Will that college degree pay off? New public data has the numbers.

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FULL TEXT

A bachelor's degree in anthropology from Ithaca College costs $132,656, on average, and two years later, graduates are earning $19,227. A philosophy degree from Oberlin costs $142,220 and graduates two years later make $18,154, on average. At Syracuse, a bachelor's degree in studio and fine arts costs $137,888; two years later students who got one are earning an average of $17,624.

For more than 11 years, colleges have fought off attempts to hold them accountable for one of the most basic measures of student success: whether what graduates learn will provide them with the gainful employment they need to make it worth the price.

But now, in the age of data, information has quietly become available to students, families and consumer advocates that allows them to make those calculations themselves.

This new public data about cost and income means families "can vote with their feet," said Michael Itzkowitz, senior fellow for higher education at the progressive think tank Third Way.

Researchers on both ends of the political spectrum are already diving into the numbers and doing the math. They've found hundreds of programs they say result in no financial return at all - and not only at oft-panned for-profit institutions, but at public and nonprofit colleges and universities, as well.

The conservative Texas Public Policy Foundation, for example, looked at new information about how much students borrow as a percentage of what they're earning two years after graduation - examined because that is the span of time now available from the federal government.

It says graduates of 1,234 programs at public universities and colleges - about 6 percent of those for which the information was reported - aren't earning even half of what they owe.

There are other advantages to a higher education than financial ones, Itzkowitz noted. "But people should at least go into it with an understanding of how much they're paying for that credential and whether it's likely to pay off, in the short term or the long term."

Third Way identified 5,989 public, private nonprofit and private for-profit college and university programs for which it said there is no financial return on the investment in tuition based on how long it takes graduates to earn the money back. That's about 16 percent of the programs for which the data was available.

Based on students' incomes and what they paid for college, it found that while about half will recoup their costs within five years, nearly a quarter will take 20 years or more. Of those, more than half will never make enough to cover what they spent.

"There are a lot of diamonds in the rough - really good programs at what we might think of as not-so-great schools - and then there are laggard programs that are not doing well by their students, even at high-performing schools," said Andrew Gillen, a senior policy analyst at the Texas Public Policy Foundation.

Yet another think tank, the Foundation for Research on Equal Opportunity, has used the data to conclude that more than a quarter of programs - including most of those in art, music, philosophy religion and psychology - leave students financially worse off than if they'd never enrolled. That analysis looked at earnings not only after two years, but also over a graduate's lifetime, by including additional information collected by the Census Bureau.

Efforts began at the outset of the Obama administration to have the federal government calculate whether students found the gainful employment they needed to repay the money they borrowed and cut off funding for programs in which they didn't. The formula was based on how much graduates were earning three years after getting a degree.

Colleges and universities stalled and sued, and while a version of the rule was briefly in effect, it was ended by the Trump administration.

"There was huge pushback from the higher-education lobby, saying even the notion of using outcomes is preposterous - that what they do is rainbows and unicorns and you can't measure it," said Beth Akers, a labor economist and senior fellow at the American Enterprise Institute who has watched this long back-and-forth. "It was sort of ridiculous."

This let schools with dubious financial success rates continue receiving taxpayer money while turning out students whose income is too low to repay their debts.

Between 300,000 and 460,000 students per year defaulted on their loans from 2016 to 2018, according to the U.S. Department of Education; 5.3 million defaulters now owe $116.6 billion. If that money is never recovered, because it was borrowed from the federal government, most of it gets added to the national debt. Defaulters face the added costs of debt collection and ruined credit scores, and their tax refunds and Social Security payments can be seized.

"At some point it does become the university's obligation to stop offering programs without the earnings potential necessary to repay the debt," said Gillen.

The fact that data about debt and earnings, by program, emerged while lobbyists and regulators were busy arguing about the gainful employment rule was "a happy accident," said Akers, author of the book "Making College Pay: An Economist Explains How to Make a Smart Bet on Higher Education," which shows people how to calculate the return on investment of programs.

"It became this opportunity for both researchers and individuals to look at value," she said.

Information about debt incurred for specific programs, rather than averaged among every student at an institution, became available for the first time in 2019. However, attention to it was largely diverted by the pandemic, consumer advocates say.

To figure out how much money graduates are likely to make with a particular major at a given institution, consumers can select a college or university on the Education Department's College Scorecard website, then choose a field of study.

There are some limitations to the data that's available. For example, it covers only students who received federal grants and loans - 77 percent of all students - because those are the ones the government tracks.

At Ithaca, one of the institutions singled out in the Third Way data, there were 14 anthropology graduates whose salaries were included in the federal figures to determine average earnings. "That seems to me to be a pretty small sample size from which to draw any conclusions," said Ithaca spokesman Dave Maley.

Students who are unemployed two years after earning their degrees, including any who are in graduate or professional school, aren't counted.

Bachelor's degree programs in higher-paying fields such as science, engineering and health show quick returns almost universally, while students who major in drama, dance and religion are among the most likely to be earning little more than high school graduates who never went to college.

Some other examples from the Third Way analysis: An English language and literature degree from Whitman College costs $130,508 and graduates earn $18,868 two years later; a visual and performing arts degree from the Berklee College of Music costs $193,700 with a subsequent income of $16,786; a music degree from the Manhattan School of Music costs $183,808 and grads make $13,393; and a degree in dance from New York University costs $169,588 and students two years later earn $16,478.

The question is whether students will seek out this information. Research suggests that up until now they generally haven't.

"Unfortunately it's going to take a while before it gets to the point that high school students are talking about it,

college guidebooks are including it, guidance counselors are talking about it," said Gillen.
Surveys at Rutgers and New York University have found that students overestimate their salary prospects. And only 13 percent of community college students in a survey by scholars at Stanford and the universities of Michigan, Pennsylvania and California at Irvine could correctly rank four general categories of majors by salary.
"The rhetoric from our political and cultural leaders has been that college is worth it at any cost, and that a degree is a degree, so all you have to think about is getting across the finish line," said Akers. "We have not encouraged people to shop and be critical consumers of higher education. I hope that changes."
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