These slides are from a presentation by President Michael Crow, Arizona State University.

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“Wisdom and knowledge, as well as virtue, diffused generally among the body of the people being necessary for their preservation of their rights and liberties; and as these depend on spreading of opportunities and advantages of education in various parts of the country, and among the different orders of the people…”

Massachusetts Constitution 1780
“...it shall be the duty of the legislators and magistrates in all future periods of this commonwealth to cherish the interests of the literature and the sciences, and all seminaries of them...”

Massachusetts Constitution 1780
“…especially at the university at Cambridge…”

Massachusetts Constitution 1780
CH. 5, SEC. 2
“Maybe it’s time to ask a question that seems almost sacrilegious: is all this investment in college education really worth it? The answer, I fear, is that it's not. For an increasing number of kids, the extra time and money spent pursuing a college diploma will leave them worse off than they were before they set foot on campus.” – Megan McArdle, Bloomberg View

“If you question the economic value of college, the defenders’ default answer is that it’s priceless. Before long, spending four years in a lecture hall with a hangover will be revealed as an antiquated debt-fueled luxury good.” – Peter Thiel, PayPal

“Knowledge is a form of capital that is always unevenly distributed, and people who have more knowledge, or greater access to knowledge, enjoy advantages over people who have less.” – Louis Menand, Harvard University
The American Dream
Educational attainment is key to social mobility.
Higher Education and Social Mobility

Adult Income for Individuals Raised in Families in Lowest Income Quintile

Without College Degree
- Top Quintile: 5%
- Fourth Quintile: 45%
- Third Quintile: 16%
- Second Quintile: 16%
- Bottom Quintile: 16%

With College Degree
- Top Quintile: 19%
- Fourth Quintile: 19%
- Third Quintile: 19%
- Second Quintile: 19%
- Bottom Quintile: 19%

Employment Polarization
1975 - 2010

Non-routine Cognitive  Non-routine Manual  Routine
Value to the Individual
The internal rate of return for a degree **substantially exceeds the cost** of attending college.
Economists put the rate of return of a degree in 2012 at 15%, far above the return on stocks and bonds.
This is true even for so-called “underemployed” college graduates.
## Return to Bachelor’s Degree, by Major 2012

<table>
<thead>
<tr>
<th>Total, all majors</th>
<th>College Graduates Overall</th>
<th>Underemployed College Graduates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Engineering</td>
<td>21%</td>
<td>17%</td>
</tr>
<tr>
<td>Math and computers</td>
<td>18%</td>
<td>14%</td>
</tr>
<tr>
<td>Health</td>
<td>18%</td>
<td>13%</td>
</tr>
<tr>
<td>Business</td>
<td>17%</td>
<td>14%</td>
</tr>
<tr>
<td>Communications</td>
<td>15%</td>
<td>13%</td>
</tr>
<tr>
<td>Technologies</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Social sciences</td>
<td>15%</td>
<td>12%</td>
</tr>
<tr>
<td>Sciences</td>
<td>14%</td>
<td>12%</td>
</tr>
<tr>
<td>Architecture</td>
<td>14%</td>
<td>8%</td>
</tr>
<tr>
<td>Liberal arts</td>
<td>12%</td>
<td>9%</td>
</tr>
<tr>
<td>Agriculture and natural resources</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Leisure and hospitality</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Education</td>
<td>9%</td>
<td>7%</td>
</tr>
</tbody>
</table>
People who “learn to learn” continue to earn over their lifetime and earn more. Those who do not see their wages remain flat as they age.
As time passes and more learning is needed, the earnings gap widens for younger generations.
Rising Earnings Disparity Between Young Adults With and Without a College Degree

Median annual earnings among full-time workers ages 25 to 32, in 2012 dollars.

- **High School Graduate**
- **Two-year Degree/Some College**
- **Bachelor’s Degree or More**

---|---|---|---|---
$31,384 | $32,299 | $30,525 | $32,173 | $30,000
$32,998 | $36,498 | $34,595 | $32,173 | $30,000
$33,655 | $36,498 | $34,595 | $32,173 | $30,000
$38,833 | $41,989 | $44,770 | $43,663 | $45,500


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Value to Society
Percent Change in Employment Since Start of Recession, Sorted by Educational Attainment

- College graduates
- High school graduates
- Some graduates/no B.A.
- Less than high school
The discrepancy between graduates from college and high school has grown far worse in recent years.
Recovery from the Great Recession has not occurred for workers without a college degree.
Employment has fallen for high school graduates while it has grown for degree holders.
College graduates are more likely to...

Have access to and participate in employer-provided pension plans
College graduates are more likely to…

Have access to employer-provided healthcare
College graduates are more likely to...

Lead a physically active lifestyle
College graduates are more likely to…

Participate in both vigorous and moderate exercise
College graduates are more likely to…

Spend more time per day with their children
College graduates are more likely to...

Participate in volunteer activities
College graduates are more likely to...

Demonstrate a greater understanding of political issues and are more likely to vote
College graduates are less likely to...

Smoke
College graduates are less likely to...

Suffer from obesity
College graduates are less likely to...

Have children who suffer from obesity
College graduates are less likely to...

Live in households below the poverty threshold
College graduates are less likely to...

Participate in public assistance programs
Percentage of individuals 25 and older living in households participating in selected public assistance programs by education level.
Is there value in earning a college degree to the individual? **YES.**

Is there value in earning a college degree to the economy and to society? **YES.**
Then why do people still ask if college is worth it?
Questions, Comments, and Reactions

Larry.Goldstein@Campus-Strategies, LLC
540.942.9146