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HUMAN RESOURCES & PAYROLL

How Much is a College Degree Worth Now? Is it \$2 Million or \$248,000?

Whether you plan to be a nurse, an engineer, a pharmacist or a rabbi, it wouldn't hurt to know the long-term financial payback of the college you're planning to attend. Four years of study — or even two, for some programs — and the debt many students ...

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Whether you plan to be a nurse, an engineer, a pharmacist or a rabbi, it wouldn't hurt to know the long-term financial payback of the college you're planning to attend. Four years of study — or even two, for some programs — and the debt many students graduate owing, make knowing what's ahead more important than ever.

There is a free online tool that does just that. The Georgetown University Center on Education and the Workforce (CEW) has a searchable database of 4,500 colleges and universities that shows their return on investment (ROI).

The CEW uses federal data on each school's net price (the actual typical **cost to attend**, as opposed to the advertised price), the median debt for students, and the median earnings of graduates at six, eight and 10 years out of school. It then generates an estimate of the future value of attending a given school, expressed in today's dollars. This is known as net present value (NPV).

Financial returns on college educations vary widely

Over a 40-year career, the CEW estimates, the median value of a degree from a private nonprofit college is \$838,000. The median NPV for a public college bachelor's degree is \$765,000. For-profit colleges have the lowest median payoff, \$551,000.

The CEW's 40-year estimates are likely on the conservative side, as the researchers relied solely on existing federal data for earnings rather than extrapolate. Current earnings data supplied by schools stops at 10 years, so the CEW does not factor in any earnings growth after 10 years.

The CEW data suggests that public schools and private nonprofit colleges offer the best career earnings payoff. Among the 45 schools that land right at the 75th percentile for NPV, 22 are private nonprofit schools, 20 are public nonprofits and three are private for-profit schools.

The CEW tool also includes data on schools that offer associate degrees and certificate programs.

A shortcoming of the tool is that it doesn't break down NPV by major. At a trade-specific school such as the Marine Maritime Academy (40-year NPV of \$2 million), that's not a big deal. But when a school offers different majors with widely varying financial payoffs—engineering vs. education, social work vs. business administration, etc.—the variance in graduates' actual earnings trajectory matters

plenty. The CEW says it will tackle program (major) level NPV when that federal data becomes available.

Still, the CEW tool offers an important data point for high school students and their parents to consider when researching schools. Much goes into choosing a school beyond the pure economic payoff, but if you're stacking up different [schools](#) and they have widely different career NPV, that seems like a worthwhile bit of intel.

Vetting schools using the long-term payoff metric

A web search of “CEW a first try at ROI” will lead you to the interactive tool. (Note: you need to scroll down on the landing page to find it.) You can search by state and by type of school (public, private, for-profit or not-for-profit), and sort by bachelor's, associate or certificate. (You can also toggle at the top of the tool to view “scorecard measures” that include data such as median debt, net price and the all-important graduation rate.)

Over a 40-year career, the range of NPV in the database is \$240,000 (Elevate Salon Institute-Chubbuck, an Idaho school that specializes in two-year certificate programs) to \$2.7 million (Albany College of Pharmacy and Health Sciences, a school that specializes in four-year bachelor's degrees). For the record, the next two highest NPV schools are also pharmacy-focused: St. Louis College of Pharmacy and the Massachusetts College of Pharmacy and Health Science also have 40-year NPV above \$2 million. The Massachusetts Institute of Technology and Stanford round out the top five highest career NPV.

Among four-year degree schools, the three lowest 40-year NPV are the Rabbinical College of Ohr Shimon Yisroel (\$248,000), Yeshiva Gedolah Imrei Yosef D'spinka (\$276,000) and the Pennsylvania Academy of Fine Arts (\$294,000).

Sorting schools that specialize in two-year associate degrees shines a light on the economic security a nursing degree can provide. The top three ranked by 40-year NPV are St. Paul's School of Nursing-Queens (\$1.9 million), St. Joseph's College of Nursing (nearly \$1.4 million) and Memorial College of Nursing (\$1.3 million). Plenty of technical schools that specialize in two-year associate degrees also deliver above-average career payoffs. ITI Technical College and the Morrison Institute of Technology have a 40-year NPV of more than \$1.1 million.

The CEW database lists 73 schools that specialize in certificate programs (two years or less) that have estimated career NPV of more than \$1 million. Four of the five

certificate program schools with the lowest projected career NPV (all less than \$300,000) are beauty schools.

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