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## It's not just the degree, but what you study

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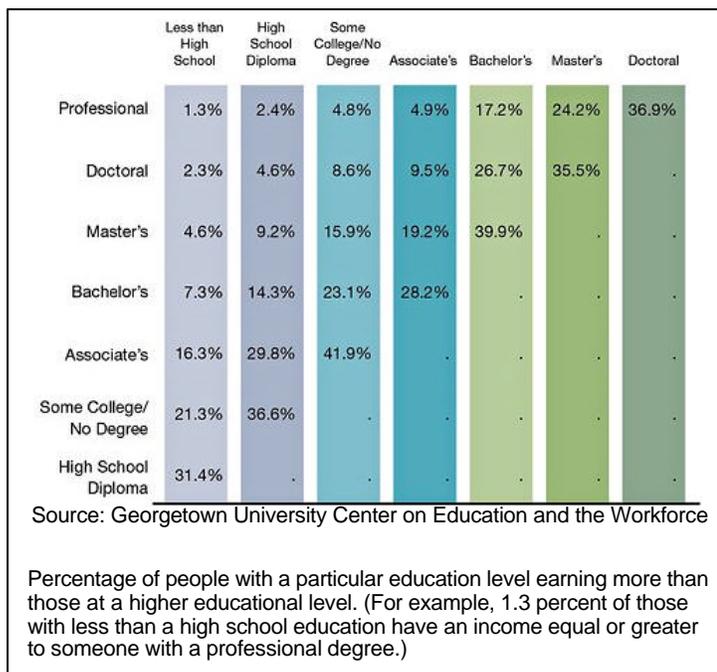
Readers of Economix are familiar with the case for why a college education is worth it in the labor market. Quite simply, if you have a college degree, you will probably earn more than someone who doesn't.

A new report from the Center on Education and the Workforce at Georgetown University looks at average lifetime earnings and finds, not surprisingly, that those with a bachelor's degree earn much more than high school graduates, and that the premium has widened since 1999 to 84 percent from 75 percent.

And while some argue that the more people who obtain a bachelor's degree, the less valuable it will be, Anthony P. Carnevale, the lead author of the report, "The College Payoff," said that even if the country were to increase the number of bachelor's degree holders by 20 million, the earnings premium for such a degree would still be 50 percent higher than for those with just a high school diploma.

But the blanket recommendation that students should go to college and get a bachelor's degree isn't enough. It turns out that what you study and the careers for which your major prepares you matter, too. In fact, there are cases where someone with a lower level of education can earn more than someone with a higher degree, because of the course of study pursued.

So while the oft-cited fact that Bill Gates was a college dropout doesn't really prove anything, 14 percent of those who have just a high school diploma earn at least as much as the median earnings of those with a B.A., and among associate's degree holders, 28 percent earn more than the median earnings of workers who have earned bachelor's degrees.



So, for example, a computer programmer with an associate's degree will make, on average, \$2.7 million in lifetime earnings, while an elementary or middle school teacher with a bachelor's degree will make an average of only \$1.8 million in lifetime earnings.

Mr. Carnevale said that part of the reason what you study matters as much as having a degree is that historically, people entered an industry and worked their way up. So a mailroom clerk could become the chief executive, and an assembly line worker could eventually become a manager.

But today, he said, it is more likely that your educational credentials give you entry to a particular occupation. "The first day through the door, you can't be relatively unskilled and work your way up," Mr. Carnevale said. "The qualifications for entry have gone up." In other words, you can't become an engineer without an engineering degree.

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The bachelor's degree holders most likely to be at a disadvantage, he said, are those with liberal arts degrees. "The truth is that if you get a liberal arts degree, there are a smaller and smaller set of occupations that you can go into," he said.

If you want to make the most money over a lifetime, your best bet, as it turns out, is to go to medical school. Physicians and surgeons earn a lifetime average of \$6 million, compared with \$4.5 million for chief executives and legislators and \$4.4 million for those who work in securities or financial services.

The report also finds, however, that the wage gap between men and women remains even among those with similar levels of educational attainment in the same occupations. On average, women who work full time earn 25 percent less than men.

The disparities for African-Americans and Latinos are equally stark. Blacks with bachelor's degrees earn 20 percent less than whites with the same level of education, and among African-Americans and Latinos, those with master's degrees have lifetime earnings lower than whites with bachelor's degrees.

Mr. Carnevale said that the earnings gap between men and women could be explained in part because women tended to gravitate toward more lowly paid occupations like teaching, even when they had degrees — like math or science — that prepared them for better-paying jobs. Women, he said, also are more highly represented in the nonprofit sector, which generally pays less than the private sector.

But for blacks and Latinos, he said, it was difficult not to attribute the wage gap to outright bias.