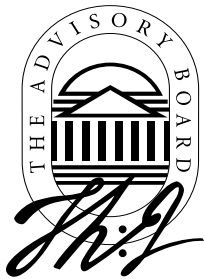


## UNIVERSITY LEADERSHIP COUNCIL

# The Benefits of Higher Education

*January 23, 2008*



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### **Sections Included:**

- I. Overview
- II. Supporting data
- III. Additional resources

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# The Benefits of Higher Education

## Challenge:

Identify the individual and societal benefits that can be attributed to a highly educated population as defined by completion of a bachelor's or advanced degree.

## Sources Used:

- ✓ Advisory Board's internal and online ([www.advisory.com](http://www.advisory.com)) research libraries
- ✓ Factiva, a Dow Jones and Reuters company
- ✓ OCLC First Search
- ✓ The Chronicle of Higher Education
- ✓ Internet, via search engines and professional journal databases

## Research Qualifications:

- Based on our research findings to date, the data presented in this report is the most recent available.
- With the exception of slide 5, the data represented in this report is aggregated across race and ethnicity.

## Findings in Brief:

- ✓ The most pronounced benefit to the highly educated individual is increased wages.
- ✓ An increase in individual wages results in increased tax revenue for society.
- ✓ The overall health of the population increases as educational attainment rises, contributing to increased work longevity and less strain on medical institutions.
- ✓ Parental educational attainment is positively correlated with the academic achievement of offspring, thereby creating a ripple effect for future generations.

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## Societal Benefits Derived From A Well-Educated Population Include...

### An Increase in:

- ✓ Tax revenue
- ✓ Individual health and well-being
- ✓ Volunteer work
- ✓ Voting participation

### A Decrease in:

- ✓ Poverty levels
- ✓ Unemployment rates
- ✓ Social safety-net programs  
(e.g., food stamps)
- ✓ Narcotics addiction
- ✓ Incarceration rates

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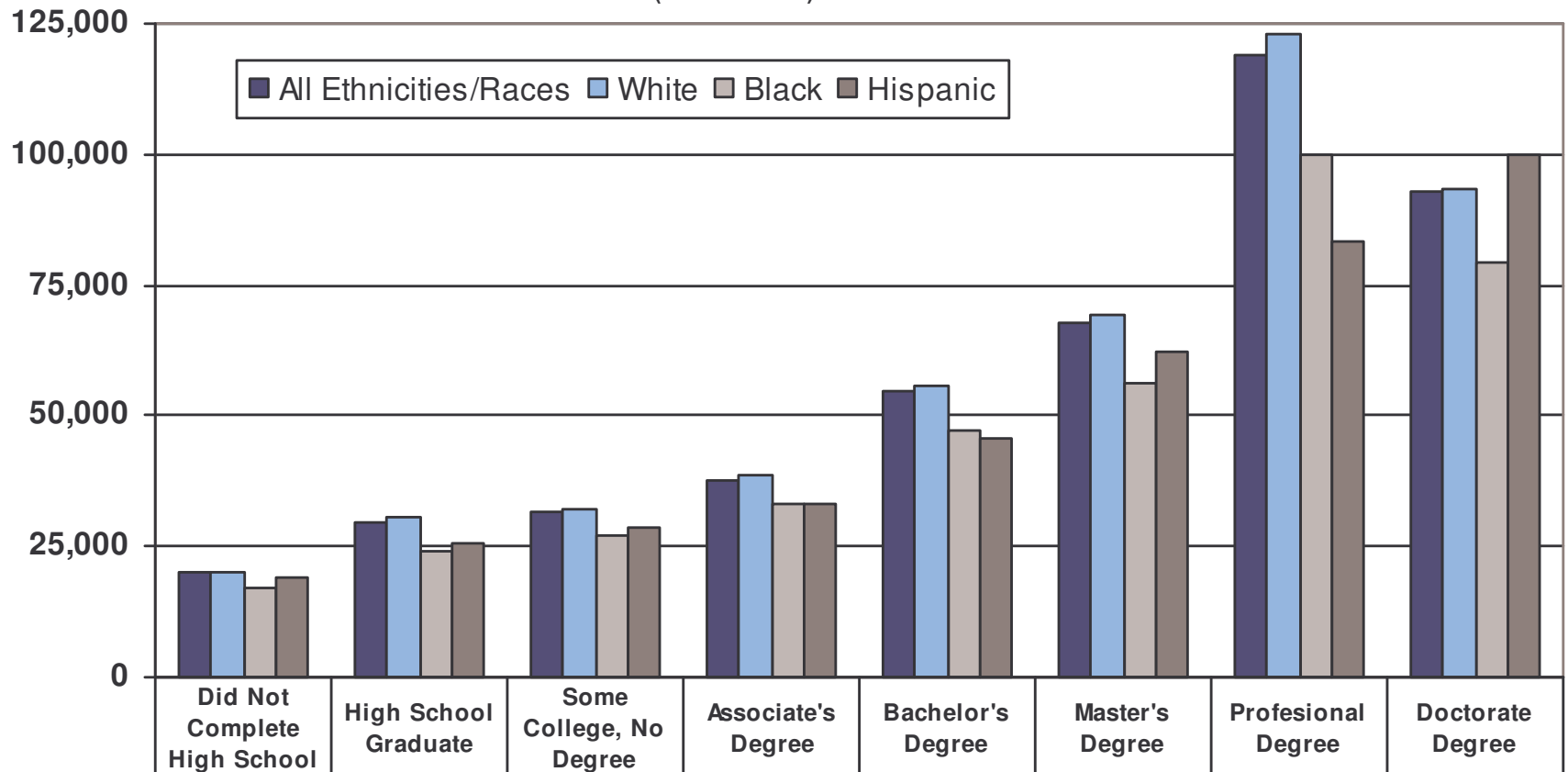
## Educational Attainment versus Earnings and Unemployment Rates (2006)

Unemployment Rate (percent)	Degree Attained	Median Weekly Earnings (dollars)
1.4%	Doctoral	\$1,441
1.1%	Professional	\$1,474
1.7%	Master's	\$1,140
2.3%	Bachelor's	\$962
3.0%	Associate	\$721
3.9%	Some college	\$674
4.3%	High school graduate	\$595
6.8%	Did not complete high school	\$419

**Note:** The data reported in the above table is based on 2006 annual averages for individuals who are 25 years old and over. Earnings are for full-time wage and salary workers.

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## Mean Earnings by Highest Degree Earned (2005) (in dollars)

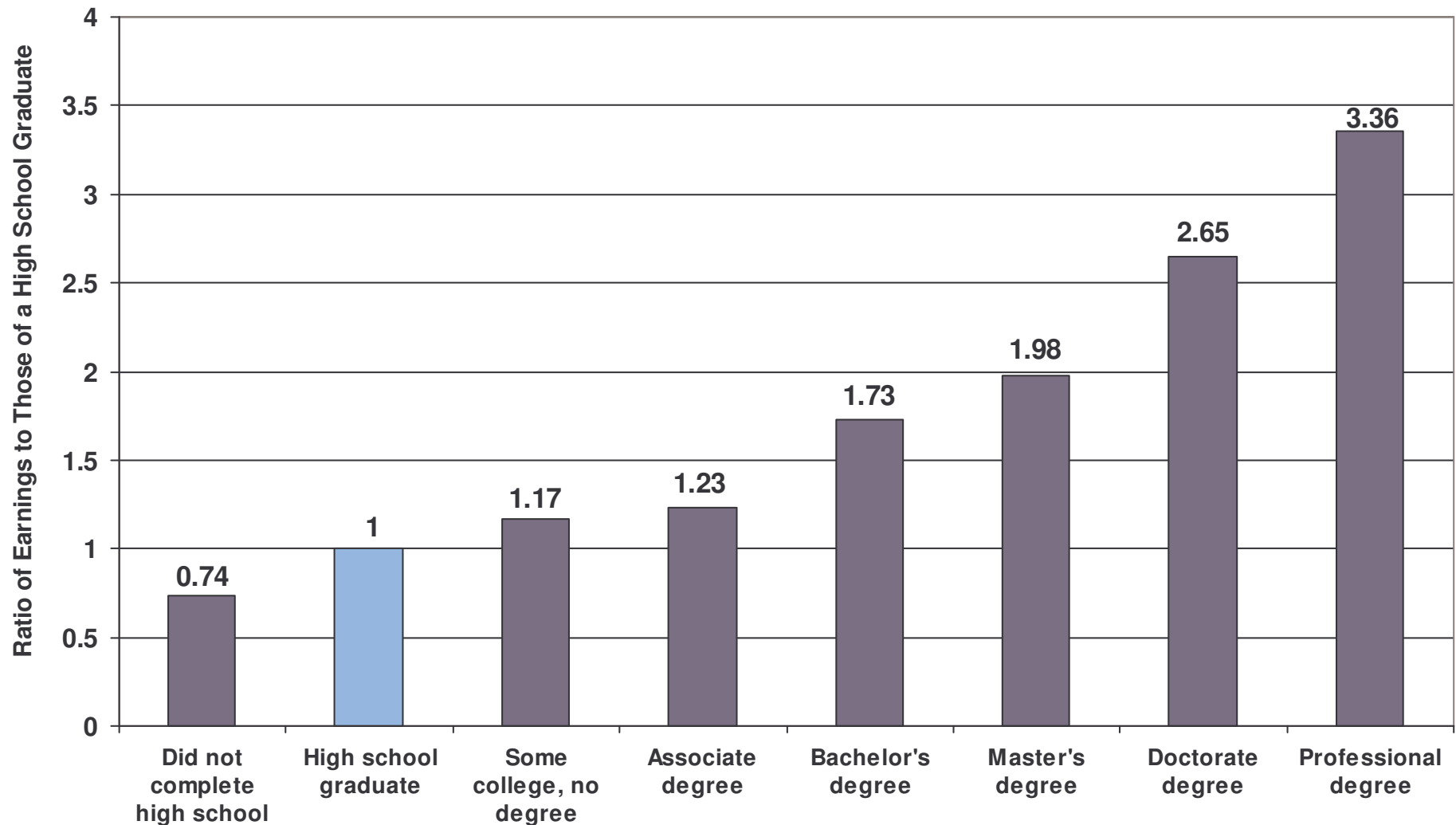


	Did Not Complete High School	High School Graduate	Some College, No Degree	Associate's Degree	Bachelor's Degree	Master's Degree	Professional Degree	Doctorate Degree
■ All Ethnicities/Races	19,915	29,448	31,421	37,421	54,689	67,898	119,009	92,863
■ White	20,264	30,569	32,191	38,788	55,785	69,112	122,975	93,412
■ Black	17,216	23,904	27,291	33,198	47,101	56,057	100,030	79,087
■ Hispanic	19,294	25,659	28,539	33,053	45,933	62,449	83,239	99,774

**Note:** The data represented in the table above is based on individuals 18 years old and over with earnings.

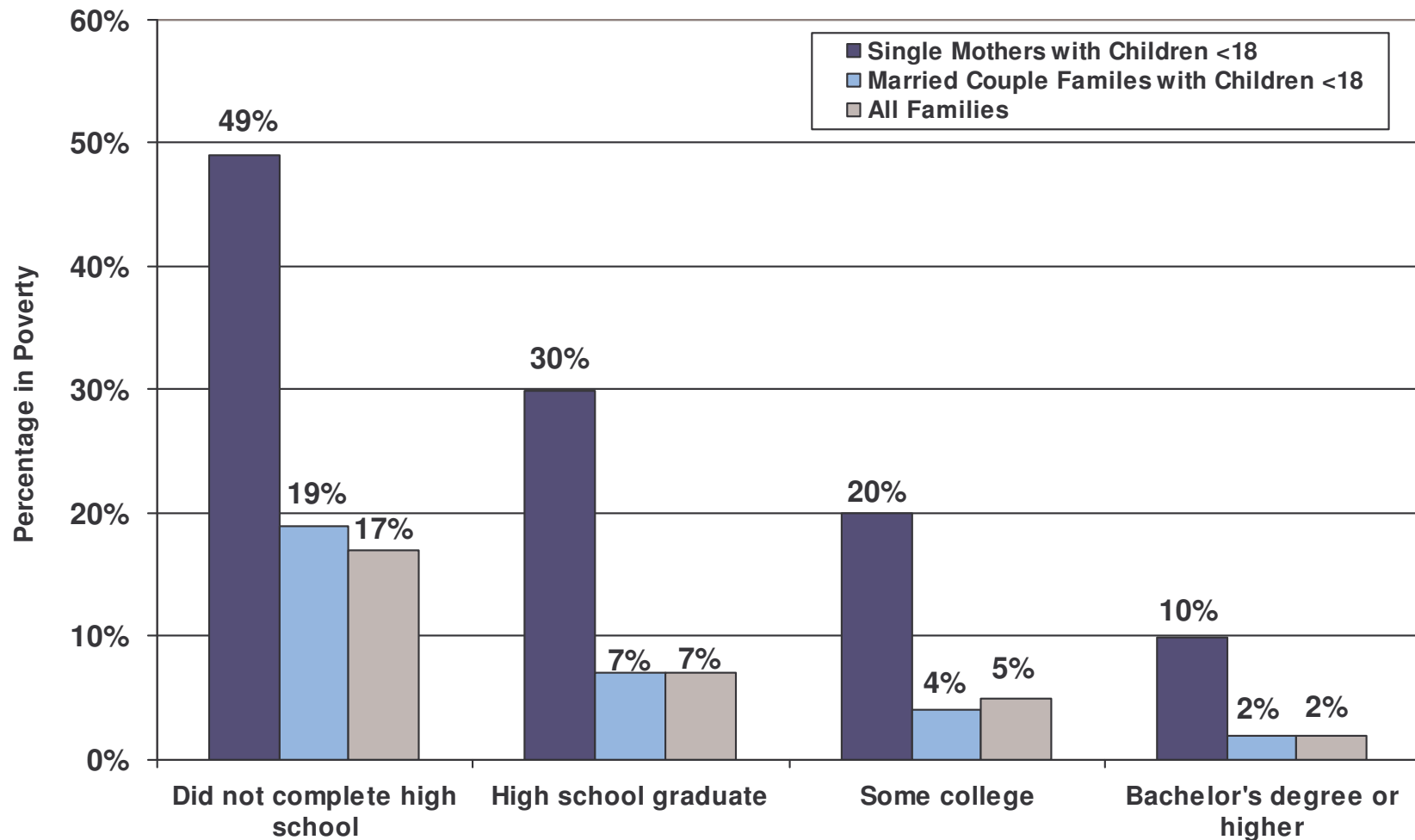
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Expected Lifetime Earnings Relative to High School Graduates, by Education Level



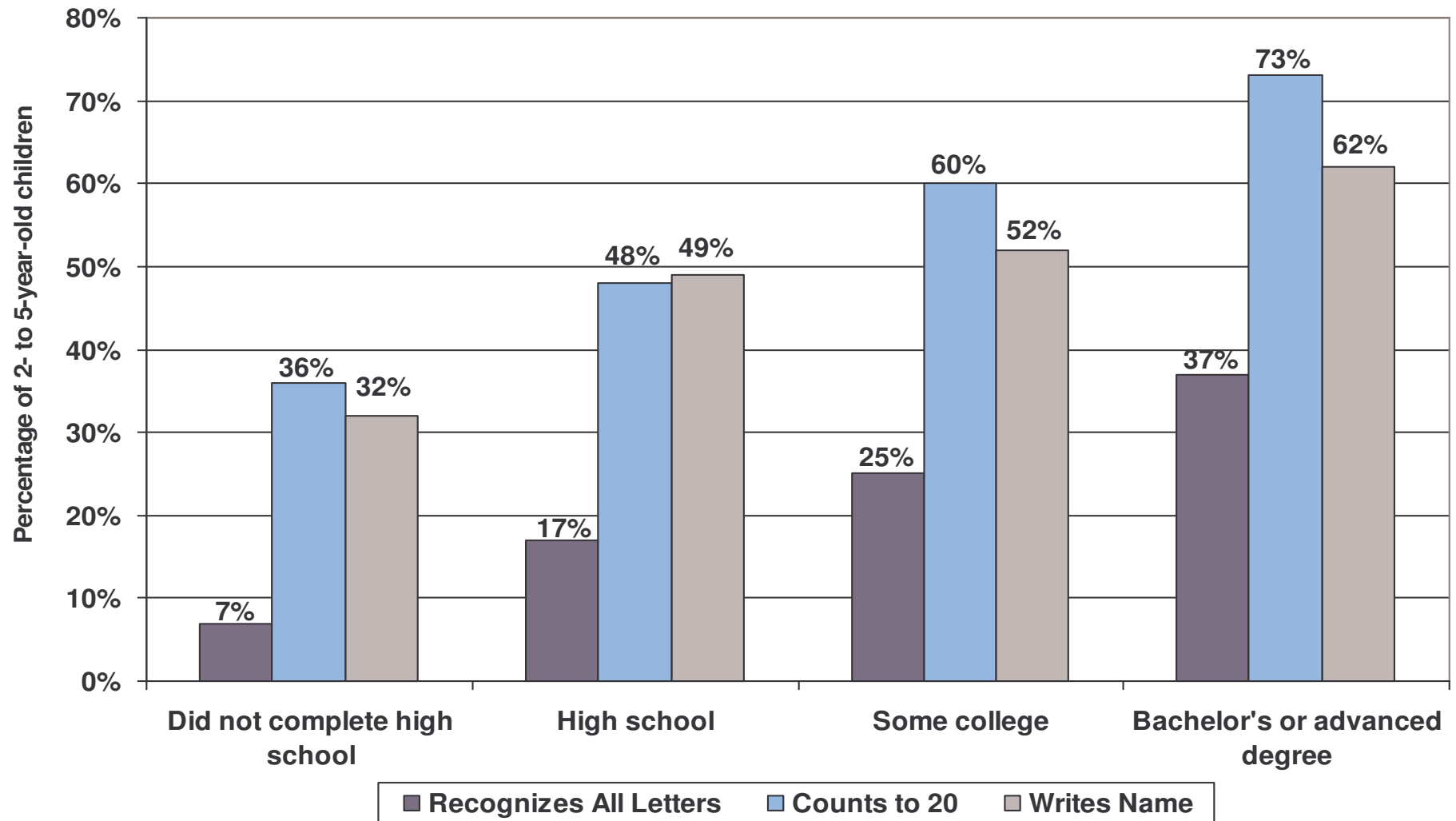
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## Poverty Rates by Household Type and Education Level, 2001



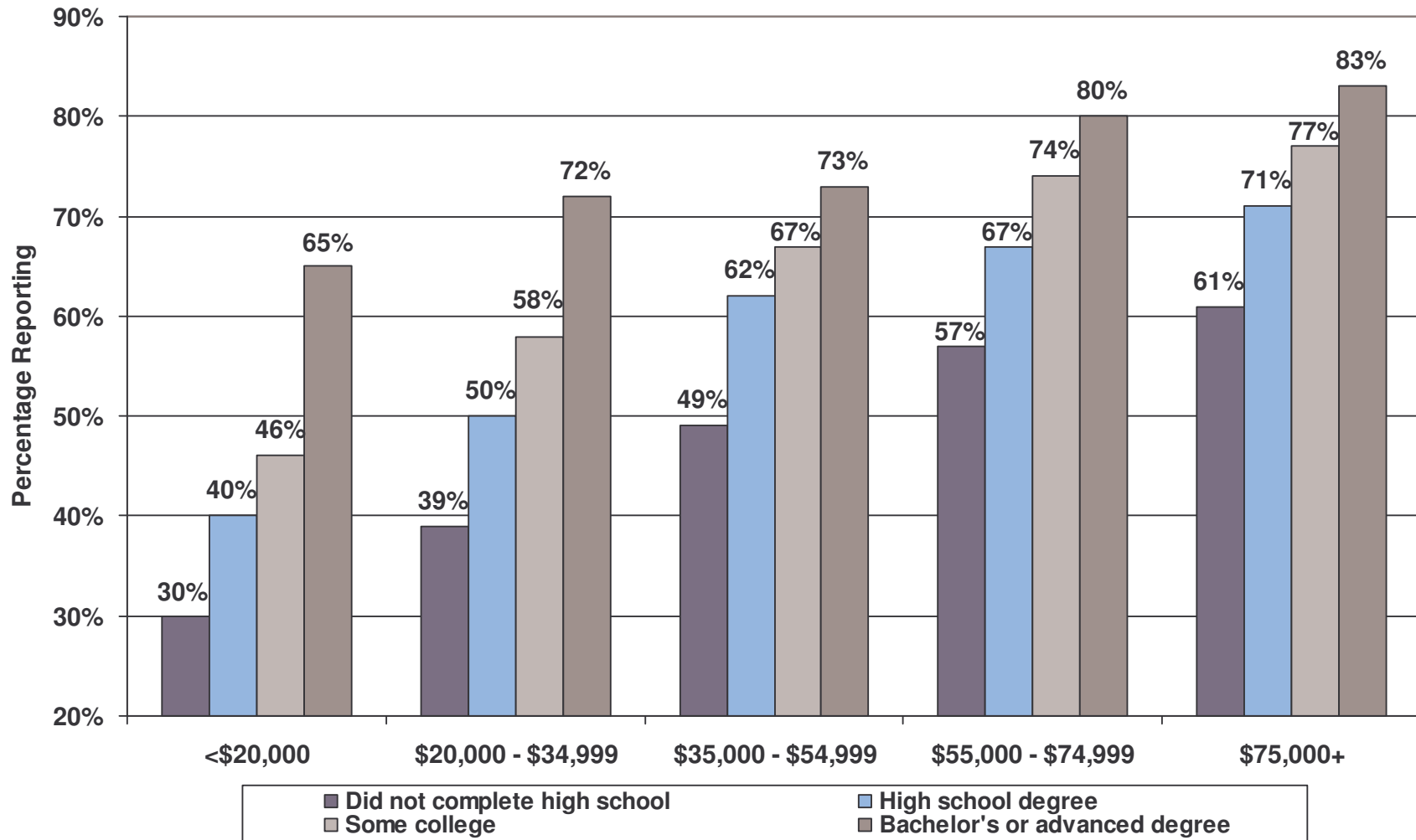
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Preschool Children's Cognitive Skill Levels by Mother's Education Level, 1999



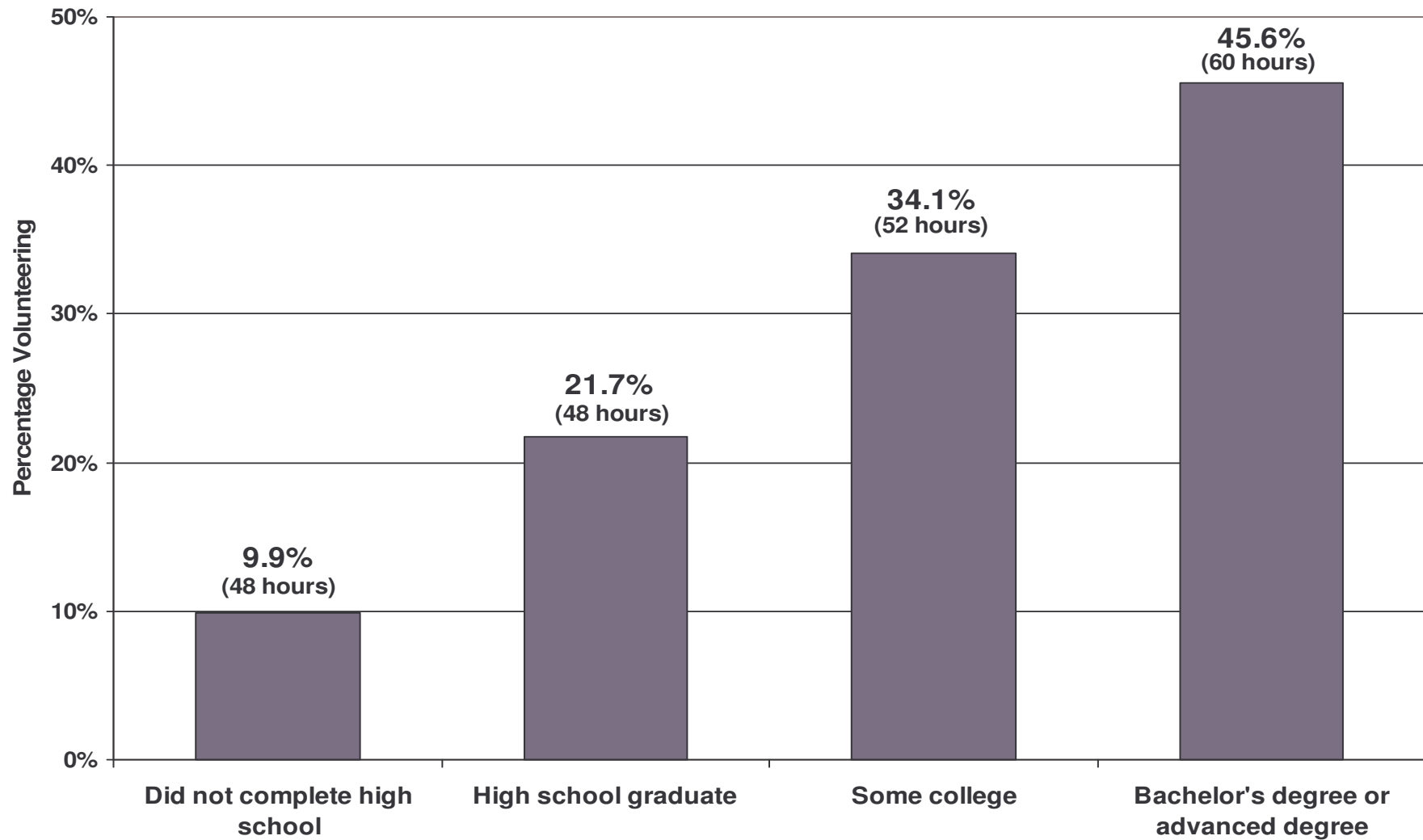
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## Reporting Excellent or Very Good Health, by Income and Education Level, 2001



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Volunteer Activity By Education Level: Percent Who Volunteer and Median Hours Per Year (2003)



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## Additional Reading

- *Education Pays 2004: The Benefits of Higher Education for Individuals and Society*. The College Board (2005). Available: [http://www.collegeboard.com/prod\\_downloads/press/cost04/EducationPays2004.pdf](http://www.collegeboard.com/prod_downloads/press/cost04/EducationPays2004.pdf)
- *Education Pays Update: A Supplement to Education Pays 2004*. The College Board, (2005). Available: [http://www.collegeboard.com/prod\\_downloads/press/cost05/education\\_pays\\_05.pdf](http://www.collegeboard.com/prod_downloads/press/cost05/education_pays_05.pdf)
- *The Investment Payoff: A 50-State Analysis of the Public and Private Benefits of Higher Education*. Institute for Higher Education, (2005). Available: [http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content\\_storage\\_01/0000019b/80/1b/a3/eb.pdf](http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/1b/a3/eb.pdf)
- *What's at Stake: The Social and Economic Benefits of Higher Education. Research Report*. College Entrance Examination Board, (2003). Available: [http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content\\_storage\\_01/0000019b/80/1a/b7/07.pdf](http://www.eric.ed.gov/ERICDocs/data/ericdocs2sql/content_storage_01/0000019b/80/1a/b7/07.pdf)
- *The Private Benefits of Higher Education: An Examination of the Earnings Premium*. Research in Higher Education (2003). Available for purchase: <http://www.springerlink.com/content/n61335183gu67376/>

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## Professional Services Note

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