

College Scorecard: Student Earnings Analysis



With the rising costs of higher education, prospective students and parents are faced with difficult choices about which college to attend.



While there are many non-financial benefits to attending college, my presentation will focus on the potential for higher earnings after college.



My presentation will analyze student earnings a decade after enrollment by institution, region, selectivity, and other factors, to help guide students looking to maximize their earnings after college.

Executive Summary

- Students looking to maximize their future earnings should consider schools in the Far West, Mid East, and New England.
- Engineering schools (\$69.5K) and Universities with very high research activities (\$57.2K) offer the highest mean earnings.
- Factors that are positively correlated with mean earnings are SAT equivalent scores and completion and retention rates. The percentage of students receiving Pell Grants is negatively correlated with mean earnings.
- There is a positive correlation between median earnings and median family income of students attending the college.

Top 5 Mean Earnings after 10 Years

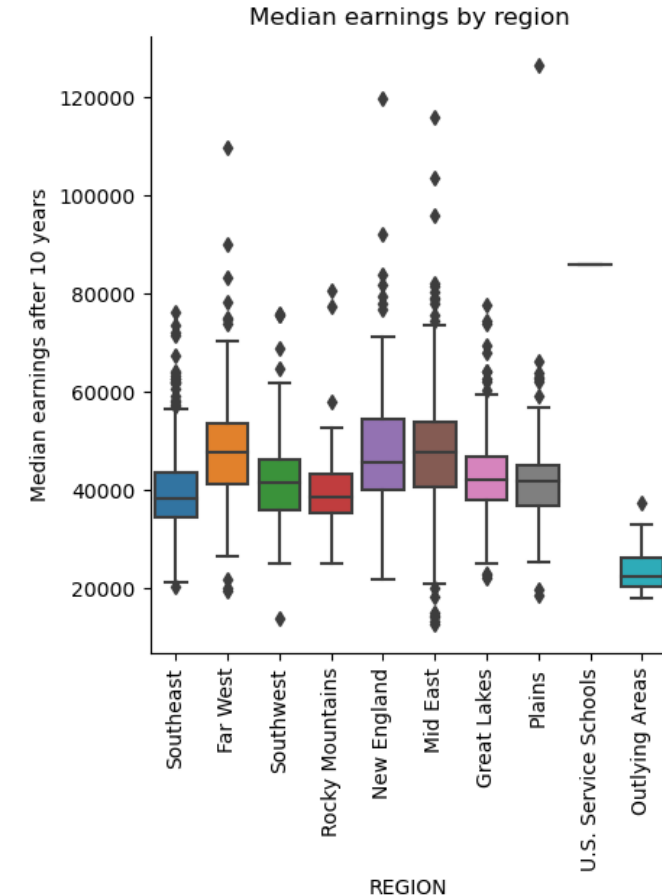
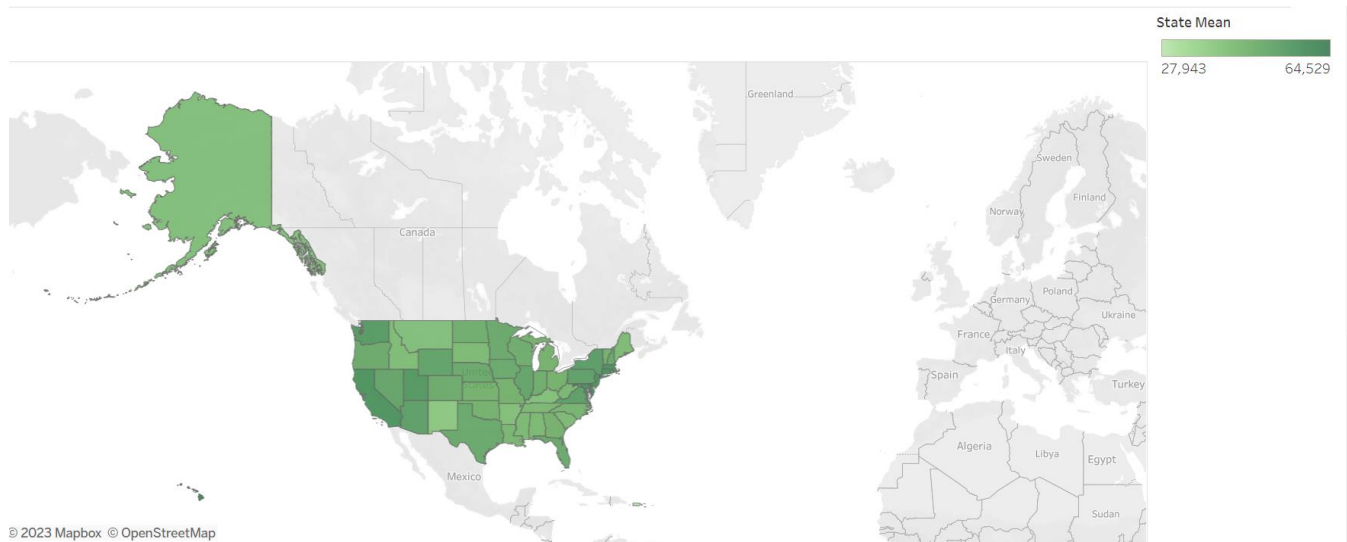
1	Harvard University: \$120K
2	Massachusetts Institute of Technology: \$117K
3	University of Pennsylvania: \$107K
4	Princeton University: \$105K
5	California Institute of Technology: \$104K

Top 5 Best Deals

(Lowest Median Debt/Earnings Ratio)

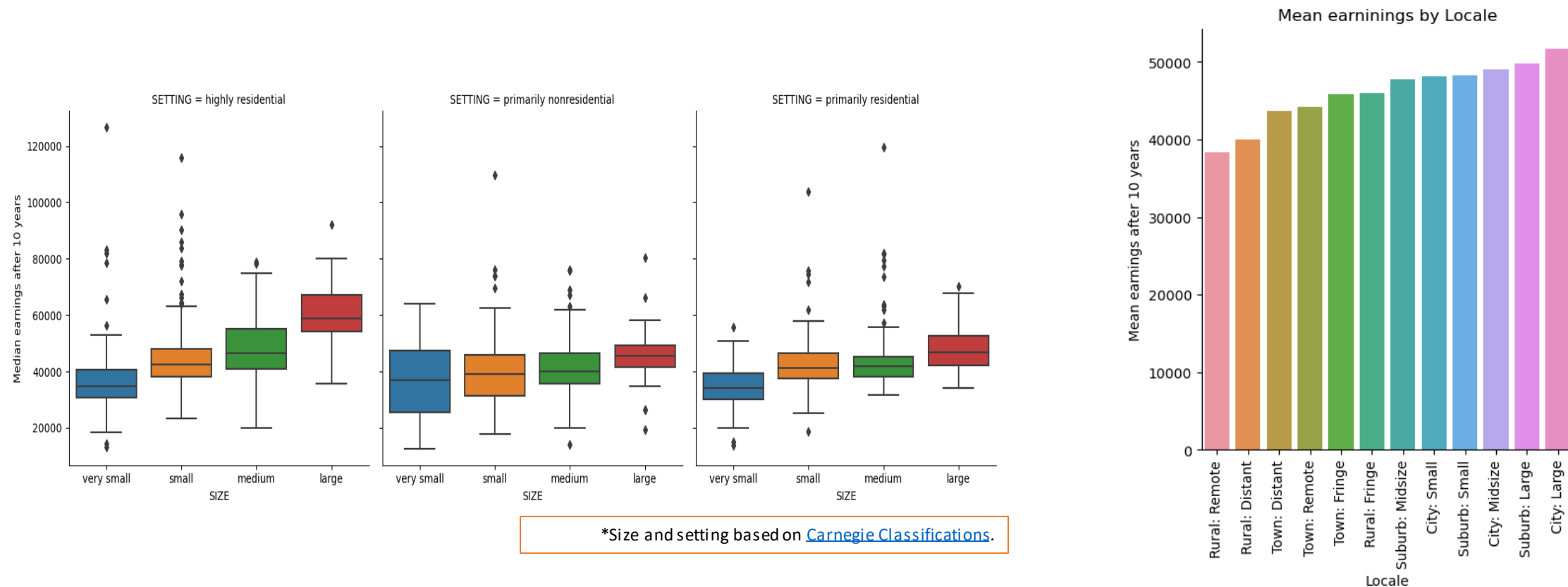
1	University of Western States: 3.8%
2	Capella University: 5.4%
3	California Institute of Technology: 6%
4	U.S. Merchant Marine Academy: 6.2%
5	CUNY Medgar Evers College: 7.3%

10-year student earnings by Region



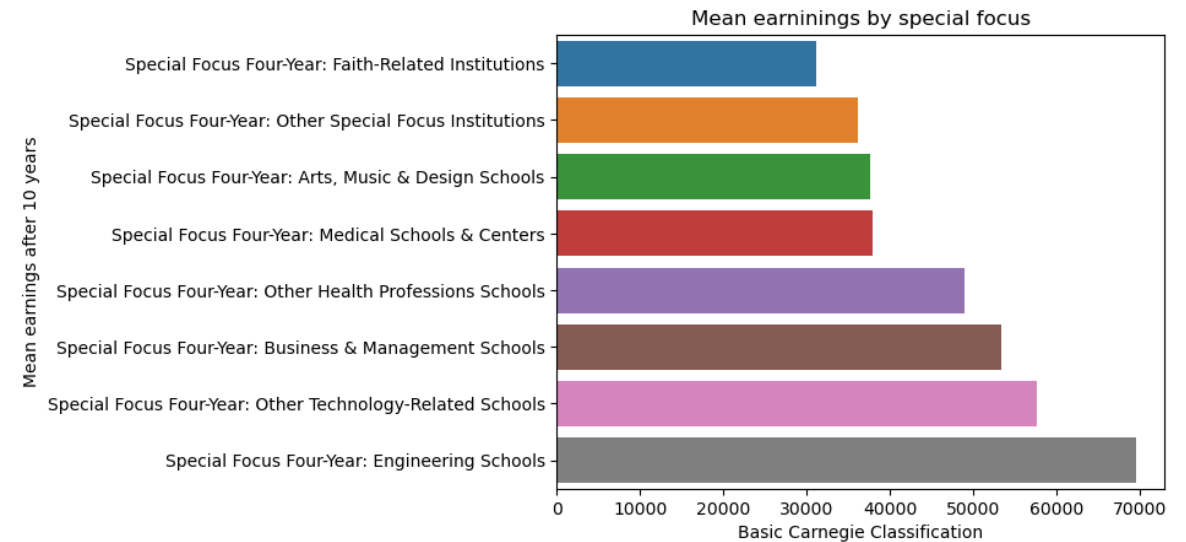
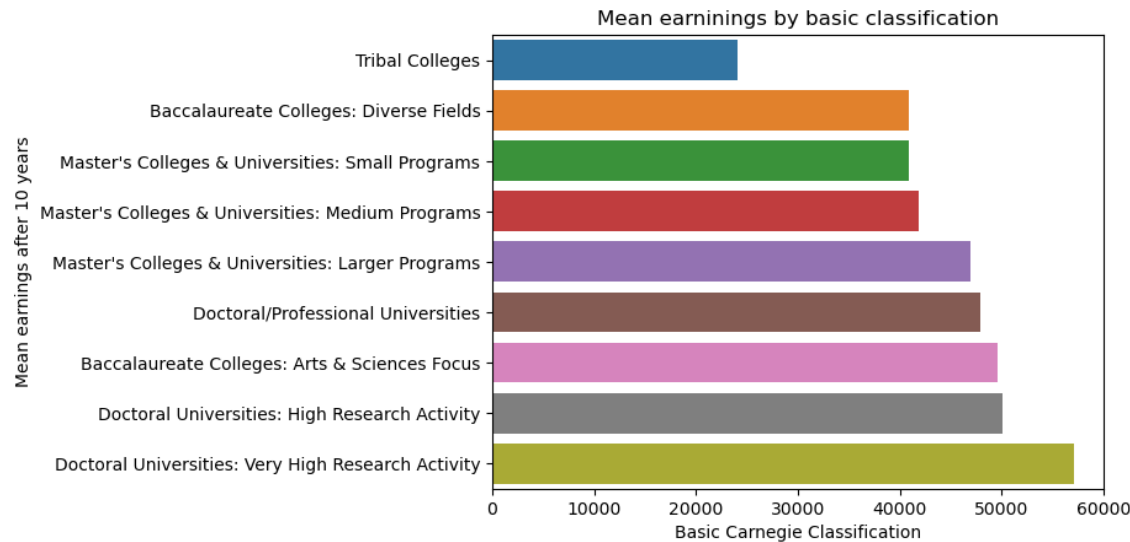
- Students attending institutions in the Far West, Mid East, and New England tend to have higher earnings after 10 years while those in Outlying Areas have the lowest earnings.
- In the Continental U.S., students attending schools in CT (\$58.3K) and MA (\$58.2) have the highest average earnings while those in NM (\$38.6K) and KY (\$41.4K) have the lowest.

Institution Size, Setting, and Locale



- For each residential setting, larger schools tend to have higher median earnings with this trend most pronounced for highly residential colleges.
- Institutions based in large cities have the highest mean earnings (\$51.7K) while those in remote rural areas have the lowest (\$38.4K).

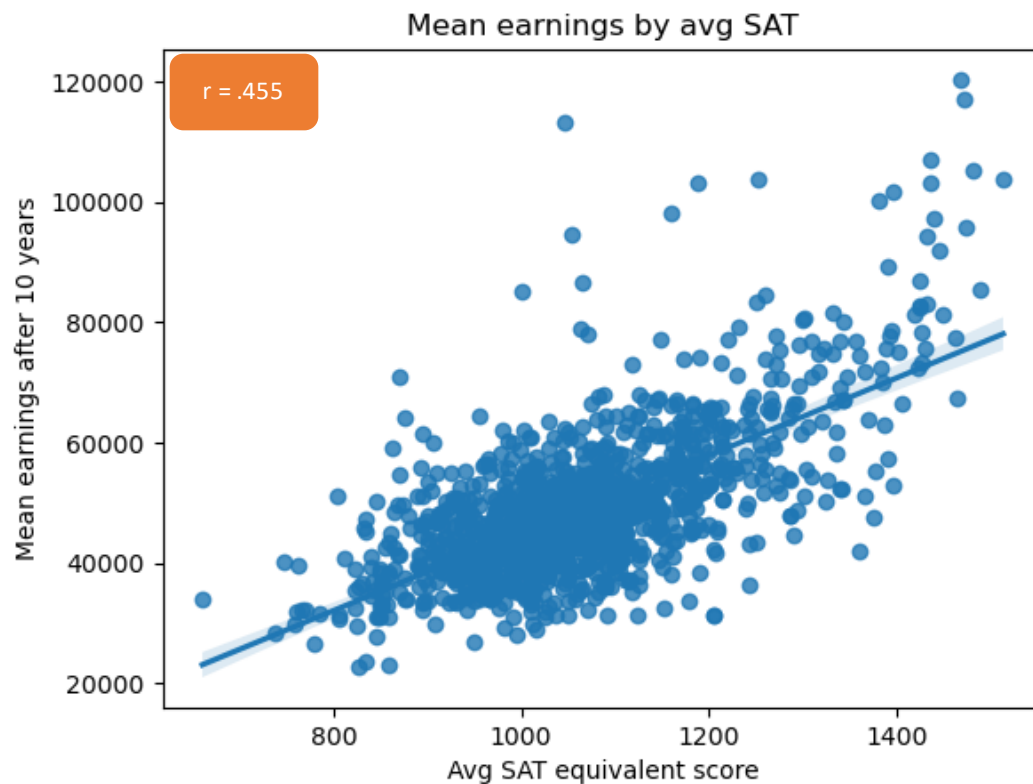
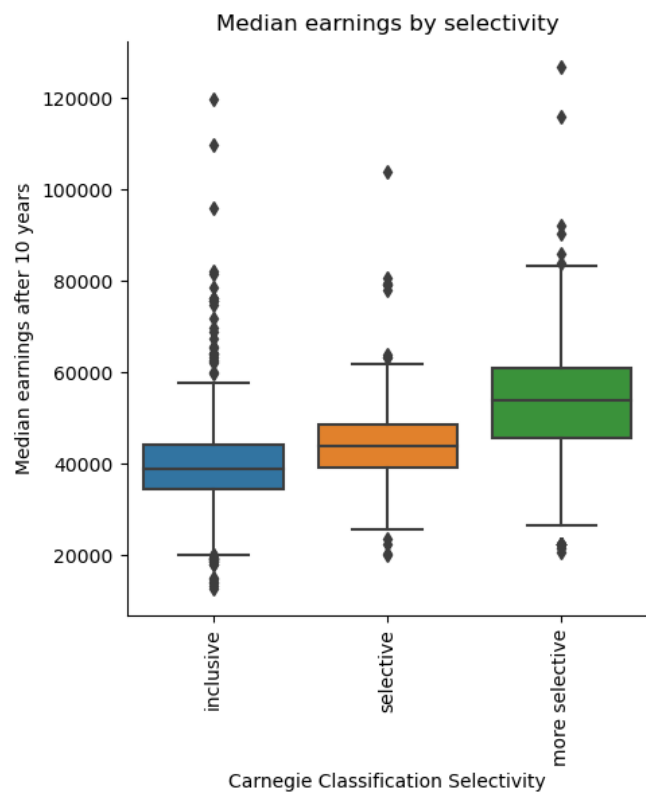
Institution Type



*Based on [Carnegie Classifications](#).

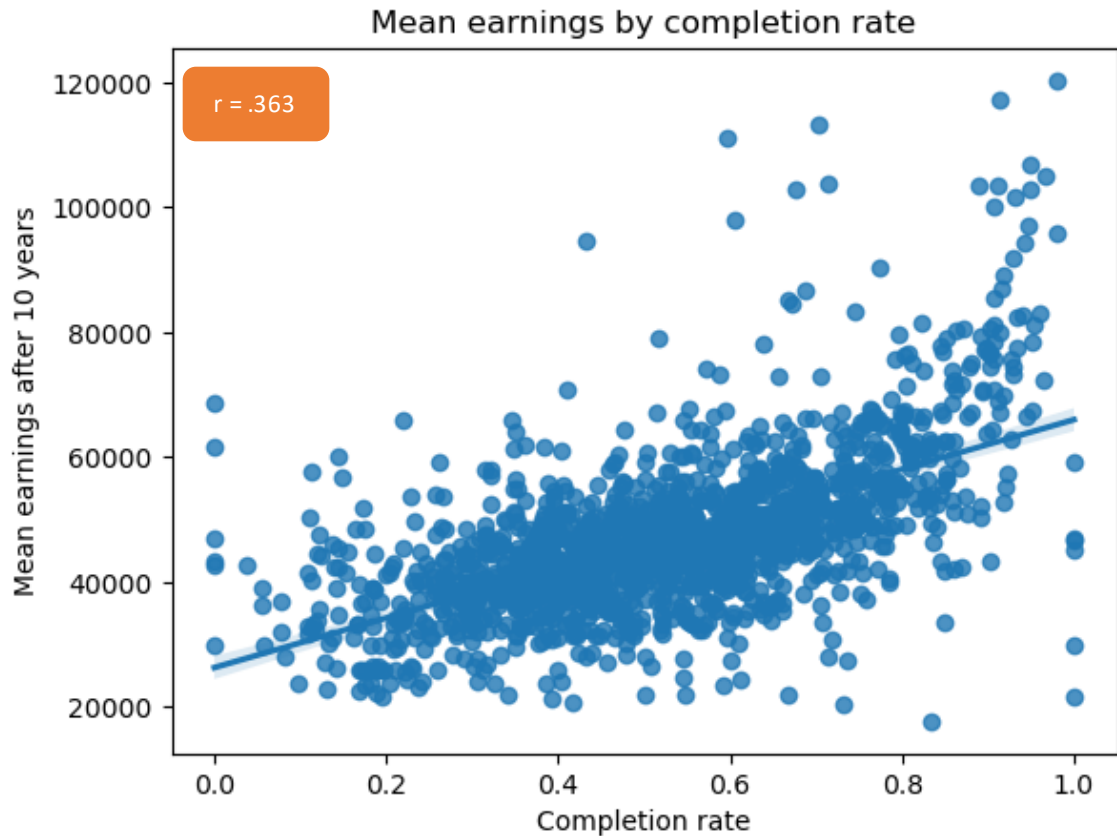
- Tribal colleges have the lowest mean earnings(\$24.1K) while Doctoral universities with very high research activity have the highest (\$57.2K).
- Among schools with a special focus, students attending Engineering schools have the highest average earnings (\$69.5K) and those at Faith-related institutions have the lowest (\$31.1K).

Selectivity



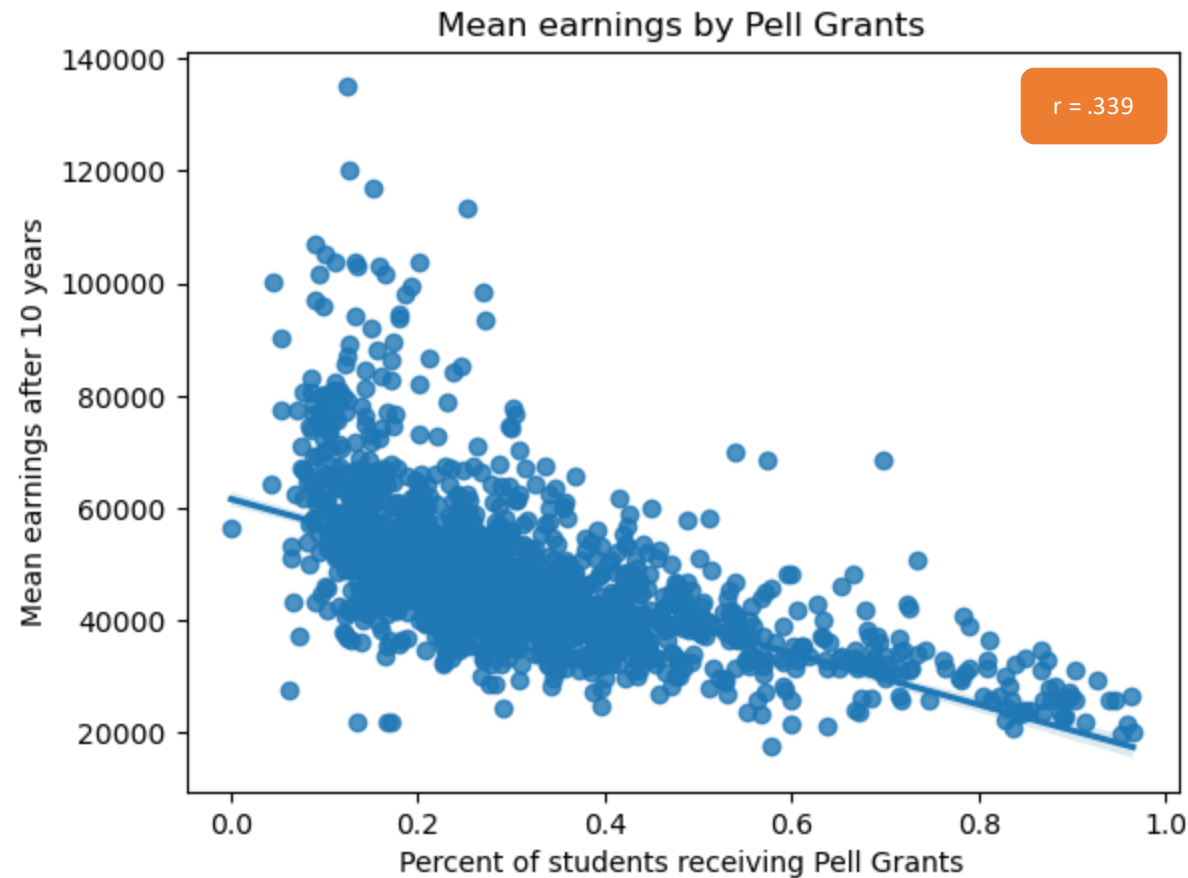
- Undergraduate institutions that are more selective have higher median earnings.
- Approximately 46% of the variability in mean earnings can be explained by the average SAT equivalent scores of students accepted to the school.

Completion and Retention Rates



- Mean earnings are also positively correlated with completion and retention rates.
- As a larger percentage of students remain at the institution and complete their studies within 150% of the program duration, the higher students' average earnings after 10 years.

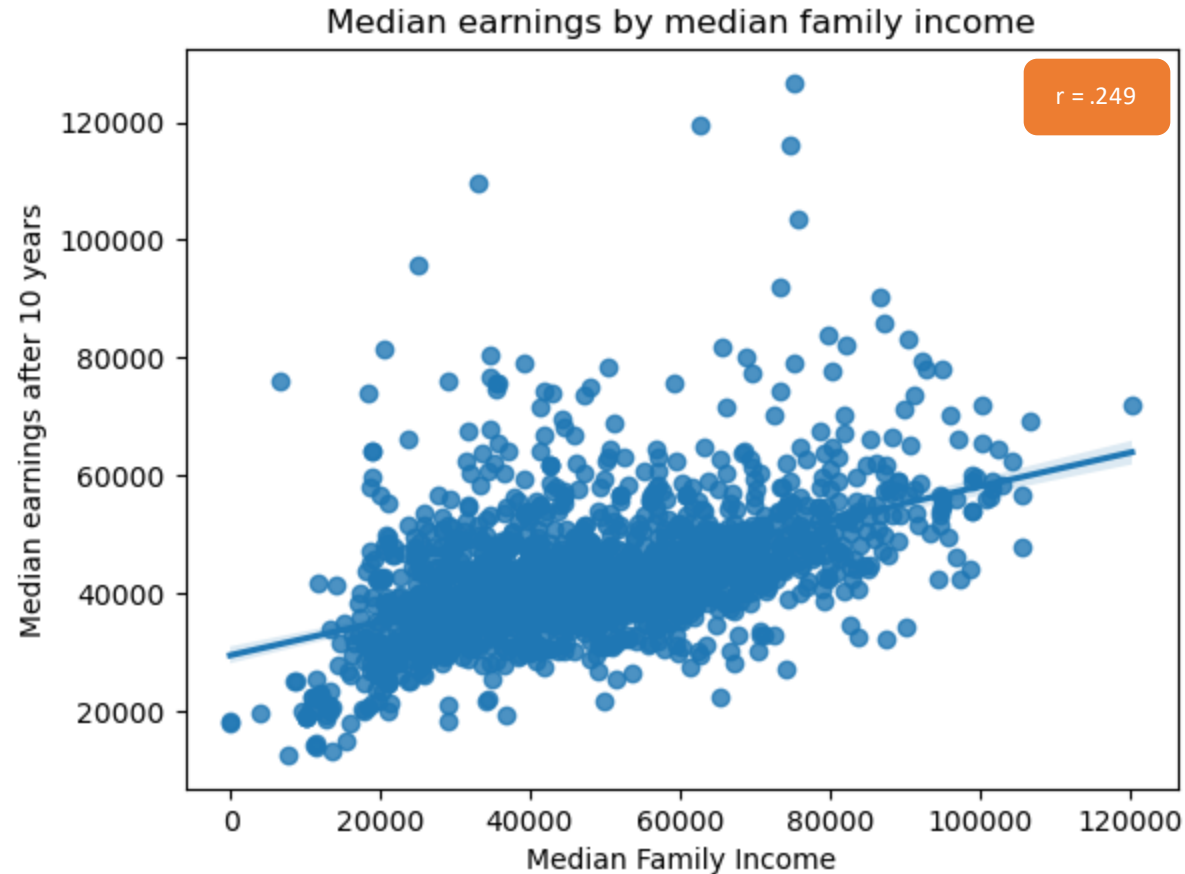
Pell Grants



- There is a negative relationship between the percentage of students receiving Pell Grants* and mean earnings.
- The more Pell Grant recipients attending an institution, the lower the mean earnings.

*Federal Pell Grants are awarded to students on the basis of exceptional financial need.

Family Income



- Finally, median student earnings after 10 years are weakly related to median family income at the institution.
- Those attending schools where students come from higher-earning households tend to have higher earnings themselves.

Conclusion

Regional trends: Schools in the Far West, Mid East, New England have the highest earnings; Outlying Areas have the lowest.

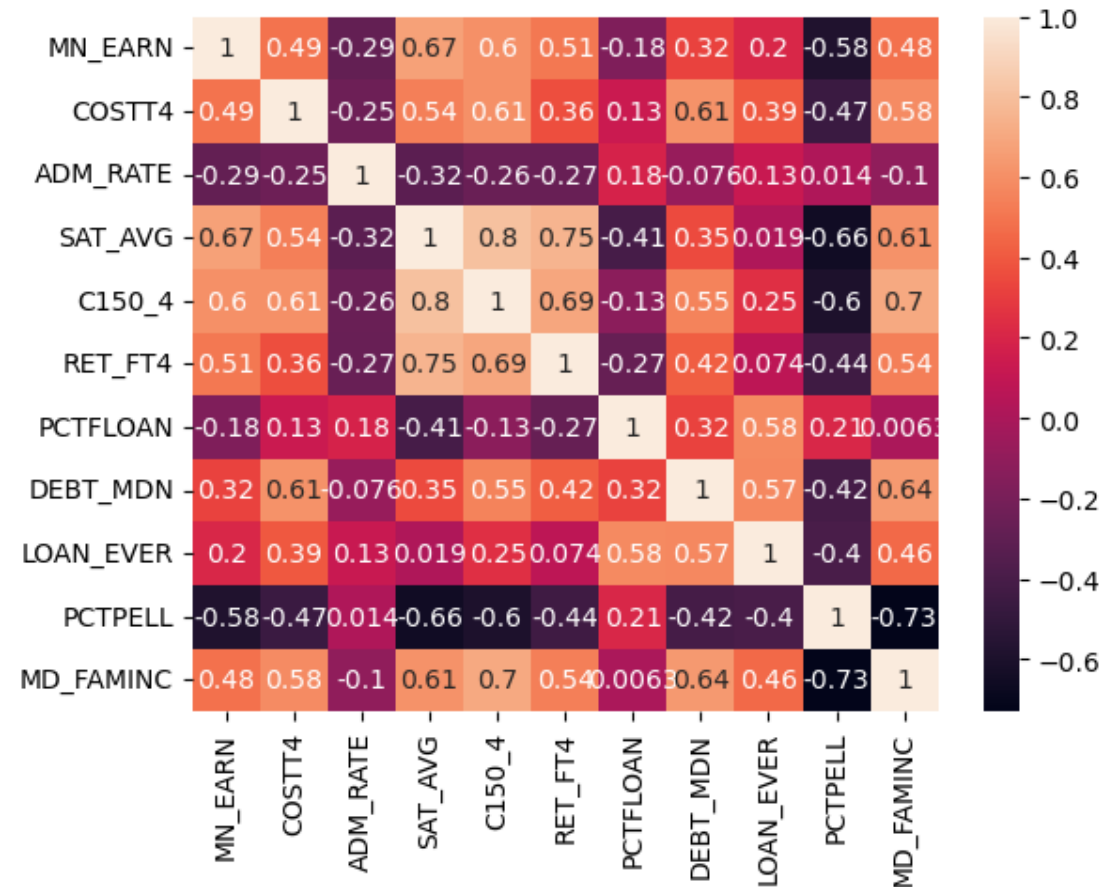
Institutional Factors: There are positive correlations between mean earnings and SAT scores and with completion/retention rates. Schools' focus, size setting, and locale also impact future earnings.

Financial Factors: Mean earnings are negatively correlated with the percentage of Pell Grant recipients. Students attending schools with higher median family household income tend to have higher median earnings.

Limitations

- There are many outliers in the data making linear regression less reliable.
- My analysis does not consider other aspects of institution selectivity such as ACT scores, grades, or student portfolios.
- This data is from 2009-2010 to capture earnings after 10 years. The economy, job market, and academic environment have changed and will continue to change in the future.

Other Factors



- The analysis also evaluated cost of attendance, admission rate, percent of students receiving loans, and median debt.
- These factors did not have a significant correlation to mean student earnings.