

Education: The Ticket to Higher Earnings

Does education pay off? The answer is a resounding yes! Data from the 1990 Survey of Income and Program Participation (SIPP) show that the more education adults received, the bigger their paychecks were.

This Brief examines adults' educational attainment, earnings per level of education and degree field, the amount of time it takes to earn degrees, and more. Data for 1990 are compared with 1987 and 1984 SIPP data.

We're more educated than ever before.

More and more adults have at least a high school diploma: 79 percent in 1990, up from 74 percent in 1984. For the majority of adults (54 percent), a high school diploma is the highest degree they've earned; one-third of these adults had attended — but did not receive a degree from — a post-secondary institution.

However, increasing numbers *have* earned a degree of some kind beyond high school — be it a trade school certificate or a doctorate. In 1990, 25 percent of adults had obtained a post-

high school degree, up from 23 percent in 1987 and 21 percent in 1984. One-half of these adults in 1990 had a bachelor's as their highest degree earned; nearly one-quarter had an advanced degree.

The graph below shows that as one moves up the degree ladder, earnings rise.

Demographic groups differ in earnings.

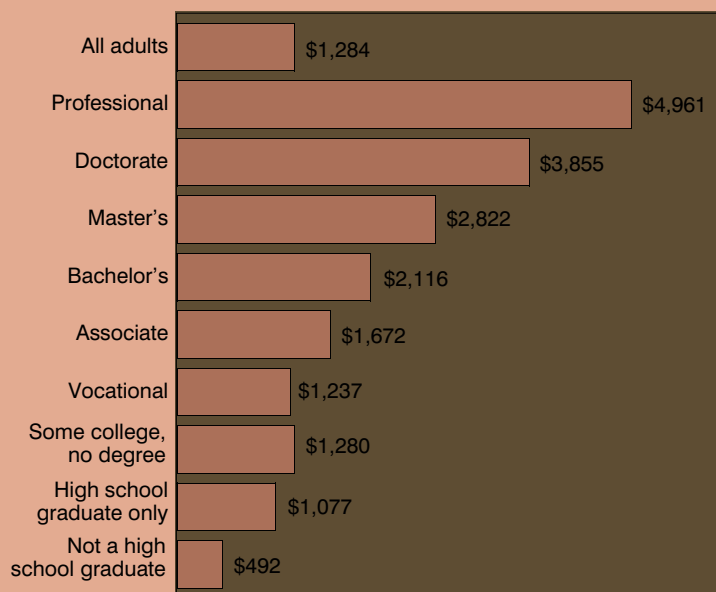
At each level of education, women earn less than men. Among those with professional degrees, for example, women

earned an average of \$2,866 per month, men \$5,647.

Differences between racial and ethnic groups aren't quite as clear cut. Due to the small sample size, comparisons between Whites, Blacks, and Hispanics can't be made at the professional and doctorate levels. At most other educational levels, Blacks earned less than Whites. The master's level, where there was no statistical difference, was the exception. Hispanics earned less than Whites at just two levels: bachelor's and high school diploma only. Earnings at other levels didn't differ.

With More Education Come Higher Earnings

Average monthly earnings by educational level, adults 18 years old and over: Spring 1990



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Business and education are the most common degree fields.

One-third of highest post-secondary degrees earned were in the fields of either business/management or education.

Some degree fields were dominated by men, others by women. For instance, 87 percent holding their highest degree in engineering were men. On the other hand, 72 percent whose highest degree was in education were women.

Bachelor's earnings vary sharply by degree field.

Those whose highest earned degree was a bachelor's earned an average of \$2,116 monthly in Spring 1990. But some earned

considerably more, some less, based on the field their degree was in. Holders of engineering and mathematics/statistics degrees had among the highest earnings. At the low end were home economics degree holders, who earned an average of \$906 per month. The table at the bottom left shows how various fields compare.

Three different bachelor's fields experienced significant changes in real mean earnings between 1987 and 1990. Earnings (in 1990 dollars) rose for those with degrees in physical or earth sciences (up \$712 per month) and nursing, pharmacy, or technical health (a gain of \$326). However, earnings dipped for holders of business or management degrees.

Earning a college degree takes time.

If you graduated from high school more than 4 years ago and are working toward a bachelor's — but haven't obtained it yet — take heart. Fewer than one-half (43 percent) of adults with a bachelor's completed their degree within 4 calendar years of their graduation from high school.

Women were more likely than men (49 percent versus 38 percent) and Whites were likelier than Blacks (44 percent compared with 33 percent) to finish their degree within 4 years. On average, 6.2 years elapsed between the time adults received their high school diploma and their bachelor's.

Once persons received their bachelor's, an average of 5.1 more calendar years passed before they completed a professional degree. The figures for master's and doctorate degrees were 6.5 and 9 years, respectively.

Occupations are associated with degree level.

With increasing levels of education come better chances of getting certain types of jobs. For instance, just 3 percent of adults who weren't high school graduates worked in either an executive, administrative, or managerial position or had a professional specialty job. The figure rose to 11 percent of those with just a high school diploma, 24 percent with an associate or vocational degree, 50 percent with a bachelor's, and 77 percent with an advanced degree.

More information:

What's It Worth? Educational Background and Economic Status: Spring 1990, Current Population Reports, Series P70-32. For sale by the U.S. Government Printing Office. Stock No. 803-044-00020-1. \$3.50. Call 202-783-3238 for telephone orders.

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How Different Bachelor's Degree Fields Measure Up

<i>Field of bachelor's degree</i>	<i>Mean monthly earnings: Spring 1990</i>
All bachelor's	\$2,116
Engineering	\$2,953
Mathematics/ Statistics	\$2,569
Agriculture/ Forestry	\$2,537
Economics	\$2,528
Business/ Management	\$2,447
Biology	\$2,409
Physical/ Earth Sciences	\$2,399
Psychology	\$2,021
Nursing/Pharmacy/ Technical Health	\$1,898
Social Sciences	\$1,841
English/Journalism	\$1,607
Liberal Arts/ Humanities	\$1,592
Education	\$1,532
Home Economics	\$ 906

Note: These figures include only those whose highest-held degree was a bachelor's.