April 22, 2013

How to Assess the Real Payoff of a College Degree

By Scott Carlson

Just listen to Dimitrius Graham sing. His voice soars up and down the scale like a bird carried on the wind. As a music major at Morgan State University, he seems keenly aware of certain realities about his life: His talent is undeniable and probably innate, and his future is promising but uncertain. He could make a career singing on Broadway or climbing the charts as a *Billboard* phenomenon. Or he could spend years singing for church groups and community theaters, for little or no money.

Because he went to college already able to sing, and because a career in singing is something of a financial crapshoot, one has to ask: Is he wasting his time and money, getting a degree in something that might not pay off? Mr. Graham, sitting in a campus food court with a group of friends, is quick with an answer.
"I can't not go to college," he says flatly. He just had a long conversation with a friend who was drifting at Morgan State, a historically black institution, and who was considering dropping out. He tried to dissuade his friend, saying that would lead to an unsteady retail job at best. "By the time you have worked there for a while, I will be done and will have a more secure job," he told his friend. For Mr. Graham, it was all about the job, the opportunities, the doors that would open with a parchment embossed in gothic lettering.

"There are so many things I could do," he says, "because I have networked so much. College is really full of opportunities."

Mr. Graham is a hopeful voice at a time when the public has lost some faith in the value of college education—perhaps irrationally. After all, numerous studies have shown that, on the whole, college graduates are far more likely to get jobs and earn more money than nongraduates are. To cite one: A 2011 study by the Pew Research Center asked, "Is College Worth It?" Most respondents said Americans were not getting a "good value" for the money they spent on a college education. And yet those who had graduated from college estimated that they were getting, on average, $20,000 more a year than they would without the degree—a figure that lines up with U.S. Census results. The college graduates in the study also said they were more satisfied with their jobs because of their degrees, and they credited college with helping them grow intellectually and socially.

But skepticism about the value of college persists—particularly among politicians, pundits, and number crunchers. "It's time to drop the college-for-all crusade," argues the financial columnist Robert J. Samuelson. "Do too many young people go to college?" asked a Wall Street Journal article in which experts debated "whether a lot of students would be better off spending their time and money somewhere else." And there was the acidic headline from a George Mason University economist: "How many college-educated janitors do we need?"

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Looking at college explicitly in terms of its "return on investment," measured in starting salaries and potential earnings, is something new—a confluence of anxieties about the rising cost of college, mounting debt among students, a flaccid economy, and the ubiquitous vocabulary of the market. This perspective is everywhere now, embedded in the U.S. Department of Education's College Scorecard, the college "ROI rankings" from the salary-tracking company PayScale, the countless recent books assessing the value of college, and The Chronicle's own new tool, College Reality Check.

The conversation about college and its returns gets down to a question that has dogged academe for decades, if not centuries: What is higher education for: Personal growth? A golden ticket? Or some of both?

John R. Thelin, a professor of education at the University of Kentucky and author of a major history of American higher education, cites a moment in the 1870s from The Education of Henry Adams as the advent of the idea that a college degree would pay off. Adams asks a Harvard undergraduate from the Midwest what he thinks his education will do for him. "The degree of Harvard College is worth money to me in Chicago," the student replies. A flummoxed Adams was trying to instill something deeper in his students.

Tallying the costs of and returns on a college education in financial terms is surely slippery business: It depends on who you are, where you come from, where you think you're going, where you really are capable of going, and what might derail or propel you along the way. One's perspective is also skewed by political beliefs, race, and class. And for some, particularly among advocates of the liberal arts, framing the value of education in dollars and cents is a perilous trend that discounts other benefits, like college graduates' tendencies to be more involved in civic
Higher education may not be explicitly about training people who make things and buy stuff, but it has long flirted with a utilitarian role. Many people believe that American colleges were established primarily to teach clergy, but Mr. Thelin debunks that notion in his book, A History of American Higher Education. Early colonial colleges not only helped to "identify and ratify a colonial elite," he points out, but also were responsible for developing social values and leadership skills among young men who would inherit the New World.

Some colleges were more utilitarian out of necessity. Inland institutions like Amherst, Williams, and Dartmouth were "hardscrabble colleges" that appealed to young men who did not inherit their fathers' lands and had to find a profession to make their way in the world, Mr. Thelin says. In the 19th century, the Morrill Act, which established the nation's land-grant colleges, focused more on professions and practical skills. (Mr. Thelin notes, though, that employers distrusted the book learning of college-educated men and women, even in highly technical fields like engineering, until well into the 1900s.)

But many college educations had a kind of open ending. Ivy League students may now have reputations as careerists, but not
so in the days of *The Great Gatsby*. Mr. Thelin has mined the writings of F. Scott Fitzgerald and checked them against historical sources to learn that many Ivy League students in the early 20th century were "clueless with what to do with themselves after college."

"The elite colleges were very vague in what they could provide or promise in terms of a direct job payoff," Mr. Thelin says. Many Ivy alumni exploited their connections to go into bond trading in Manhattan, mainly because New York City was a hopping social scene.

After World War II, the currency of degrees changed. In the early part of the century, Mr. Thelin says, even high-school diplomas were difficult for some Americans to achieve—fewer than 10 percent graduated in 1910. After the war, when secondary schooling became far more common, a college degree became the distinction that separated one job applicant from the rest.

By the 1970s, Mr. Thelin says, college presidents had honed a pitch for state legislatures and citizen groups: Higher education is good for the state economy, and if you want your daughters and sons to be prepared to take their place in that economy, it behooves them to have a higher education. And at the time, the pitch was true.

But they were beginning to tie academe to a return on investment, setting up an approach to measuring college’s value in paychecks. "That’s where they mortgaged themselves," Mr. Thelin says. "They took a short-run triumph but now have a long-term consequence by emphasizing the job payoff."

Now 30 percent of Americans age 25 to 29 have college degrees, compared with 12 percent 40 years ago. That’s still only a fraction of the population, and yet a persistent question today is whether college is the differentiator that it used to be. Mr. Thelin worriedly reads about recent and soon-to-be graduates who toil in unpaid internships, and he marvels at the current, awful job market for law students.
"I always thought that American society had an insatiable appetite to accommodate law degrees somehow," he says.

The disconnect between degrees and the job market is "a real cause for national alarm," he says. "These kids are educated and motivated, but this logjam is not going to be a temporary problem. ... We are in a fundamental wrenching of the economy and how we socialize and educate people for it."

Asessing a college education for its return on investment has no clear-cut approach, because different people expect so many different outcomes from their college experiences. Of course, that experience is colored by what students bring to college. Walking around Reed College, where the sticker price is nearly $50,000 a year, students speak eloquently about education's spiritual and intellectual rewards. One student dropped a potentially lucrative major in physics for classics. Another casually used the word "telos" in describing the purpose of college and her growth as a thinker. All downplayed any financial rewards.

But almost none of the students encountered on a recent misty morning on the Portland, Ore., campus had to worry about money anyway. Either they would not incur debt, or their parents would take care of it.

Anna Baker is an exception. An art-history major, she says she will probably accumulate $100,000 in loans by the time she graduates. "It's really scary, and I try not to think about the debt, and I also don't think that I am ever going to have a high-paying job." She could have gone to one of the University of California campuses for the in-state rate, but she does not regret her decision. "I feel like I have become this Reedie who is a critical thinker, who questions things—maybe to a bad degree," she says. "I would rather live a cool life and be in debt than worry about money constantly."

At Morgan State, just down the road from some tough neighborhoods in Baltimore, the approach to education is a bit more pragmatic. And yet Mr. Graham and his friends, sitting in
the campus food court, have differing expectations for college's purpose and payoff.

Lauren Jones, a former Miss Maryland Teen whose expressive face lights up under a hood of electrically curly black hair, is a broadcast-journalism major. College for her is not just about the education or the diploma. "It's for better career opportunities and networking," she says. "The people you meet here are going to be people who are influential after you graduate."

Everyone in Joshua Ridley's father's family went to college, so for him college was an expectation. "My sister didn't go to school, so now they are looking at me," he says. Aside from the classroom learning, he sees college as a dress rehearsal for real life, where even small things like financial-aid hassles will prepare him for bureaucratic and professional challenges as an adult. He loves filmmaking but considers film directing too risky as a career choice, so he has changed his major to business. "I still love film," he says, but he would rather approach it as a businessman than an artist.

For Hakeem Burch, who comes from Buffalo, the stakes in college are much higher. No one pushed him. "For me it was an option, but in my mind it was not an option," he says. "I feel that if I stayed home, I would be a statistic. I would be in the streets, in a graveyard, or in jail. I didn't want to end up like everyone else." He started out at Morgan State as a biology major, considering anesthesiology down the road, and then switched to journalism. He would make more money as an anesthesiologist, he says, "but my love for writing would push me more."

That passion could propel these students to become the next Oprah, the next Harvey Weinstein, or the next Tom Wolfe. Or they could settle into solid but unremarkable careers in their chosen fields. Or become something else entirely.

Or, like more than half of first-time, full-time students who attend Morgan State, they could fail to graduate or transfer within six years and drop out. Many of the young African-American students there start with tremendous financial, educational, and cultural
challenges. Jarrett Carter, a university spokesman who escorted me around the campus, says the students feel pressure not only to live up to expectations of their families, but also to be a positive example for African-American culture. It is often a "make or break" experience, he says.

That's life—full of risks. But should the decision to go to college be one of them?

Many of those who scrutinize college's return on investment now say no—that the investment has gotten too steep to assume everything will work out eventually. Richard K. Vedder, an emeritus professor of economics at Ohio University and a frequent contributor to *The Chronicle*, has been at the forefront of this argument. There are a million retail-sales clerks and 115,000 janitors with four-year degrees, he says. In 1970, just two-tenths of 1 percent of taxi drivers had college degrees. "Fifteen percent of the taxi drivers have college degrees now, we're told by the Bureau of Labor Statistics."

Part of the problem here is that the data are incomplete—even Mr. Vedder has to guess at conclusions from what's available. For example, last year Virginia made headlines when it unveiled a database on starting salaries of students from the state's public institutions. But the database lacked students who had moved out of state, who were working as independent contractors, or who were employed by entities, like federal agencies, that do not report to the Virginia Employment Commission.

"I find that college students today are good, but they have only been given the vocabulary of the marketplace."

To trepidation from college leaders, the Virginia database inspired calls to more broadly track the starting salaries of college graduates. Last year, U.S. Senators Ron Wyden of Oregon and Marco Rubio of Florida co-sponsored the Student Right to Know Before You Go Act, which would expand data collection on the employment and incomes of recent graduates. Molly Corbett
Broad, president of the American Council on Education, told her membership in a newsletter that the bill "overreaches and is ultimately unworkable." The bill did not pass last year, but Mr. Wyden will reintroduce it next month.

College presidents see such efforts as spillover from the scandals that have rocked the for-profit colleges, in which students have amassed unmanageable debts and cannot find work. Traditional colleges, the academic leaders point out, support more-open-ended educations, which aren't necessarily measured well in starting salaries.

That may be true. But "kids in high school ought to be given realistic appraisals of what their chances of success in college will be," Mr. Vedder says. He has advocated steering more students on vocational paths rather than to college. "Someone has to drive those 18-wheel trucks."

Colleges, meanwhile, should have more at stake in students' success or failure, he says. "If a kid drops out of school—and there are colleges where 80 to 90 percent of the kids drop out—what does the college lose? Nothing. ... If the default rates on student loans rise, and taxpayers are left holding the bill, why shouldn't colleges pay some of the bill?"

**College Reality Check**

*College Reality Check* is a new Web site designed to help parents and students easily sort through the many
factors they need to consider when choosing a college—graduation rates and net prices, how much it will take each month to pay off student loans, the default rate on student loans, and how much a graduate might earn. Produced by The Chronicle of Higher Education with support from the Bill & Melinda Gates Foundation, the tool allows users to find out how individual colleges measure up on any of those factors or to compare up to five colleges at the same time. Users can also find background materials on the issues behind the numbers, as well as plenty of links to resources for more information.

The site includes data on nearly 3,600 two- and four-year colleges, including for-profit institutions. Most of the data come from the National Center for Education Statistics' Integrated Postsecondary Education Data System. The tool contains early-career earnings for graduates of about 1,000 institutions.
collected by PayScale, an independent company that conducts surveys of nonmilitary employees in the United States. We look forward to hearing your feedback and suggestions at collegerealitycheck@chronicle.com.

—Jeffrey Selingo

That kind of talk resonates with Ronnie L. Booth, president of Tri-County Technical College, near Greenville, S.C. A vocational degree is not for everyone, he readily admits, but many of his students are arriving with four-year degrees in hand, looking for something practical. In coming months, he will direct Tri-County's academic counselors to more aggressively steer students away from fields and majors that might prove a bad fit. Don't like the sight of blood or the smell of bodily fluids? Nursing might not be for you. Interested in engineering? Let's have a serious talk about your grades in algebra.

"Better to find out on the front end," he says. "I believe in truth in advertising."

More parents and students, he says, need to "understand that someone has to pay the bills." In his region, he frequently meets waiters and waitresses who have four-year degrees, and he has a friend whose daughter went to college to study dance. She is working in retail.

"That is not what Daddy had anticipated," Mr. Booth says in a Southern drawl. "I believe in a broad educational program, things that make you a good citizen, but I am not sure that it is necessary to rack up $50,000 or $100,000 in debt to get that—and then not to be able to get employment. I have told my children that one of Daddy's goals is to get you off my payroll."

Mr. Booth hints at one of the contentious discussions around return on investment: that a liberal-arts
education is impractical, even effete, with tenuous connections to
the world of work. The discussion entwines with politics, as
conservatives in particular have attacked the liberal arts and other
"soft" fields. In some cases, those conservatives seem to have an
agenda besides improving the work force.

This year Pat McCrory, governor of North Carolina, went on the
conservative William J. Bennett’s radio show and complained
about the "educational elite." He bashed fields like gender studies
and said state funds for higher education should be "not based on
how many butts in seats but how many of those butts can get
jobs."

Mr. Bennett, a former U.S. secretary of education, is himself
coming out with a book in May, called Is College Worth It? Written
for a conservative-Christian audience, it raises questions about
return on investment, with charts and tables that look at the
perceived payoff of degrees from different colleges and in various
majors. It also paints mainstream colleges as out of touch, places
where sex, alcohol, and aggressive identity politics are tolerated
but guns are not.

Degrees in the "classical liberal arts" can be "intellectually
rewarding," the book says. "But if you do major in liberal arts or a
social science, ... understand that your employment prospects,
especially in the current economy, may be limited, even
dramatically so." (Mr. Bennett, incidentally, got his bachelor's
degree in philosophy at Williams College; his co-author, David
Wilezol, is a graduate student in Greek and Latin at Catholic
University.)

But casting the liberal arts as a financial dead end seems
misleading. Students with a stout work ethic—qualities generally
revered by political conservatives—might end up making more
money following a passion to a liberal-arts degree than might
those who dutifully enter more "useful" fields.

"There is at least some evidence that fields with high starting
salaries are fields where you plateau early," says Dennis P. Jones,
President of the National Center for Higher Education
Management Systems. "It’s the students in the broader-based arts-and-sciences fields that end up in the CEO positions, but it takes a long time to get there."

The center is working with the Association of American Colleges and Universities to examine the lifetime returns from various kinds of degrees. The study will attempt to counter the stories of extremes—the student who racks up $200,000 in debt and can’t find a job, or who drops out and makes millions as a dot-com entrepreneur—that are "distorting the conversation," Mr. Jones says.

As rising college costs have loaded more and more debt onto the backs of Americans, the return-on-investment conversation seems inevitable—and perhaps prudent. But a single-minded focus on money pays little heed to one of the best aspects of the American higher-education system: its skill at developing curious, critical-thinking, culturally aware people. Those qualities may have greater financial rewards than critics realize.

Frances Bronet, dean of the school of architecture at the University of Oregon, knows that defending the mission sounds elitist. She grew up intensely poor in Montreal. "There was no way I could go to school and not have an immediate return," she says. "My parents already thought that my going to school was an opportunity lost." She went to McGill University and majored in architecture and engineering—technical fields she knew would pay.

Now one of her great regrets in life is not having gotten a broader liberal-arts education. "We talk about people being entrepreneurial, but it’s really about being creative, thoughtful, and critical," she says.

When she taught at Rensselaer Polytechnic Institute, her department surveyed engineering alumni, asking what they felt they had missed in their education. Graduates who were a year out of college wished they had gotten more technical skills. Those who were five years out wanted more management skills. But
alumni who were 10 to 20 years into their careers wanted more cultural literacy, "because they were traveling all over the world, working with cultures they never experienced before," she says.

David Brooks, a columnist for *The New York Times*, worries about an overbearing focus on utilitarian degrees and financial returns. "I find that college students today are good, but they have only been given the vocabulary of the marketplace, so they instinctively turn to phrases like 'human capital' and 'opportunity costs' and 'return on investment,'" he says in an interview. "All of those are perfectly legitimate ways of seeing an education, unless they are the only ways. I wouldn't mind all of the talk of education as an economic input if there were as robust a talk about the values that education was supposed to be offering."

There are 115,000 janitors with four-year degrees. "Fifteen percent of the taxi drivers have college degrees now."

The "soft" social skills and cultural lessons have plenty of value—even financial value, he argues. Employers want people who can write, who can intuit what others are thinking, who can learn from others. "These are actually practical skills in an economy that is based more and more on social relationships," he says.

Mr. Brooks adds that he never saw his own undergraduate education, at the University of Chicago, in practical terms. There might have been a cultural aversion to that kind of careerist view of education, perhaps a legacy of Chicago's former president Robert Maynard Hutchins. "There is no doubt that education must be useful. It must meet the needs of the individual and of society," Hutchins wrote in *The University of Utopia*, in 1953. "The question is: What are those needs? ... In many ages it has been thought that education could make its greatest contribution by helping people learn to think and by familiarizing them with the intellectual tradition in which they live."

In 1983, when Mr. Brooks graduated, he might have stood out as an example of higher education's failures in the eyes of folks like
Mr. Vedder. "A lot of people drifted after college, including me, because we were totally unprepared for the world outside," Mr. Brooks says. "I had a fantasy of being a playwright, but I had never worked in the theater." Instead he worked as a bartender for a year and submitted articles to magazines, which were consistently rejected. Then he got a job at the City News Bureau of Chicago, where he finally got training in a practical skill.

From those beginnings, Mr. Brooks has become exceptionally successful in his career. Was it his intrinsic smarts or his upbringing? Was it his University of Chicago education or the Chicago pedigree? Was it merely luck or some combination of all of the above?

What defines success?

It’s a question at the foundation of this return-on-investment discussion, and one that Dimitrius Graham and his friends ponder in the food court at Morgan State.

Joshua Ridley, the film-loving business major, says college makes him feel that he is already associated with a different class of people—those who drive nice cars and have nice things. Hakeem Burch, the aspiring writer from Buffalo, says he would be happy if his words connected with no more than a few people. Lauren Jones says she has prepared her whole life to work in broadcast news. If she doesn’t make it, she says, "I would think, Wow, what did I do that screwed it up? I am not going to blame it on the school."

Mr. Graham, meanwhile, exudes confidence. "Because I have a good voice, it's a promising career," he says, before backing down slightly. If his vocal cords get nodules or if he otherwise doesn’t make it in entertainment, he can use his training to become a music teacher, and then maybe become principal of a school. College has put him on the right path.

"I am set, regardless," he says. "I just need to focus and handle my business, and then I can be an artist or an opera singer, or I can be a really good teacher who has a good life. Either way, it'll work
This article covers several issues on this topic well. There are two comments I'll make.

1. The article discusses the idea of "return on investment" and "starting salaries" a lot. But focusing on starting salaries can be misleading for students. To give one glaring example: students majoring in Business Management have a starting salary of $43,000, while a liberal arts major like Philosophy starts at $39,900 (see below). So if starting salary is the measure used Philosophy looks like a bad choice. But when we include midcareer salaries it turns out that Philosophy majors make more than Business majors (Philosophy $81,200 vs. Business $72,100) which adds up over time. So the focus on starting salaries can be misleading about potential earnings.
http://online.wsj.com/public/r...

2. Another aspect of this issue can be misleading as well. Students going to graduate school are often helped by studying the humanities in terms of entrance exams. There was a recent article that showed that Humanities majors scored the highest on two of the three sections of the GRE. And it is well known that Philosophy majors rank very high on the law school entrance exam (see below). So students who may want to attend graduate school could be misserved by being steered away from such programs to more "practical" majors. None of this is addressed by focusing on starting salaries as the appropriate measure.
http://www.people.vcu.edu/~emi...
I normally like your posts, but I have to disagree here. The basic issue is whether data about starting salaries can be misleading.

1. You say that the employment environment has changed drastically and that we can't be sure about what that environment looks like. Then I don't see why my complaint isn't still valid. If we are ignorant about long term earnings at present, as you say, then why give potentially misleading data about starting salaries to students?

2. Yes we are aware of your troubles with law school, and I appreciate your concerns here. But note that the point wasn't restricted to law schools. There is recent evidence that shows that Humanities majors had high scores compared to other majors on the GRE. And your point about law school doesn't speak to the main issue. I have not claimed that the law market is a good one. What I claimed was that students going to law school can be helped by majoring in Humanities subjects like Philosophy, and that's entirely true. Whether it's a good idea for them to go to law school is a separate issue.

Unemployed_Northeastern • couchloc • a year ago

Re: 1. We have don't have actual starting salary information for any given majors; we have salary information for an unknown percentage of grads in a given major who 1) found a job, 2) reported their income, and 3) didn't misrepresent their income one way or the other. Many a law student has learned the difference between *real* and *reported* job outcomes through great personal hardship; I would spare others the same fate if I could. Your WSJ link uses Payscale data, which is similar to judging a school's quality based on the USNWR prestige-o-meter section: incredibly unreliable. There is actually a discussion of Payscale data in the comments on Jeff Selingo's latest entry, which also came out yesterday: http://chronicle.com/blogs/nex...

Re 2: My point w/r/t law school/LSAT - and the GRE - is that those tests are the relics of a graduate/professional education system that used to produce upward mobility but now creates downward mobility just as often. Honestly, what I have always heard (and seen with my own eyes) is that engineers outperform everyone else in law school, because the analytic methods they have already mastered are very similar to the tried-and-true "LRAC" method of answering law school finals.

While much of what you say on law school is true, there has to be some accountability on the individual who chooses the law school. If someone choses to pay 80K a year for a third tier law school when there are many first tier public law schools much cheaper than 80K, they have to take responsibility for that decision. I attended a public law school, paid 8K a year, and have never practiced law. But guess what? Just having the JD on my resume has opened an incredible amount of career doors for me that I would not have had otherwise and has allowed me a very comfortable life from a financial perspective just 8 years out of law school. Plus, while the actual practice of law is competitive, there is
In law school, there are still plenty of openings with good firms for GOOD attorneys. The law is like any other profession, if you are good at it, you will do well.

Unemployed_Northeastern → kyle43 · a year ago
I don't have much sympathy for anyone entering law school in 2013, with the numerous Page A1 exposes in the New York Times, WashPo, and elsewhere; the lawsuits against at least 12 or 15 schools for fraudulent data reporting, the insane cost of attendance, and so forth. I matriculated after you but before all the madness came to the surface.

- "Plenty of openings." Here in Massachusetts, 2500 people pass the bar each year for about 700 attorney jobs at any salary level (and last year at least one law firm offered a mere $10k for a new attorney - you can find it in the ABA Journal). In NY, the respective figures are about 10,000 for 2,000. I would not call those kinds of odds plentiful.

- By "good" attorneys, law firms mean someone who went to a school high in USNWR. Their analysis is no more complicated than that, and I have seen minimum USNWR thresholds as job requirements for in-house counsel jobs.

Eric Anderson → Unemployed_Northeastern · a year ago
The phrase you're looking for is something closer to "past performance does not guarantee future results." The past is the best -- in fact only -- predictor of the future. It's just not a perfect one.

Unemployed_Northeastern → Eric Anderson · a year ago
My past ability to regurgitate the proper phrasing is no guarantee of my future performance in doing so.

nampman → couchloc · a year ago
Thank you for providing data to clarify this issue. I wish everyone posting was as thorough.

Antsy Kuhnwisse → couchloc · a year ago
My question about humanities majors is: causation or correlation? Do students really benefit so much from a humanities major that their GRE and LSAT scores improve, or are students who choose humanities majors already likely to do well on those sorts of tests?

You said there was an article about the GRE score phenomenon; how do I find it? Perhaps it would clarify the situation.

couchloc → Antsy Kuhnwisse · a year ago
Here is the article:

http://chronicle.com/article/E...

altima → couchloc · a year ago
I wonder just how many of these "philosophy" jobs are available...
Keith Williams  ·  a year ago

Good article; a few stray points...

A common assumption made by students and their families is that college will illuminate a clear career path and guarantee a salary.

We need to communicate much more clearly to the students that college is an *enabling* experience, not an entitling experience. If a student doesn't understand that key difference and realize that this is in fact a good thing, then that student isn't ready for college.

A transformative college experience is something in which students must truly participate- i.e. it's not a movie that they can sit through, passively view, and exit with more than they arrived. College should not be viewed as mere credentialing. Our students should be better prepared to engage and “expected” to engage; this is the “collegium” of college- it's not high-priced theatre. When students are ready to come and participate with the faculty and with each other, then the outcome is far greater for all.

And on the topic of preparation to engage... what I think is most obviously missing from so many discussions of college ROI is how to gauge preparedness. Pre-college preparation is not measured simply by points on an ACT or SAT! The important question is whether the student has the academic “and” social maturity to get the most out of their experience. Many parents seem unaware that their students simply aren't ready to dive in... in which case, all the points and counterpoints about college ROI are fairly moot. Even the very best programs will do little for an underprepared student.

ed: corrected some typos....

Kyle Williams  ·  a year ago

”whether the student has the academic “and” social maturity”

Yep, and sexual/relational or self-preservational maturity be damned, because the university is far less universal in terms of the human qualities it requires and fosters than it would like people to think.

- This is a group-psychological criticism of the US higher educational system. I spent a decade studying personality psychology trying to figure out what was wrong with me that I dropped out twice, only to discover the fault was less with my mental makeup than with the sociology and psychology of education in this nation (the collective mental makeup of the denizens and structural imperatives of the educational complex).

I'm AKA R Evans, depending on whether I'm logged into the Chronicle or Disqus.

Kyle Williams  ·  a year ago

Well said Keith. Unfortunately, as states have cut funding to higher education, institutions have turned to increasing enrollment to make up for the cut in state funds. Thus, they have turned into huge marketing organizations trying to get everyone in the door they can regardless of what you pointed out - that, "even the very best programs will do little for an underprepared student."

Keith Williams  ·  a year ago

It's a big change of culture, isn't it? If I'd flunked out 20 years ago, nobody would've batted an eyelid. In fact, faculty spoke openly of "weeding out" the incapable. In today's climate, students are major...
weeding out the incapable. In today's climate, students are major sources of revenue. It's good that today's students are valued more than they were before, but what does this imply about rigor and the degree as a distinguishing achievement...

mitzy22 • kyke43 • a year ago

From NY Times, 2011 "Until 2005, colleges could not participate in federal aid programs if more than half their students were enrolled in what were then known as "correspondence" or "telecommunications" courses. For online courses — but not correspondence courses — the 50 percent rule was eliminated in 2005. By now, the vast majority of colleges and universities offer online courses, and some huge commercial institutions have hundreds of thousands of online students."

In other words, all colleges now have or are devising an online division in order to build revenue. To accomplish this, yes colleges are marketing organizations, for some it's to survive, for others its to compete. But distance ed attracts more fraud and cheating, so at the end of the day, we are all a lot poorer.

Unemployed_Northeastern • a year ago

Interesting article. I think most of the regulars know me here by now: elder-Millenial, NESCAC liberal arts graduate (but not from one of the two that matter, unfortunately), licensed attorney, and interminably-wallowing member of the long-term unemployed who owes buckets and buckets of student loans. Too-frequent commentator here, on IHE, and a handful of other forums concerning the higher ed system in America today. There was actually a rather similar article written this morning over on the Atlantic, so I'm just going to paste my comment from it over here; it seemed to play pretty well on that brainchild of Emerson and Longfellow and Holmes Sr.:

How do student loan delinquencies compare to mortgage delinquencies during the housing crash?


The peak subprime mortgage delinquency rate appears to be about 25%. Ibid.

Percent of student loans in repayment that are currently delinquent: 31%, according to http://newyorkfed.org/newseven..., page 13. And mind my, how much half...

Unemployed_Northeastern • a year ago

Thanks for posting your compilation.

olmsted • Unemployed_Northeastern • a year ago

Unfortunately, my "elite" liberal arts education and law school degree have netted me years of unintentional free time to learn all about the deeper penumbras of higher ed financing. We can't avoid the numbers forever, and the numbers are truly hideous.

mark_dc2 • Unemployed_Northeastern • a year ago

You've painted a bleak picture of the financial benefits and effects of paying for a college degree—rising costs and static salaries, in particular. Is the option to not pursue this course better? High school diplomas may come without any student debt, but are they a better return on the zero investment? I'm skeptical that non-college degree wages have...
You are right: non-college-degree wages do not outperform college-degree wages; I don't think anyone here meant to imply that they do -- on average. But sometimes they do. And at least the salary (however low) and job experience are not deferred for four years. In many cases, that could be more valuable than a degree: at age 22, to have savings put aside, no student loan to pay off, and be four years closer to a promotion. It all depends.

I have a Masters degree, and I know many high school grads who didn't go to college and make a LOT more than I do.

Of course we all have those anecdotes. One of my friends works for AT&T sales - he makes about 20K more than me. Another is manager at an auto shop, worked his way up from clerk - again makes 15-20K more than me. But these are exceptional individuals in my view - both have excellent work ethics and charismatic personalities that really help them especially on the sales side of things.

But that's not what the data show. The data show that on average - college degree holders make at least double non-degree holders. I'm not convinced that my two friends might not be making QUADRUPLE what I do *if* they had gotten college degrees.

The question is not whether past high school grads have outperformed past college grads; the question is what returns college students will have since the student loan train really started accelerating five to seven years ago. I mean, the variance between the current estimates of student loan debt are nearly the size of the total outstanding student loan debt twelve years ago! There are a host of new issues for recent grads that are utterly foreign to their older counterparts. These are the grads who have to grapple with the dictatorship of the HR screening filter and corporations that expect entry-level workers to have five years' experience so they don't have to spend even an hour training you. They will be the first generation to truly compete in a zero-sum, global hiring market, where they are up against unindebted college grads from the BRICS and elsewhere who only command 1/3 of their salary. If you ask a lot of prognosticators, they will say that the creative destruction of technology has finally outpaced the number of jobs it creates, and that the Luddite Fallacy is now the Fallacy of the Luddite Fallacy (intentional hat tip to Averroes). For instance, if

Thank you for this cogent analysis, U_N!

Well, if you're going to watch your career and profession implode, you may as well try to learn something from it.
Aaron → Unemployed_Northeastern · a year ago

I always like your analysis. I have to wonder, though... when you do land a decent job (and I think you will), will you remain this bitter?

Unemployed_Northeastern → Aaron · a year ago

Given my length of unemployment and my irrelevant or insufficiently prestigious education (depending on what type of employer we are talking about), the odds are I will not see the other side of my educational loans. My "investment in myself" via student loans represent my home, my children, my retirement, my possessions, and years of rejection not hearing back from any job application ever in just about every sector of our economy. To be only slightly uncharitable to myself, my resume screams "long-term unemployed, unskilled worker with an inadequate education." Such things do not break down doors. The notion that I might land a decent job are right up there with the notion I might hit the Powerball, write the Great American Novel, or marry [insert famous & wealthy person of your choice here]. Sadly, this is the normative outcome for law school grads these days...

Aaron → Unemployed_Northeastern · a year ago

Odds are that you eventually will, although you may be 45 or 48 instead of 40 paying off those loans. I suppose you could be an outlier but like I said the long term odds are against that.

I felt like you too, and then I finally found something by increasing my geographic search radius. Cost me money - I had to pay to go to interviews. That landed me somewhere that's nice but not exactly where I wanted to be with a salary not exactly what I would have wanted either.

So yeah, I know what you mean - despite having a decent job - I don't qualify for decent mortgages as long as I have the student loan albatross. That means living like I did as a grad student in order to pay them off more quickly, which has a whole host of implications.

However, would I (or you) have been any better off without grad/law school? I don't know, but I suspect not. The economy blows.

Unemployed_Northeastern → Aaron · a year ago

I appreciate the support, but have been on the sidelines of the job market long enough to know my probable worth. You should see the research on what happens to job applicants after 1 year. It's gruesome.

Aaron → Unemployed_Northeastern · a year ago

Read a depressing novel, like The Bell Jar, or something. Even the most depressing fiction made me feel better than the truth.
Ha, I'm almost running out of novels to read at this point! Maybe I should just read "The Road" in an endless loop.

Try Googling "finding wealthy widows dating." There are all sorts of links for finding rich women to date. One of them specifically looking for men for "36 Chinese millionaire single ladies." They may not be famous, but wealthy works! It looks easier than writing a novel and less chance than guessing the Powerball numbers.

Very good point. That also happened with payroll departments. Nowadays so many companies outsource their payroll to companies in India. Those who used to do payroll in house are gone.

Yep, and STEM careers are next. Take a look at outfits like iGate Patni or Infosys, or read Stanford math professors Keith Devlin's op-ed "All the Math Taught At University Can Be Outsourced. Now What?"

It is quite noteworthy that, just as there were opportunists who pushed overpriced, poor quality homes on those incapable of servicing debt in the housing bubble, there are schools that are taking advantage of the federally insured student loan program to sell top priced education to those of limited abilities. In a piece in The New York Times, the plight of graduates of Caribbean based schools of veterinary medicine who had been denied admission at land grant colleges in the US found themselves with debt of $300,000 and difficulty in getting their training accepted in the job marketplace.

You really are having technical difficulties today, DISQUS.

It's horrible, isn't it? And don't forget about arguably the entire for-profit higher ed sector, which spends something like 5x to 8x more on marketing than instruction, pays its profs next to nothing, and pockets millions for its senior executives.

The NYT had another interesting pieces 4 to 6 weeks ago about the plight of new veterinarians - evidently between the insane cost of vet school and the ever-increasing inability of clients to pay their bills (and subsequent effects on new vets' salaries), pretty much anyone who can't get into large animal surgery is pretty far up the creek. They interviewed one young, employed vet who doesn't make enough to pay her full SL balances each month - she owes about $300k - so she is on IBR (Income-Based Repayment). In 25
years, when her balance is forgiven, her total will be somewhere in
the neighborhood of $650,000, because of negative amortization.
She will then receive a nice tax bill from the IRS, who will consider
this realized income.

Despite this, my former law school dean recently penned a very
self-serving "law review article" (I use the term very loosely) in the
Toledo Law Review in which she claims that surging balances
under IBR are not an issue. Incidentally, that law school costs
$70k/year, has little financial aid, and aims to send everyone into
very low-paying public interest jobs. Hmm. The article is

Aaron Unemployed_Northeastern  a year ago
College doesn’t seem very worth it’s framed in this way. However, the
costs of stopping with high school are worse.

Unemployed_Northeastern Aaron  a year ago
Both choices are fraught with peril - American exceptionalism,
Horatio Alger, Atlas Shrugged, bootstrapism, entitled Millennials,
etc.

mitzy22 Unemployed_Northeastern  a year ago
What has always amazed me, is that a quarter of this debt is from
students repeating high school with what is termed "gen- ed" courses. The
rest of the civilized world attains a 3 year bachelors degree. The only
reason I can find for the madness is that it’s good for revenue and the
business of college.

Unemployed_Northeastern mitzy22  a year ago
1/4 of the debt is for remedial courserwork... that’s an interesting
notion - do you have a cite for that?

mitzy22 Unemployed_Northeastern  a year ago
No cite needed. Look at any degree program plan, the first
year or more is spent repeating subjects taken in high
school before one takes a major-related class. Sheer
nonsense. The gen eds are superfluous additions to the
debt. The fact that the gov’t gives out loan money to retake
high school geography is beyond my comprehension.

ginaunn  a year ago
the pay off college degree is job opportunity for UNN.

Tresinnocem  a year ago
There has been so much interest in determining the value of a college education
that we have forgotten to ask a simple question - what is cause and what is
effect? The data seem undeniable, even if the effect is not immune to economic
recessions: people who attend college earn more money. However, it is just as
likely that the effect is actually caused by the fact that smart people go to college.
In order to make a claim that college actually adds value, you have to compare
students with the same academic achievement levels who do and do not attend
college. Only with that information can we claim that the value is attributable to
the college education rather than the intelligence effect. Let’s try asking another
question: if college really adds so much value, should we have every college-age
student attend? Extrapolating from the present rhetoric, the conclusion would

student debt. Extrapolating from the present rhetoric, the conclusion would seem to be that the GDP should rise in any country that adopts such a policy. Of course, we all know that it will not.

Antsy Kuhnwisse  ➤ Tresinnoctem  • a year ago

Love it. But your experiment would not work unless you randomly assigned these academically-similar students to the "college" or "no college" groups. If you let them *choose* or *not* choose higher education -- themselves -- then there are confounding factors of motivation, self-image, etc.

mbelvadi  • a year ago

"An art-history major, she says she will probably accumulate $100,000 in loans by the time she graduates. [...] I would rather live a cool life and be in debt than worry about money constantly." I think Reed needs to teach financial literacy. This young lady apparently has no idea what is ahead of her if she thinks she can have $100K in debt and NOT worry about money constantly. She apparently doesn't understand anything about compound interest, bill collectors, wage liens, and credit ratings (and its importance for things like car and house loans). When repo man starts showing up at her door, she'll find out what worrying about money means.

tardigrade  ➤ mbelvadi  • a year ago

I agree with you here mbelvadi.

I'm AKA R Evans, depending on whether I'm logged into the Chronicle or Disqus.

Unemployed_Northeastern  ➤ mbelvadi  • a year ago

If we adequately taught financial literacy in high school, the student loan bubble would collapse very quickly, because their loan terms all but redefine the word "predatory." Teaching financial literacy in college itself would be rather moot, because the damage would be at least partially accomplished already.

Erica_Blair  ➤ mbelvadi  • a year ago

If Reed is anything like the university where I work, it does teach financial literacy, in multiple forms. People hate to give up their dreams, even dreams risk them ending up with teeth marks on their butts. The tragedy of the current system of higher ed is that it makes it so easy for people to rack up debt before they really have any idea of what they're doing or how it will impact them.