The Benefits of Higher Education
January 23, 2008

Sections Included:
I. Overview
II. Supporting data
III. Additional resources
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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) 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)

<table>
<thead>
<tr>
<th>Unemployment Rate (percent)</th>
<th>Degree Attained</th>
<th>Median Weekly Earnings (dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.4%</td>
<td>Doctoral</td>
<td>$1,441</td>
</tr>
<tr>
<td>1.1%</td>
<td>Professional</td>
<td>$1,474</td>
</tr>
<tr>
<td>1.7%</td>
<td>Master’s</td>
<td>$1,140</td>
</tr>
<tr>
<td>2.3%</td>
<td>Bachelor’s</td>
<td>$962</td>
</tr>
<tr>
<td>3.0%</td>
<td>Associate</td>
<td>$721</td>
</tr>
<tr>
<td>3.9%</td>
<td>Some college</td>
<td>$674</td>
</tr>
<tr>
<td>4.3%</td>
<td>High school graduate</td>
<td>$595</td>
</tr>
<tr>
<td>6.8%</td>
<td>Did not complete high school</td>
<td>$419</td>
</tr>
</tbody>
</table>

**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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Source: Bureau of Labor Statistics
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Mean Earnings by Highest Degree Earned (2005)

(in dollars)

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

Source: US Census Bureau, 2008

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

- Did not complete high school: 0.74
- High school graduate: 1
- Some college, no degree: 1.17
- Associate degree: 1.23
- Bachelor’s degree: 1.73
- Master’s degree: 1.98
- Doctorate degree: 2.65
- Professional degree: 3.36

Source: Day and Newburger, 2002. From: The College Board, 2005
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Poverty Rates by Household Type and Education Level, 2001

- Did not complete high school: 49%
- High school graduate: 30%
- Some college: 20%
- Bachelor's degree or higher: 10%

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

- Did not complete high school
  - Recognizes All Letters: 7%
  - Counts to 20: 36%
  - Writes Name: 32%

- High school
  - Recognizes All Letters: 17%
  - Counts to 20: 48%
  - Writes Name: 49%

- Some college
  - Recognizes All Letters: 25%
  - Counts to 20: 60%
  - Writes Name: 52%

- Bachelor's or advanced degree
  - Recognizes All Letters: 37%
  - Counts to 20: 73%
  - Writes Name: 62%

Source: U.S. Census Bureau, 2002. From: The College Board, 2005
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Reporting Excellent or Very Good Health, by Income and Education Level, 2001

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Source: The College Board, 2005
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Volunteer Activity By Education Level: Percent Who Volunteer and Median Hours Per Year (2003)

- **Did not complete high school**: 9.9% (48 hours)
- **High school graduate**: 21.7% (48 hours)
- **Some college**: 34.1% (52 hours)
- **Bachelor's degree or advanced degree**: 45.6% (60 hours)

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Additional Reading


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