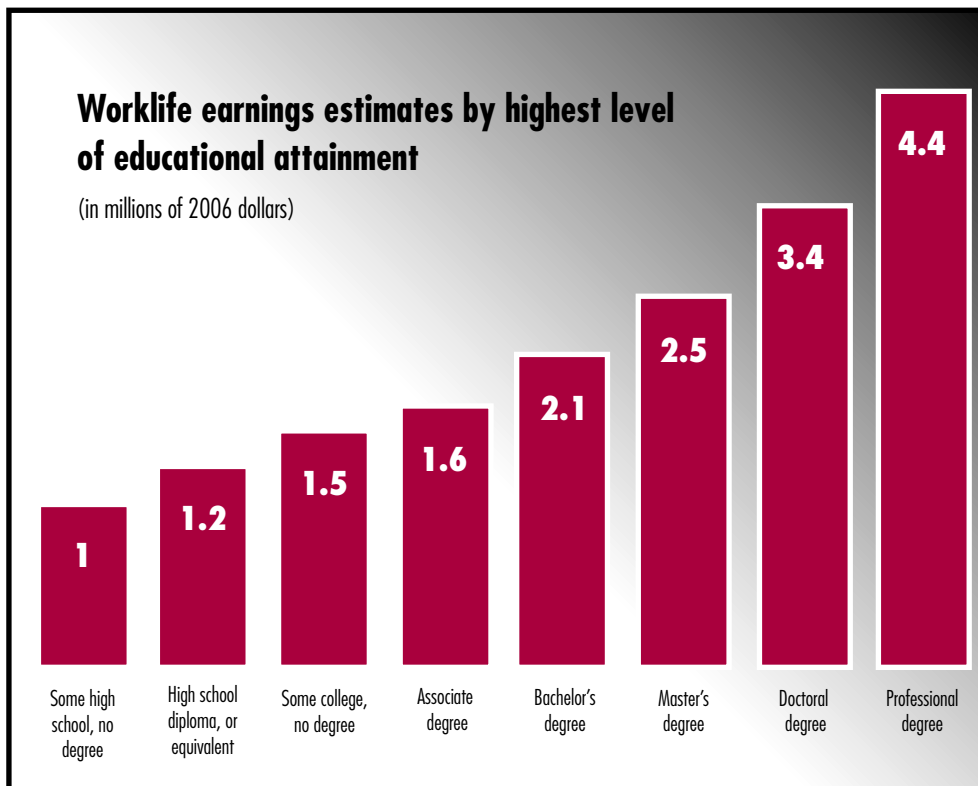


Learn More Earn More

More education means higher earnings—for life

Reports from the U.S. Census Bureau and *Occupational Outlook Quarterly* underscore the economic value of education: data show that over the course of their working lives, better educated adults are likely to have higher earnings.

Educational attainment alone does not determine an individual's earnings potential over his or her lifetime. These estimates are group averages that assume fulltime, year-round employment throughout a 40-year work life. Other factors—including occupation, field of study, and work experience and continuity—may significantly affect a specific worker's income.



As the chart illustrates, college graduates will earn \$1 million dollars more than those with only a high school diploma. Financial gains are predicted at each successive level of schooling completed, with those obtaining professional degrees historically earning the most.

Source: U.S. Census Bureau, "The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings," Current Population Reports, P23-210, by Jennifer Cheeseman Day and Eric C. Newburger, available via a link at www.census.gov/population/www/socdemo/educ-attn.html. Data are from March supplements to the Current Population Survey, 1998-2005.

Note: Earnings estimates are for full-time, year-round workers and are based on 1999-2005 work experience. "Synthetic" work-life earnings estimates are created by using the working population's 1-year annual earnings and summing their age-specific average earnings for people aged 25 to 64. The resulting totals represent what individuals with the same educational level could expect to earn, on average, in today's dollars during a hypothetical 40-year working life.

Will Your Degree Pay for Itself?

By Liz Pulliam Weston, columnist, MSN Money

A bachelor's degree is a slam dunk!

Any bachelor's degree you get at a public university is likely to pay off handsomely.

How much more is a degree worth?

The following reflects the additional dollars that you will earn, over the course of your entire working lifetime (approx. 40 years), in a variety of career areas, when compared to someone with only a high school diploma.

Associate Degree – Value added

Average \$116,550	Liberal arts \$63,667
Business \$92,908	Social science \$79,013
Computers \$148,695	Science \$104,521
Engineering \$192,660	

Bachelor's degree--Lifetime gain can be huge

Average \$308,588	Liberal arts \$243,883
Business \$349,028	Social science \$210,080
Computers \$443,180	Science \$283,286
Engineering \$497,930	Education \$108,461

Master's degree

Average \$180,010	Business \$375,780
Science \$136,873	Education \$106,388
Engineering \$362,092	

The Ph.D.-- Science pays more

Average \$187,920
Science \$299,190

Professional degree--Big-time payoff

Average \$716,927
Law \$748,865
Medicine \$977,601

Averages aren't predictive for the individual. You may earn way more or way less in your chosen field, depending on your initiative, the breaks you get, and labor supply and demand throughout your working life.

Reprinted by permission of MSN Money. 2006

And more education means more earning power

Education	Average Annual Earning	Average Lifetime Earning
High school dropout	\$22,000	\$1.1 million
High school diploma	\$31,000	\$1.4 million
Associate degree	\$38,000	\$1.8 million
Bachelor's degree	\$50,000	\$2.5 million

Source: College Board. *Education Pays*, 2004

Wages of College and Post-College Graduates Grow Substantially

“Although average levels of education in this country have grown...there is a relative shortage of workers at very high levels of skills, particularly college and even more so post-college graduates. A consequence of supply shortages is that wages increase for those individuals who have the scarce skills and they tend to be at the top. The wages of college and post-college graduates have grown substantially.”

“...it is essential to recognize that education is the key skill ... college graduates earn about 2-1/2 times as much as high school drop-outs. College graduates have unemployment rates that are currently around 2.2 percent whereas high school drop outs have unemployment rates at about 7 percent. Only a tiny fraction of college graduates live in poverty, and those who do are likely to move out of it very quickly as they move into the labor force. There is no doubt that education is... the solution to the problem.”

Excerpts from the address THE STATE OF THE U.S. ECONOMY AND LABOR MARKET by Edward P. Lazear, Chairman, President's Council of Economic Advisers delivered at the Hudson Institute, Washington, DC, May 2, 2006

Higher Education is Smart Investment

“Investing wisely in higher education is one of the best financial decisions you can make. More education means higher earnings – for life. In 2001, the median earnings of a high school graduate were about \$29,000 annually. For those with a bachelor's degree, the number was more than \$46,000. Holders of professional degrees, such as law and medicine, racked up median annual earnings of more than \$82,000.”

David Bach, *The Automatic Millionaire*. 2006

“The BIG Payoff”

That's how the U.S. Census Bureau describes the link between education and lifetime earnings. In a report published in July 2002, the Census Bureau says that Americans are correct in assuming that “one of the most compelling reasons” for attending college “is the expectation of future economic success based on educational attainment.” Students with college bachelor's degrees can, on average, expect to earn \$2.1 million in their lifetimes—at least \$900,000 more than those who did not attend college.

Day, J.C., & Newburger, E.C. (2002). *The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings*. (Current Population Reports, Special Studies, P23-210). Washington, DC: Commerce Dept.

Education Substantially Boosts College Grads' Lifetime Earnings

There are already lots of good reasons for students to be attending college, but a recent report from the U.S. Census Bureau offers almost a million more. The difference in lifetime earnings between high school graduates and college graduates comes to almost \$1 million, according to the report. Specifically, the average high school grad will earn \$1.2 million over his/her working lifetime, while the average college grad will make \$2.1 million. In terms of annual salaries, people with advanced degrees earn the most – an average of \$72,824 in 2002. People holding bachelor's degrees earned an average of \$51,194 in 2002 while those with high school diplomas earned an average of \$18,826.

“If the trends continue,” notes American Demographics magazine, “the gap between graduates and non-graduates – and ultimately, haves and have-nots – will grow even larger as fewer and fewer jobs are available to those without post-secondary degrees.”

American Demographics, July/August 2004

LABOR SECRETARY TOUTS BENEFITS OF HIGHER EDUCATION

May 8, 2006

“...more education and training means higher earnings... the Census Bureau estimated that the average holder of a bachelor's degree earns twice the lifetime earnings of a high school dropout. Advanced degree holders earn more than three times as much... so education really pays off.”

U.S. Secretary of Labor Elaine L. Chao speaking at the Southern Women in Public Service Conference, Nashville, Tennessee Monday, May 8, 2006

The following websites may be helpful as you plan for college:

ACT: Provides information about the ACT, the college entrance exam. <http://www.actstudent.org>

FINANCIAL AID: Connects you to the FAFSA, a standard application for financial aid. <http://www.fafsa.ed.gov>

MAJORS: Offers ideas for career options for particular majors at UW-River Falls. <http://www.uwrf.edu/ccs>

OCCUPATIONAL OUTLOOK HANDBOOK: A nationally recognized source of career information that describes what workers do on the job, working conditions, the training and education needed, earnings, and expected job prospects in a wide range of occupations. <http://www.bls.gov/oco>

ONLINE APPLICATION: Allows you to apply for admission to a UW System campus. <http://apply.wisconsin.edu>

UW SYSTEM HELP OFFICE: Provides information about all state universities in Wisconsin. <http://uwhelp.wisconsin.edu>

Interested in UW-RF?

Contact the Admissions Office at:

410 S. Third Street
River Falls, WI 54022
E-mail: admit@uwrf.edu
Phone: (715) 425-3500
www.uwrf.edu

