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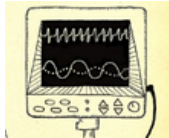
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Which College—and Which Major—Will Make You Richest?

A new study finds that nine of the 10 most lucrative degrees in America are in computer science programs at elite colleges—and Harvey Mudd runs away with the lead

DEREK THOMPSON | MAR 26 2014, 10:39 AM ET

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Harvey Mudd College (Wikimedia Commons)

A Bachelor of Science from Harvey Mudd College, the small California science and engineering school, is the most valuable college degree in America.

Stanford's computer science program pays off more than any single major in the country.

For the best dollar-for-dollar investment, nothing beats the University of Virginia.

As those three (all true) facts illustrate, there are many ways to answer the question *What's the most valuable college education in the country?* Every year [PayScale](#), the largest private tracker of U.S. salaries, tries to answer the

question. This year they released their findings in an elegant site that you can play with [here](#). They also shared their hard data with *The Atlantic*, which we used to do some further calculations.

Before the candy, some methodological veggies. The challenge of putting together any study like this is that it's devilishly difficult to measure the cost and benefit of college. Start with **cost**, which is the time and money it takes to finish school. Colleges advertise their sticker price, but about half the students at many elite colleges get grants. Without financial aid, four years at Stanford University costs \$236,000, making it one of the 10 most expensive colleges in America. But the "weighted net cost," factoring in grant aid and time to graduation, of going to Stanford is more like \$74,000. For my purposes, I'm interested in net cost, not sticker price.

And what about **benefit**? PayScale has two measures that are useful. First it calculates the 20-year college premium using self-reported income surveys. This tells you the amount of money a college grad will make in two decades above and beyond what she would have made if she didn't attend college. For example, if Derek University costs \$100,000 and my graduates earn \$1 million extra over the next 20 years, my net return is \$900,000. PayScale also measures "annualized ROI," which helps us see the dollar-for-dollar benefit of certain schools and programs.

With all that methodology out of the way, we can get to the fun stuff. Here's the first big fat list: The ten schools with the highest-earning graduates over the next 20 years. By this measure, Harvey Mudd is America's one million-dollar college.

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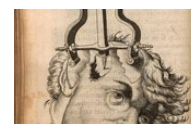
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REBECCA J. ROSEN

Rank	School Name	2013 Cost (?)	20 Year Net ROI (?)	Annual ROI (?)	Grad Rate
1	 Harvey Mudd College	\$116,800	\$1,094,000	12.6%	88%
2	 Massachusetts Institute of Technology (MIT)	\$80,710	\$973,800	13.9%	93%
3	 California Institute of Technology (Caltech)	\$89,460	\$968,500	13.3%	92%
4	 Stanford University	\$74,870	\$950,800	14.2%	95%
5	 Stevens Institute of Technology	\$134,800	\$838,500	10.6%	78%
6	 Babson College	\$104,700	\$838,100	11.8%	90%
7	 Princeton University	\$78,590	\$829,600	13.2%	96%
8	 Polytechnic Institute of New York University (NYU-Poly)	\$124,300	\$824,000	10.9%	62%
9	 Dartmouth College	\$77,050	\$822,600	13.3%	96%
10	 Harvard University	\$53,910	\$821,900	15.1%	97%

Harvey Mudd's record here is impressive. But its net cost is more than twice as much as Harvard's due to their disparity in grant aid. So it's also useful to look at annualized ROI—the "bang-for-your-buck" measure.

By that dollar-for-dollar measure, the best college investment isn't Harvey Mudd, Cal Tech, MIT, or any of those schools you might expect. It's the University of Virginia (if you're an in-state student) and Georgia Tech. Harvard and Stanford also crack the top 10. (*Alert:* I've shortened the Y-axis here to highlight just how far ahead UVA and Georgia Tech are.)



Which College—and Which Major—Will Make You Richest?
DEREK THOMPSON

In Focus

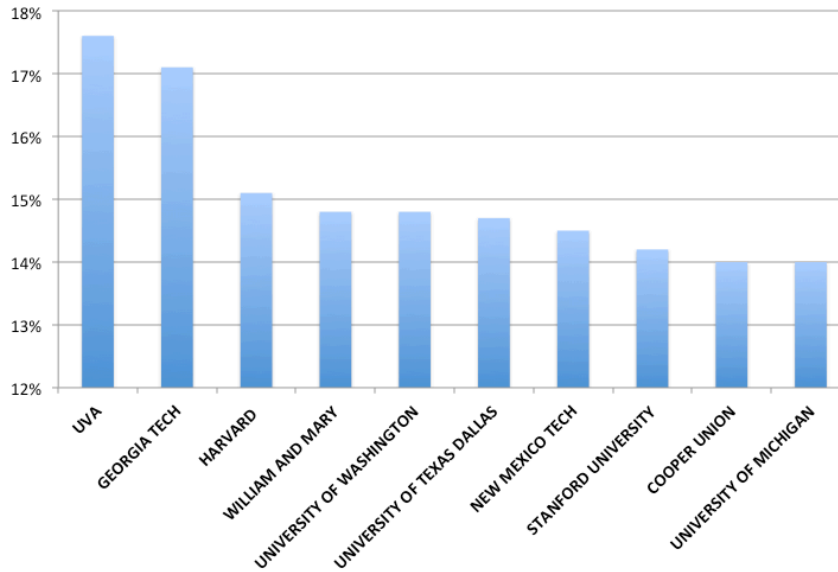


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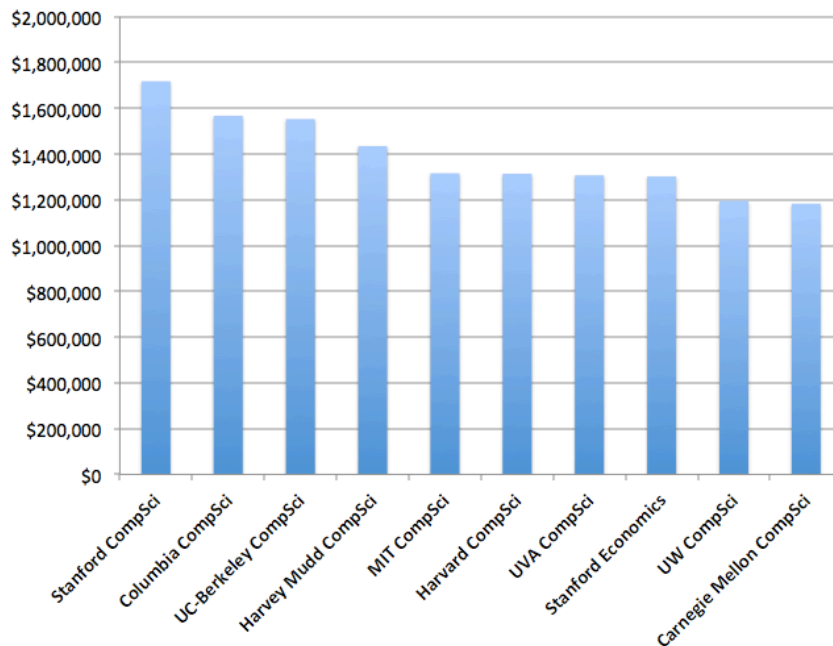
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The Best Dollar-for-Dollar Investments in Higher Education
Annualized ROI



Everybody graduates from college with a major. So I wanted to know not just which college grads get richest but which *college majors* are the tickets to richness? PayScale tracks that, too. And no degree in America is more valuable than a computer-science major at Stanford, Columbia, or Berkeley. Notably, the most valuable non-computer-science major in the country is also at Stanford: economics.

The Most Valuable Degrees in America
The 10 Programs With the Highest 20-Year Return



But once again, for dollar-for-dollar investment, nothing beats going to the University of Virginia as an in-state student. PayScale found that a degree in business, *or* computer science, *or* engineering, *or* economics at UVA has a

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The Most Powerful Piece of Film Criticism Ever Written

NOAH BERLATSKY

higher dollar-for-dollar return than any major *at any other school in the country*. Yes, better than majoring in finance at Harvard, or computer science at Stanford, or business at Berkeley, or anything at Harvey Mudd.

It's important to be clear about what this study is telling us and what it's not telling us. The fact that the most valuable colleges here seem so *predictable* is an interesting data point, because the predictably best colleges tend to get the best students. So what you're seeing here isn't just the quality of the school's education but also the quality of the students it attracts.

Indeed, that's one reason why it's important to not conflate "highest ROI" with "best" or "smartest." At Columbia University, an arts major has a 20-year expected return of \$477,000, but an economics major at the school earns an extra \$900,000 and a computer science major gets \$1.6 *million*. Perhaps another study can prove that Columbia's economics majors are twice as smart as its art majors. But the more reasonable explanation is that economics majors actually want to maximize their earnings after graduation. So they tailor their education to set them up for maximizing post-graduate income. The upshot of this study is that college is often a very good investment and the schools everybody has heard of do a great job of raising lifetime incomes. But majors matter, too: That's why smaller schools with high concentrations of computer science and engineering students near large cities with thriving technology scenes (Harvey Mudd, Cal Tech, Stevens, NYU Poly) dominate the list.

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DEREK THOMPSON is a senior editor at *The Atlantic*, where he writes about economics, labor markets, and the entertainment business.

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Spring Break Florida, 1950s Styles

A 1950 Chevrolet advertisement takes a road trip down to the sunny city of Miami, hitting all the hot spots from the beach to the parrot sanctuary.



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173 Comments

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dp270 • 7 days ago

As a grad of the Polytechnic Institute of NY (now NYU Poly), I am forever surprised how high it is on the list, considering that just a few years ago it was mostly a commuter school. I think the proximity to Wall Street has a lot to do with its numbers.

19 ^ | v • Reply • Share



99Luftballons → dp270 • 7 days ago

dp270, maybe they just lie more. PayScale's data is just based on what people claim when they visit the PayScale website. So responder bias, survivor bias and liar bias. And like the law school pay surveys this should all be regarded with great suspicion. And I wonder how many tell the truth about their actual college.

First it calculates the 20-year college premium using self-reported income surveys.

"Self-reported" is the key thing. It would be interesting to compare the PayScale aggregate claims with IRS data. It would be interesting to see what proportion of each college grad cohort claims to have responded on PayScale.

And do you really think that the grads of 2014 will have the same results as those of 1994?

The article comically states:

The ten schools with the highest-earning graduates over the next 20 years.

So now they can see 20 years into the future. Almost as funny as the article yesterday that estimated ad revenue by drawing a straight line out into the future.

24 ^ | v • Reply • Share ›



99Luftballons → dp270 • 7 days ago

dp270, how can you trust the ROI numbers when Cooper Union is 9th? **All Cooper Union students have previously gotten free tuition! So investment zero means an infinite ROI!** Students will have to start paying in the Fall of 2014.

The author does deserve credit for warning us:

(Alert: I've shortened the Y-axis here to highlight just how far ahead UVA and Georgia Tech are.)

The truncating of the Y-axis is a common trick that is typically used to exaggerate the differences, so it is nice that this was pointed out.

13 ^ | v • Reply • Share ›



Mitbert Strangejoy → 99Luftballons • 7 days ago

If the study is including the time value of money (as it should), no college education is free, and no college has an infinite ROI.

3 ^ | v • Reply • Share ›



99Luftballons → Mitbert Strangejoy • 7 days ago

Mitbert Stangejoy, since the article makes no mention of "the time value of money" your first point is invalid. Come on, this is PayScale data used by *The Atlantic*, so one should have very low expectations. There is no mention of a 20 year bond discount rate or inflation or anything like that. There is no mention of the cost of student loans.

Next, Cooper Union was free. Every "college education" where you don't pay for is free. For anyone who pays nothing the ROI is infinite as long as they make an extra penny since x divided by zero is infinity. So, no, a college can have an infinite ROI.

Maybe the concept you were thinking of was "opportunity cost," so every minute that Bill Gates was at Harvard was costing him a fortune because while he was at Harvard he could have been becoming a billionaire. Fortunately, he was convinced by a friend to dropout.

Every moment that Edgar Bronfman, Sr. spent in college instead of working for his billionaire father was costing him a fortune. So some of those going to elite colleges are losing enormous amounts and this study ignores this.

2 ^ | v • Reply • Share ›



Mitbert Strangejoy → 99Luftballons • 6 days ago

Lol. 99Luftballons, I think it's rather obvious that I'm talking about opportunity cost. There is no other meaningful way to interpret the value of time.

^ | v • Reply • Share ›



99Luftballons → Mitbert Strangejoy • 6 days ago

Mitbert Strangejoy, gee, it only took you 20 hours after I posted "opportunity cost" to decide that was what you meant. Based on your post, I now believe I was wrong to think you meant "opportunity cost" since it is now clear you don't know what it means.

And no, "the time value of money" is definitely not the same concept as "opportunity cost."

2 ^ | v • Reply • Share ›



Aonline Commenter → 99Luftballons • 5 days ago

Division by zero is *undefined*, not "infinite." There is a difference.

ROI is also not that meaningful in another way, similar to what you are pointing out. I don't care if I have a bigger ROI for a tiny investment. I want a decent ROI on a BIG investment. The latter is what "wins" in the end.

3 ^ | v • Reply • Share ›



99Luftballons → Aonline Commenter • 5 days ago

Aonline Commenter, I prefer the IEEE 754 floating point standard which has Infinity as the default result.

<https://ece.uwaterloo.ca/~dwha...>

"positive divided by zero yields "infinity""

<http://www.cs.gmu.edu/~setia/c...>

^ | v • Reply • Share ›



Cyn Nickel → dp270 • 5 days ago

Yeah - a more realistic appraisal of this would take out the top and bottom 5% for salaries (to remove the extreme billionaires) - and then re-publish. If you have 100 people making \$75,000 a year - and one person making

\$100,000,000 / year - it isn't a real fair statement to say that, on average, all 100 people are making a Million + / year. Derp.

2 ^ | v • Reply • Share ›



Sabrina Alfin • 7 days ago

Surely 100% of attendees are not getting grants. This would be a better story if we understood the percentage of students who are actually paying the net price. Anyone whose parents own their own home is not getting a grant significant enough to offset the sticker price. I'm guessing once you factor that in, flagship state universities might rank pretty high for in-state residents. UC Berkeley, for example, would likely rank right up there.

17 ^ | v • Reply • Share ›



kderbyshire → Sabrina Alfin • 7 days ago

My parents owned their home, and my grants from MIT covered the vast majority of my cost of attendance. (And they were need based grants, not scholarships.) They've made a significant effort to make their financial aid packages *more* competitive since then. In my experience, when the top schools say they don't want student decisions to be cost-driven, they mean it.

(Now, there's a strong correlation between income and ability to get in, but that's a separate issue.)

The flagship state universities used to be a great deal. That's less true now than it used to be, because a lot of states have really cut back on university funding. But see how well the top state schools did in the ROI and most valuable degree data here.

8 ^ | v • Reply • Share ›



Jeff Honeycutt → kderbyshire • 4 days ago

I worry public schools are in danger of going the way of so many other public programs. What if we stop funding schools and start funding students? We still need to protect students from squandering the assistance (and tax payers' hard earned money) on schools that are all hype or just not the right fit. Perhaps that fix is to have publicly funded education advisors who help student find the right program and school for them.

2 ^ | v • Reply • Share ›



Inez Mond → Sabrina Alfin • 7 days ago

I'm seconding kderbyshire: my parents own their own home and I got a full free ride. Harvard, Princeton, and Yale all cover 100% of educational costs (including room, board, and books) for all students from families making less than \$60,000/year, which is roughly the 60th percentile of US household income. Playing with Princeton's financial aid estimator shows a family making \$120,000/year who owned their own home and had \$50,000 in non-retirement investments would be expected to pay \$11,400 per year. Considering that covers room and board as well as tuition, it's substantially less than they'd pay at a state school.

tl;dr: No one who can reasonably be called middle class pays more than a few thousand dollars per year to attend elite institutions.

5 ^ | v • Reply • Share ›



Sabrina Alfin → Inez Mond • 7 days ago

That's great, but getting into one of these places these days is akin to winning the lottery. And to my earlier point, I'm guessing that the number of people paying less than \$20K/year using your formula is a

very small percentage of those attending.

5 ^ | v • Reply • Share ›



Unemployed_Northeastern → Inez Mond • 6 days ago

Retort: barely half of students at HYP are from middle-class families, by which I very generously define to coincide with their financial aid policy ceiling of a \$200,000 household income. From the data I've seen, I'd be surprised if more than 10% to 15% of any of their classes come from household incomes south of \$60k/year. It's a PR show as much as it is an actual policy.

Case in point: "If we do assume that almost all students from families making less than \$200,000 annually applied for financial aid, we come to the stunning conclusion that approximately 45.6 percent of Harvard undergraduates come from families with incomes above \$200,000, placing them in the top 3.8 percent of American households. Even more shockingly, only about 4 percent of Harvard undergraduates come from the bottom quintile of U.S. incomes and a mere 17.8 percent come from the bottom three quintiles of U.S. incomes."

<http://www.thecrimson.com/arti...>

8 ^ | v • Reply • Share ›



Clay Schott → Unemployed_Northeastern • 3 days ago

What's even more damning than the PR show that is the Ivy's public efforts to demonstrate their interest in socioeconomically diversifying their undergraduate cohorts is a point that economist and former Princeton University President William Bowen made very clear in [his 2009 book, "Crossing the Finish Line: Completing College at America's Public Universities"](#):

Students at HYP (and the other Ivies and Ivy-equivalents like Stanford, etc.) who are from families that are in the bottom quintile of U.S. incomes do much more poorly in terms of undergraduate achievement, and fail to even complete their Ivy-league degree at a rate many times worse than the average HYP undergraduate.

Bowen makes the point (with data) that this achievement gap between the bottom quintile and the other quintiles is replicated across many different types of colleges and universities, not just the Ivy's, but the damnable thing is that the Ivy's have the greatest amount of resources, and the greatest latitude, to fix this problem within their undergraduate bodies.

If they can't do so, after years of (presumably) paying more than lip service to the problem, we should seriously doubt their good intentions (as your retort seems to indicate.)

2 ^ | v • Reply • Share ›



Unemployed_Northeastern → Clay Schott • 3 days ago

It gets better. Have you ever heard about Yale's old (1970's) homegrown student loan program for its low-income students? It was a huge disaster. No class ever fully repaid their loans, and after suing various people from time to time, Yale ended up writing off the whole thing about 15 years ago. See, among other sources, <http://www.slate.com/articles/...>

But since they seem incapable of learning their lesson

but since they seem incapable of learning their lesson, Yale (and Penn, and GW, and...) is back to suing its own low-income graduates, this time over their inability to pay their Perkins Loans. <http://www.bloomberg.com/news/...> Which is really strange and disturbing for a lot of reasons, but perhaps the most because Yale purportedly has a no-loans financial aid policy for low-income students. I guess Perkins Loans don't count as loans in their nomenclature...

2 ^ | v • Reply • Share ›



(new site) Economics Institute • 7 days ago

just more evidence it pays to be smart

4 ^ | v • Reply • Share ›



Roman → (new site) Economics Institute • 7 days ago

It's also better to be smart and rich, then stupid and poor!:)

11 ^ | v • Reply • Share ›



99Luftballons → (new site) Economics Institute • 7 days ago

EI, not for all those PhD adjuncts getting minimum wage. It pays to be lucky in the type of degree that you get. Good timing is important. Supply and Demand is important.

Future Nobel Prize winner Einstein couldn't find a job. Through a friend he got a job at the Swiss Patent Office. Even after his famous 1905 papers it took until 1909 before he could quit.

Future Nobel Prize winner Paul Dirac was unemployed as an Electrical Engineering graduate of Bristol University. Fortunately, Bristol gave him free additional Math education and eventually he got enough scholarship money to go to Cambridge.

Location can also be helpful. Columbia Computer Science majors may benefit from being a subway ride away from Wall Street and Corporate HQs which might mean easier interviewing, more corporate recruiting, part-time jobs and summer jobs.

16 ^ | v • Reply • Share ›



Melinda Hampton → 99Luftballons • 7 days ago

Don't get a PhD in the humanities. Never a good idea.

16 ^ | v • Reply • Share ›



the_sith → Melinda Hampton • 6 days ago

Those adjuncts are spread across a lot of fields, including the hard sciences. The job market for Ph.D.s of just about any stripe is pretty brutal these days.

2 ^ | v • Reply • Share ›



(new site) Economics Institute → 99Luftballons • 7 days ago

All else being equal, a physics PHD from a top school has more income potential than someone without such degree. Einstein initially could not find a job, but nowadays someone as smart as Einstein could be picked up by a hedge fund, among many other high paying, intellect-demanding careers. Even if there is initially a skill mismatch, having a PHD in a hard science indicates a ability to learn and synthesize information quickly, and efficiency- a skill sought by virtually all employers. He could be brought up to speed very quickly to meet the demands of the employer. There is a much greater premium on people

demands of the employer. There is a much greater premium on smarts than 100 years ago.

Basic people skills and knowing how to market yourself to find a job is also important, irrespective of the degree.

6 ^ | v • Reply • Share ›



Unemployed_Northeastern → (new site) Economics Institute
• 7 days ago

As usual, you are wrong. That being said, you are always at least very confident in yourself when you are wrong, which is your most, and only, economist-like trait.

"In disciplines like physics and chemistry, the percentage of employed [PhDs] have also fallen just below the unemployed."

Jordan Weissman, The Atlantic, 2-20-13

<http://www.theatlantic.com/bus...>

"An academic jumped off scaffolding to his death when he was only able to find a job in a call centre after finishing his doctorate, an inquest heard today. [U_N: I have redacted the name], 31, who had recently completed a PhD in physics at Reading University, was seen on the sixth floor of an apartment block in west London just after 11am on January 27 this year."

Read more at <http://www.maxkeiser.com/2013/...>

9 ^ | v • Reply • Share ›



(new site) Economics Institute →
Unemployed_Northeastern • 7 days ago

better to read the whole article: After all, the unemployment rate for those with even a college degree is under 4 percent, and in 2008, science and engineering doctorate holders up to three years out of school had just 1.5 percent unemployment.

2 ^ | v • Reply • Share ›



Unemployed_Northeastern → (new site) Economics Institute • 7 days ago

Which tells us nothing about the much more crucial underemployment rate for college grads and PhDs. Or of their unemployment rates in 2014, since we are a long ways from 2008, and the market for PhDs has only gotten worse and worse. But thanks for playing.

5 ^ | v • Reply • Share ›



Christy2012 → (new site) Economics Institute • 7 days ago

But all else is not equal. I would bet that on average a physics PhD is a lousy investment since the opportunity costs are usually massive, i.e., unless you really want to go into academia or research and do not see as an actual purely financial investment. Someone with the smarts and the drive to obtain a PhD in physics from a competitive program is apt to do very well without said degree. Yes, they may experience some pay bump outside of academia by virtue of their extra credential(s), but the costs surely offset that for the great majority of people.

5 ^ | v • Reply • Share ›

**Brian** → Christy2012 • 6 days ago

Nah, it doesn't. Getting a degree in physics isn't any guarantee of anything except surprise when people find out. That's about it. There's little real-world benefit outside of education - your "pay bump" doesn't exist for us simply because we have this insanely difficult degree to get. It does in education only because it's standard practice to pay people significantly more for advanced degrees. My Master's in physics was *worthless* outside of teaching, but worth a grand or two a year as a public school teacher. I graduated in '95 with my M.S. and even at that time there was already a glut of PhD's in physics who couldn't get jobs outside of post-docs basically waiting for someone to die or retire and then join the bloody fray to get their jobs.

3 ^ | v • Reply • Share ›

**Christy2012** → Brian • 6 days ago

Huh? I was arguing that getting advanced degrees in physics is usually a lousy investment. That said, there are a good number of employers that will pay extra for these skills outside of education for its signaling value (e.g., hedge funds and other quantitative finance positions, software companies needing certain algorithmic expertise, etc) and a good number of employers that will pay extra for people with degrees. That does not mean that it is actually a good investment for most people that get those degrees though since their real opportunity cost and other expenses involved in going to school for so many more years usually offsets that and then some (sometimes even for those that experience real pay increases, but especially on average, i.e., including all of those that do not).

^ | v • Reply • Share ›

**Brian** → Christy2012 • 6 days ago

Agreed...think I may have misinterpreted your original post, so I re-read again and think you make the same point. I would also add that every time I'm looking for a teaching job (far more than I would like), *everyone* says "oooh, schools are always short on science teachers, you should have *no trouble*!" Rubbish, and I don't know where people get that silly idea. Especially in physics, where the jobs are in such cripplingly short supply that once one gets a physics teaching job, they tend to stay in it for a *very* long time.

^ | v • Reply • Share ›

**NA** → (new site) Economics Institute • 7 days ago

It pays to be in a position to get paid. There are enough stupid people raking in tons of money off of other, stupider people (or in some cases, off of smarter people whom they've managed to fool for non-intelligence-oriented reasons).

4 ^ | v • Reply • Share ›

**bogey** → (new site) Economics Institute • 5 days ago

it pays to go to an elite school, do well on tests and take a job in a high paying field. Intelligence has little to do with it.

1 ^ | v • Reply • Share ›



lolexecs • 7 days ago

Was anyone else surprised by Babson College (undergraduate business school?) it seems to be neither a technical school nor a ivy league. Why is the ROI so high there?

5 ^ | v • Reply • Share ›



Ken Nemeth → lolexecs • 7 days ago

It's a focused business school.

1 ^ | v • Reply • Share ›



Unemployed_Northeastern → Ken Nemeth • 7 days ago

It's also in a great location, Wellesley, MA - one of the wealthiest towns in New England, in the heart of metro Boston's 2nd-largest-in-the-nation VC and PE sectors, and a stone's throw from all the tech companies on Route 128 and the more mainstream companies, like Bose, Staples, TJX, Cumberland Farms, Boston Scientific, etc - a few miles away on the Mass Pike.

3 ^ | v • Reply • Share ›



dp270 → Unemployed_Northeastern • 7 days ago

And now there is Olin College of Engineering which is carved out of the Babson Campus. Olin's focus on hands on project based engineering education coupled with cross registration at Babson, Wellesley, and Brandeis makes it one of the most innovative engineering schools in the country.

2 ^ | v • Reply • Share ›



Unemployed_Northeastern → dp270 • 7 days ago

That's very true - Olin was carved out of Babson, or at least part of Babson's campus, but I believe that its administration, board, and endowment are and always have been separate from Babson's.

I didn't know one could cross-register between Babson, Olin, Wellesley, and Brandeis (which are all within a few miles of each other, non-Massachusetts residents). That's quite awesome, actually.

2 ^ | v • Reply • Share ›



dp270 → Unemployed_Northeastern • 7 days ago

You are right about the admin, board and endowment being separate. My son applied to Olin for the class of 2018 and we were on campus for the Candidates' Weekend. I was blown away by the school and how exciting of a place it is. He's on the waiting list with guaranteed enrollment for the Class of 2019 if not this year. I only wish he were as excited as I am about the school.

1 ^ | v • Reply • Share ›



Unemployed_Northeastern → dp270 • 7 days ago

Is there another school where he has his heart set?

^ | v • Reply • Share ›



dp270 → Unemployed_Northeastern • 7 days ago

No. He has a full ride to a large southern university, but

has his heart set on Olin

has his heart set on UConn.

^ | v • Reply • Share ›



Unemployed_Northeastern → dp270 • 7 days ago

Gotcha.

^ | v • Reply • Share ›



xtmar • 7 days ago

To be honest, I'm actually surprised at how little these degrees seem to return over not going to college. Consider that 800k over 20 years is only 40k a year. To be sure, this is not a trivial sum, but for people who are graduating from the top colleges in the country, I would have thought it would be much larger. In other words, the average top ten graduate is probably only around the 80th or 85th percentile in terms of income, (i.e. ~40k for the median person + ~50k for the Harvey Mudd premium brings you to ~90k a year, which is near 80th percentile.)

That being said, I can see two things that would undermine PayScale's data, the first of which is working parents. More importantly, it seems like this is biased towards the sorts of jobs that would show up on PayScale. I can imagine, though obviously can't prove, that somebody with a Harvard degree in economics working for a VC or hedge fund could be making a lot of money, but not show up on PayScale. [To undermine myself: There are still relatively few Harvard graduates working for hedge funds, and it's possible that engineering graduates are more driven towards money than people who graduate with degrees in non-profit management or whatever.]

11 ^ | v • Reply • Share ›



Christy2012 → xtmar • 7 days ago

The finance industry (along with mgmt consulting) broadly inflates the stats of the elite schools (especially in years when they are recruiting and hiring), but almost no one gets VC jobs right out of undergrad, especially not with top tier funds, and the hedge funds are far more likely to hire people with much more rigorous quantitative backgrounds than econ grads (e.g., physics, math, EE, etc).

3 ^ | v • Reply • Share ›



xtmar → Christy2012 • 7 days ago

Sure, but presumably PayScale takes into account people's career progression.

^ | v • Reply • Share ›



Christy2012 → xtmar • 7 days ago

I haven't looked at their actual formula, but even so their presumed 20 year window is going to limit the impact of those sorts of jobs as they are usually going to require more experience and more education to get a high placed job in VC and hedge funds and probably more to get super high paying positions. A top engineer or developer is going to start higher than most of those people and will also see earnings progressions and the like, so while the elite grad chasing the VC path may eventually surpass them I wouldn't count on that being true on a cumulative basis in just 20 years. [Someone that actually sticks with something like ibanking will probably beat this, but many people don't too]. Moreover, many of these people in high finance are spread out across several majors in the humanities and social sciences where you see much more correlation between occupational choices and major in engineering and CS....

Edit: Another thing to point out here is that ability really does

see more

3 ^ | v • Reply • Share ›



suzannepham → Christy2012 • 7 days ago

I thought the figures referred to the income premium, not the total income. So it would be roughly 40K a year extra compared to how much they would earn without that college degree (averaged across 20 years), not 40K a year in total income.

^ | v • Reply • Share ›



Christy2012 → suzannepham • 7 days ago

Yes, I was addressing his last paragraph that compared majors and colleges mainly, but that is another point. That said, I think that that formulation is very naive. The people that graduate from highly selective colleges are very different from people that only get HS degrees on average these days (i.e., they are significantly more intelligent, more driven, and possess other attributes that are likely to lead to better economic outcomes) and their income, if they actually chose to entirely forgo college, would likely be considerably higher than the 40K/yr payscale imputes here (which is not to say there is no return, I think there is, but that it's exaggerated by such naive comparisons).

^ | v • Reply • Share ›



suzannepham → Christy2012 • 7 days ago

Ah, my earlier comment was directed to the original comment from xtmar, not your comment. I clicked on the wrong "Reply" link. See what my elite STEM education has done for me...

^ | v • Reply • Share ›



Unemployed_Northeastern • 7 days ago

1. Payscale is self-reported, unaudited data, with response rates that can vary widely from college to college. It is also prone to wage inflation, because those with successful careers and high salaries are far more likely to release that information to Payscale than those graduates who are working at Staples. This has played out for years with similarly self-reported and unaudited salary figures at the nation's law schools.

2. I don't see anything in here about the effects of attending grad school. Where do SBS or HMS or Chicago Law come into this analysis?

3. To bring in a few other variables into the discussion:

" Research by Thomas Dye of the Lincoln Center for Public Service shows that 54 percent of America's corporate leaders as well as 42 percent of our government officials are all graduates of just 12 institutions – Yale, Harvard, Princeton and Stanford among them." <http://www.salon.com/2013/09/0...>

"[Elite employers] restricted competition to students with elite affiliations [i.e. Top 4 US News ranking] and attributed superior abilities to candidates who had been admitted

see more

15 ^ | v • Reply • Share ›

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