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# Value of College Degree Is Growing, Study Says

By TAMAR LEWIN

Despite rising tuition and student-loan debt levels, the long-term payoff from earning a college degree is growing, according to a report to be issued Tuesday by the [College Board](#).

Workers with a college degree earned much more and were much less likely to be unemployed than those with only a high school diploma, according to the report, "Education Pays: the Benefits of Higher Education for Individuals and Society."

According to the report, the median earnings of full-time workers with bachelor's degrees were \$55,700 in 2008 — \$21,900 more than those of workers who finished only high school.

And the pay premium for those with bachelor's degrees has grown substantially in recent years. Among those ages 25 to 34, women with college degrees earned 79 percent more than those with high school diplomas, and men, 74 percent more. A decade ago, women with college degrees had a 60 percent pay premium and men 54 percent.

The report found that after about 11 years of work, college graduates' higher earnings compensated for four years out of the labor force and for [student loans](#), at 6.8 percent interest, to cover the average tuition and fees at a public four-year university.

Even during the recession, a degree offered protection from unemployment. The 2009 unemployment rate of college graduates 25 and older was 4.6 percent, compared with 9.7 percent for high school graduates.

"Consistently over time, unemployment rates are about half for college graduates," said Sandy Baum, an author of the report. "And jobs began recovering for college graduates about a year and half ago. While it's easy to find a college grad who's unemployed, you're statistically much less likely to be in that circumstance if you have a higher level of education."

The debate over whether college is worthwhile has grown more spirited as tuition spirals higher, faster than inflation.

“For reasons that are not entirely clear, more people are questioning whether it’s necessary to go to college,” Ms. Baum said.

Among economists, though, even those who emphasize alternative approaches to skill development agree that for most people, a college degree pays off.

“In general, college is a good investment, but there is great variability in outcomes,” said Robert Lerman, an economics professor at American University. “A significant minority of college graduates don’t earn as much as those with less education. And all is not lost if you don’t go to college. There are other routes to improving your earnings, for example, credentials that demonstrate mastery of an occupational skill like plumbing.”

The report, first issued in 2004 and updated in 2007, also described social benefits: those with a bachelor’s degree, it said, are more likely to volunteer, vote, exercise and have health insurance and pensions. They are also less likely to smoke, be obese or have low-birth-weight babies. It did not assert that a college education, by itself, was responsible for all those differences.

“Correlation is not the same as causation,” Ms. Baum said. “But that said, the people who have done careful statistical analyses, controlling for demographic characteristics like income and family background, have overwhelmingly concluded that there’s some causation here, that some things that happen to you in college, for example, would make you more likely to adopt healthier behavior.”

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