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The Up hot

DEGREES OF EDUCATION

Gaps in Earnings Stand Out in Release of College Data

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Colleges give prospective students very little information about how much money they can expect to earn in the job market. In part that's because colleges may not want people to know, and in part it's because such information is difficult and expensive to gather. Colleges are good at tracking down rich alumni to hit up for donations, but people who make little or no money are harder and less lucrative to find.

On Saturday, the federal government solved that problem by releasing a huge new set of data in a website called **College Scorecard**, detailing the earnings of people who attended nearly every college and university in America. Although it abandoned efforts to rate the quality of colleges, the federal government matched data from the federal student financial aid system to federal tax returns. The **Department of Education** was thus able to calculate how much money people who enrolled in individual colleges in 2001 and 2002 were earning 10 years later.

On the surface, the trends aren't surprising — students who enroll in wealthy, elite colleges earn more than those who do not. But the deeper that you delve into the data, the more clear it becomes how perilous the higher education market can be for students making expensive, important choices that don't always pay off.

The national universities producing the top earners are no surprise: Harvard, M.I.T., Stanford and others that routinely top the annual U.S. News & World Report college rankings. The most troubling numbers show up far beneath the upper echelons of higher education. Elite institutions prop up the overall average earnings of college graduates nationwide. Although earnings of college graduates continue to outpace those of non-collegians by a significant margin, at some institutions, the earnings of students 10 years after enrollment are bleak.

The Department of Education calculated the percentage of students at each college who earned more than \$25,000 per year, which is about what high school graduates earn. At hundreds of colleges, less than half of students met this threshold 10 years after enrolling. The list includes a raft of barber academies, cosmetology schools and for-profit colleges that often leave students with few job prospects and mountains of debt.

But some more well-known institutions weren't far behind. At Bennington College in Vermont, over 48 percent of former students were earning less than \$25,000 per year. A quarter were earning less than \$10,600 per year. At Bard College in Annandale-on-Hudson, the median annual earnings were only \$35,700. Results at the University of New Mexico were almost exactly the same.

The data reveals how much money students are borrowing in exchange for earnings after graduation. While U.C.L.A. and Penn State are both prestigious public research universities, recent U.C.L.A. grads leave with about 30 percent less debt, even as their predecessors are earning about 30 percent more money

than counterparts at Penn State. Harvard students borrow barely a quarter of what Brandeis students take on, and earn nearly twice as much.

The return is unequal in other ways. There is an earnings gender gap at every top university. The size of the difference varies a great deal. At Duke, for example, women earned \$93,100 per year on average, compared with \$123,000 for men, a difference of \$29,900. At Princeton, men earned more and women earned less, for a difference of \$47,700. Women who enrolled at Cornell earned more than women who enrolled at Yale.

Defining higher education in purely economic terms risks exacerbating what some have described as the corporatization of the modern university. People get a lot more out of college than earnings potential. They learn to be better citizens and better human beings. The world needs dancers and poets along with the future investment bankers and tech entrepreneurs streaming out of elite schools.

The problem is that the dancers and poets are paying the same, ever-rising tuition, even though the necessary cost of running a good poetry program is probably not much more than it was in earlier times when college tuition was much less expensive than it is today. And you can't pay your student loans back with citizenship — only dollars will do.

Colleges can ameliorate this problem by providing need-based financial aid to low-income students, reducing their debt burden and likelihood of loan default. The new data indicates that some colleges are more successful with this strategy than others.

At the University of Cincinnati, a third of low-income students (from households earning less than \$30,000 per year) had failed to pay back any of their student loans five years after graduation. At the University of Alabama, the number was roughly a quarter; at Wayne State University in Detroit, over 40 percent. At the for-profit University of Phoenix, nearly two-thirds of poor students are in these dire straits.

It will take time for the raft of new federal earnings data to seep into the complex reputational ecosystem that continues to govern the higher education market. But this new bottom line will eventually become a permanent aspect of how colleges of all kinds are understood.

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