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The Value of a Four-Year Degree Is Increasing
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We’ve all heard the jokes.

There’s the film studies major who walks dogs, the philosophy degree holder who hands out flyers, the French literature graduate who works as a barista—and they all live back at home with their parents and, for some reason, in the family basement. That, according to popular mythology, is what a college degree gets you.

During the historically difficult times that we have experienced, there was some biting truth to these depictions. Stagnating job growth weighed heavily on recent college graduates. It opened up a host of high-profile conversations as to whether a college degree is worth the tremendous investment. Yet if these dark times revealed anything to us, it was not only how tough this particular recession was, but also the necessity and importance of a four-year degree.

Those who graduated at the height of the financial crises in 2008, were on a promising track four years later. Among the 85 percent who were fully employed, they enjoyed an average annualized salary of $52,000 according to the U.S. Department of Education’s National Center for Education Statistics. By the end of 2014, their unemployment rate was down to 3.4 percent as compared with 10 percent for those with a high school degree or less.

The truth is that, as the numbers show, the value of a four-year college degree has never been greater. This is particularly true for graduates in comparison to their peers who have lower levels of education. The message
is clear: Those who have the opportunity to earn a four-year degree must seize it.

According to a 2013 study by the Pew Research Center, the difference in median annual earnings between millennial high school and college graduates stands at $17,500. In 1965, when a high school graduate could be assured a well paying blue-collar job, the difference was only $7,500. The difference in earnings, also referred to as the “college premium,” will only grow as graduates move up the professional ladder. Over a lifetime, according to the Federal Reserve Board of San Francisco, a college graduate can expect to earn around $800,000 more on average than if they never went beyond high school.

Even the value of a college education is worth more to a graduate in 2013 than to his equivalent in 1965. According to the same study, for those aged 25-32 with a college degree, the median annual earnings in 2012 dollars increased from $38,833 in 1965 to $45,500 in 2013. That’s roughly 17 percent or almost a $7,000 increase. We all know college costs a lot, but the truth is that you cannot afford to skip it.

The globalized job market is hyper-competitive, and a four-year degree is increasingly a base requirement that’s necessary just to get your foot in the door for an interview. Millennials recognize this reality since a third of them hold at least a bachelor’s degree. This makes them the best-educated generation in history.

Unfortunately, there are recent efforts to denigrate the four-year degree because the rate of return on the investment is supposedly not as high as previously. However, if you consider that a college graduate will have three to four decades in a career, the average cumulative debt of $31,200 from attending a private four-year college seems less burdensome and still makes for a worthy investment.
Setting aside the monetary argument, perhaps a more worthy measurement of a four-year college degree is the reported self-satisfaction that degree holders express about their employment. Eighty-six percent of millennial college graduates view their current employment as a career or a “stepping stone to a career.” In contrast, 57 percent of millennial high school graduates feel that way. Furthermore, high school graduates are three times more likely to describe their employment as “just a job to get by.” You cannot quantify the sense of purpose and fulfillment an individual gets from the meaningful employment that a college degree provides.

Best of all, a college education enriches not only the person who receives it, but society overall. We must never forget that an informed citizenry of the kind provided by our colleges and universities is critical to a democratic society. As we witness parts of the world engulfed by flames fed by intolerance and tyrannical thought, it should comfort us to know that every year institutions across our country turn out graduates who are exposed to ideals such as civility, rational discourse and pluralism of ideas.

The truth is that the debate over whether college is worth the cost was never a serious conversation for parents and students. They overwhelmingly agree: 83 percent of adults with a bachelor’s degree are convinced that college paid off and another eight percent believe it will pay off in the future even if it has not already.

Even if they never read Benjamin Franklin’s *The Way to Wealth* during their college days, they intuitively understand what he meant when he wrote, “An investment in knowledge always pays the best dividends.”