College is a Smart Choice

Excerpted from an article written by Michael Greenstone and Adam Looney for The Los Angeles Times Copyright 2011

The 3 million Americans who graduated from high school last spring have had to grapple with a big decision: whether to continue with their educations this fall. In today’s economic climate, a growing number of families are questioning the value of higher education. Will an investment in college pay off? Or will it simply be a high-cost ticket to the ranks of the unemployed?

We’ve just completed a study that draws on a variety of data to help answer those questions, and our research suggests that college is not only worth it; it’s probably going to be the best investment a person makes in a lifetime. Even though the cost of tuition, room, board and lost wages is substantial, and even though the job market remains tough even for college graduates, the evidence is unequivocal: Those with college degrees, on average, earn far more than those without them.

First, we looked at what we call the Class of the Great Recession - those young adults who graduated from college during the last three years. The results surprised us. We’ve all seen the headlines about how difficult it is for new graduates to find work in these tough economic times. But almost 90 percent of these young college graduates were employed in 2010, compared with only 64 percent of their peers who did not attend college but went straight on to look for work. Even more astounding, the college graduates are making, on average, almost double the annual earnings of those with only a high school diploma. And this advantage is likely to stick with them for a lifetime of work. For example, age 50 college graduates earn about $46,500 more per year than the average person with only a high school diploma.

This high rate of return translates into large differences in earnings. Overall, the average college graduate earns roughly $570,000 more than the average person with only a high school diploma. And this advantage is likely to stick with them for a lifetime of work. For example, age 50 college graduates earn about $46,500 more per year than the average person with only a high school diploma.

Some high school students may be reluctant to choose the college path because they believe their experiences will be different and these benefits won’t apply to them. But economic research concludes that many more students would gain from college than currently opt to attend. We live in difficult economic times filled with challenging financial trade-offs. There is no guarantee with regard to any investment, but the evidence on education is clear: The more education you obtain, the better off your job prospects and future earnings.

Recent High School Graduates Believe College is Essential

Excerpted from USNewswire August 30, 2011

One year after graduating from high school, most members of the Class of 2010 believe that earning a college degree is “definitely” worth it, according to a survey released by the College Board, a not-for-profit organization. The comprehensive survey on college readiness and affordability, One Year Out, explores how young Americans assess their high school experience and its role in preparing them for life after graduation -- be it work or postsecondary education. Eighty-six percent feel that a college degree is worth the time and money -- including a large majority not currently enrolled in college (76%).

A Degree is Valuable


For young adults ages 25-34 who worked full time (35 or more hours per week) throughout a full year (50 or more weeks of employment), higher educational attainment was associated with higher median earnings. This pattern of higher median earnings corresponding with higher levels of educational attainment was consistent for each year examined between 1995 and 2009. For example, young adults with a bachelor’s degree consistently had higher median earnings than those with less education.

In 2009, the median of the earnings for young adults with a bachelor’s degree was $45,000, while the median was $21,000 for those without a high school diploma or its equivalent, $30,000 for those with a high school diploma or its equivalent, and $36,000 for those with an associate’s degree. In other words, young adults with a bachelor’s degree earned more than twice as much as those without a high school diploma or its equivalent in 2009 (a., 134 percent more), 50 percent more than young adult high school completers, and 25 percent more than young adults with an associate’s degree. In 2009, the median of the earnings of young adults with a master’s degree or higher was $60,000, some 33 percent more than the median for young adults with a bachelor’s degree.

Assessing the Value of Higher Education

Excerpted from an article Through Pew Research Center, 2011

Adults who graduated from a four-year college believe that, on average, they are earning $20,000 more a year as a result of having gotten that degree. Adults who did not attend college believe that, on average, they are earning $20,000 a year less as a result. These matched estimates by the public are very close to the median gap in annual earnings between a high school and college graduate as reported by the U.S. Census Bureau in 2010: $19,550.

College Pays Off


The evidence is overwhelming that college is a better investment for most graduates than in the past. A new study even shows that a bachelor’s degree pays off for jobs that don’t require one: secretaries, plumbers and cashiers. And, beyond money, education seems to make people happier and healthier.

Tuition numbers can be eye-popping, and student debt has increased significantly. But there are two main reasons college costs aren’t usually a problem for those who graduate. First, many colleges are not very expensive, once financial aid is taken into account. Average net tuition and fees at public four-year colleges this past year were only about $2,000. Second, the returns from a degree have soared. Three decades ago, full-time workers with a bachelor’s degree made 40 percent more than those with only a high-school diploma. Last year, the gap reached 83 percent.

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
MAJORS: Offers ideas for career options for particular majors at UW http://www.uw.edu/majors

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 River Falls?
Contact the Admissions Office at: 410 E. Third Street
River Falls, WI 54022
E-mail: admit@uwrf.edu
Phone: (715) 425-3500
www.uwrf.edu

Median annual earnings by educational attainment in 2008 dollars

| Educational Attainment | Median Annual Earnings
|------------------------|-----------------------|
| Bachelor’s Degree      | $57,550
| Professional Degree    | $82,200
| Doctorate              | $99,700


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**Learn More. Earn More.**

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This high rate of return translates into large differences in earnings. Over a lifetime, the average college graduate earns roughly $570,000 more than the average person with only a high school diploma. And this advantage is likely to stick with them over a lifetime of work. For example, at age 50 a college graduate earns about $46,500 more per year than the average person with only a high school diploma.

Some high school students may be reluctant to choose the college path because they believe their experiences will be different and these benefits won’t apply to them. But economic research concludes that many more students would gain from college than currently opt to attend. We live in difficult economic times filled with challenging financial trade-offs. There is no guarantee with regard to any investment, but the evidence on education is clear: The more education you obtain, the better off your job prospects and future earnings.

**Public Colleges can be Attractive Bargain**

Excerpted from “Colleges that Help Grads Get ‘Top Salaries’” written by Chad Terhune and Matthew Heimer for SmartMoney Magazine, August 11, 2011

“Among recent grads, public alumni earn annual salaries equal to 52 percent of their four years of tuition and fees; private-school kids bring in just 32 percent on average. For out-of-state students, full-fare tuition at the schools in our survey is 35 percent lower than at private colleges, but in many cases, the career options are just as strong.”

“Budget cuts haven’t yet tarnished the public schools’ bargain status.”

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In 2009, the median of the earnings for young adults with a bachelor’s degree was $42,500, while the median was $21,000 for those without a high school diploma or its equivalent, $30,000 for those with a high school diploma or its equivalent, and $56,000 for those with an associate’s degree. In other words, young adults with a bachelor’s degree earned more than twice as much as those without a high school diploma or its equivalent in 2009 (i.e., 14 percent more), 50 percent more than young adult high school completers, and 25 percent more than young adults with an associate’s degree. In 2009, the median of the earnings of young adults with a master’s degree or higher was $60,000, some 33 percent more than the median for young adults with a bachelor’s degree.

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- **FINANCIAL AID**: Connects you to the FAFSA, a standard application for financial aid. [www.fafsa.ed.gov](http://www.fafsa.ed.gov)
- **MAJORS**: Offers ideas for career options for particular majors at UWVE: [http://www.uwrf.edu/majors](http://www.uwrf.edu/majors)
- **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. [www.bls.gov/oco](http://www.bls.gov/oco)
- **ONLINE APPLICATION**: Allows you to apply for admission to a UW System campus. [http://apply.wisconsin.edu](http://apply.wisconsin.edu)
- **UW SYSTEM HELP OFFICE**: Provides information about all state universities in Wisconsin. [http: //uwhelp.wisconsin.edu](http://uwhelp.wisconsin.edu)

**Interested in River Falls?**

Contact the Admissions Office at: 410 E. Third Street
River Falls, WI 54022
E-mail: admit@uwrf.edu
Phone: (715) 425-3500
[www.uwrf.edu](http://www.uwrf.edu)

**Median annual earnings by educational attainment in 2008 dollars**

**Source:** US Census Bureau, Current Population Survey, 2008

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