

The Boston Globe

WEDNESDAY, FEBRUARY 12, 2025

Education

Is a college degree really worth it?

Inside the heated debate about the value of higher education.

By Hilary Burns

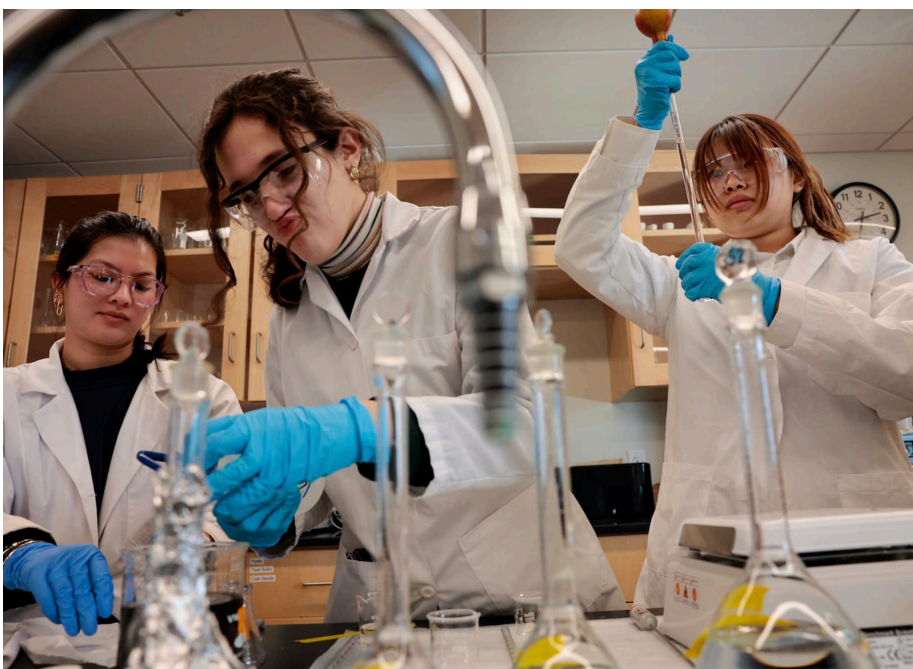
With college sticker prices approaching six figures, and students increasingly wary of taking on big loans, one question is increasingly top-of-mind for those immersed in the college search process: Will my hefty investment in a four-year degree pay off?

The answer is, usually — but not always, according to a new return-on-investment tool that's gaining traction among education researchers and public policy makers. Where, and especially what, a student studies can make an enormous difference in whether they graduate with a promising financial future.

The tool, a searchable database developed by economist Preston Cooper of the right-leaning American Enterprise Institute, shows the estimated return on investment (ROI) for college degree programs across the country. The Globe used it to analyze bachelor's degree programs at 175 New England colleges and universities, and the results were both encouraging and sobering: Most paid off, but about 15 percent did not yield net gains for students, largely majors in the humanities and social sciences such as philosophy and psychology.

"For a long time, people have had this view that a college degree will always be worth it and is always going to be the best path," Cooper said. "That is true most of the time, but there are exceptions to that rule."

Studying ROI results, said Cooper and others in education policy, could spark innovative, even radical, ideas about how to make higher education financially more palatable, including charging different tuition prices for different majors. STEM



CRAIG F. WALKER/GLOBE STAFF

(Left to right) Senior Hannah Mailey and juniors Maggie Theofanides and Aoi Tamura worked on an experiment during their Physical Chemistry II class at Salve Regina University in Newport.

degrees, after all, are more expensive for institutions to offer than most programs in the humanities, and consequently also often pay much more, said Jeff Strohl, director of the Georgetown University Center on Education and the Workforce.

"It is incumbent on [schools] to innovate and make [some programs] more affordable," said Michael Horn, a Harvard University lecturer and cofounder of the Clayton Christensen Institute for Disruptive Innovation. "There's no reason a social work program ought to cost \$125,000," because social worker salaries tend to be low.

At the country's most prestigious colleges, his data set shows, you can study almost anything and get a positive return. History majors at Amherst College, for example, earned average starting salaries of about \$75,000, and took home \$160,000 annually after 10 years. That means history majors who graduate from Amherst are on average \$3.8 million better off over the course of their lifetimes than if they had not gone to college at all, Cooper said.

At most state universities and less-selective private institutions, however, returns vary widely depending on what a student studies. At the University of

Massachusetts Amherst, the average earnings for a computer science major were \$144,000 10 years after college, while students studying anthropology or philosophy earned \$51,000 and \$57,000, respectively, 10 years after graduation.

Institutions that focus on preparing students for careers, especially those with co-op and internship programs, tend to be good bets for those looking to get the most bang for their buck as soon as possible.

Importantly, the results include only students who qualified for federal financial aid or loans and not those from wealthier families who paid full freight or who relied on other funds such as scholarships. Additionally, the data did not consider the occupations of graduates, merely what their incomes were over time; many college graduates end up in fields other than their majors.

Moreover, there is some imprecision to the data, so that in places it will not directly correspond to all the majors a college offers because the federal government groups some individual programs into broader categories such as “music” or “area studies.”

The value of a college education at today’s prices has become a central issue in higher education, in part because so many graduates are saddled with enormous debts deep into their careers; student loan debt has ballooned to \$1.73 trillion, according to the Education Data Initiative, most of which was borrowed through the federal government. Many parents and students, and a growing number of politicians, are questioning whether a four-year degree is worth it.

To some extent, colleges say they have addressed some of these criticisms by expanding their career offices, increasing institutional financial aid, and regularly reviewing, and sometimes eliminating, programs with low enrollment, or adding in-demand areas of study. For example, several schools around New England have eliminated humanities majors in recent years and some, including Emmanuel College, have added nursing degrees to address worker shortages.

Democrats have been calling for more transparency about higher education outcomes, earnings, and debt loads in recent years. The Biden administration finalized the so-called Gainful Employment rule, which would require colleges to disclose what a typical graduate earns, owes, and whether those average debt loads are unaffordable, said James Kvaal, former undersecretary of education.

The Trump administration appears to be moving to implement Gainful Employment, which would allow students to better assess the value of their college choice before they go into debt. However, colleges and their lobbyists are pushing to extend the deadline, currently set for Feb. 18, to at least July.

Now that Republicans have control of Congress and the White House, researchers and industry analysts expect lawmakers to increase pressure on colleges to reduce costs and improve graduation rates, either by threatening cuts in federal funding, or by putting schools on the hook for graduates and dropouts who cannot repay their loans.

“Democrats and Republicans agree that student loan debt in America has reached astronomical levels,” Representative Virginia Foxx, then-GOP chair of the Education and the Workforce Committee, said last year: “Without question, the root cause of this problem is the inflated cost of obtaining a college degree, and there’s considerable room for reforms.”

There is sharp disagreement, however, about how to calculate return on investment for college degrees.

Cooper’s tool is gaining credibility because, unlike many other data sets that, for example, looked at students from a particular institution, his analyzes returns for individual programs of study, which reveals dramatic variation among different majors. His methodology relies on lifetime earnings estimates for students who graduated from 2015 to 2017, based on data from the federal government’s College Scorecard, and subtracts the total cost of the degree and “counterfactual earnings,” or the estimated amount the same student would have earned without higher education. The counterfactual makes adjustments for the typical student profile at each institution; some schools serve more low-income and first-generation students who statistically earn less money than people from more affluent backgrounds.

“Preston’s tool is pretty clearly superior in giving an accurate picture,” Horn said.

The approach is controversial, however, among many college administrators. Dozens didn’t respond to inquiries from the Globe, and others sharply contested the use of data from eight to 10 years ago, or that the data set leaves out wealthy students who do not participate in federal aid or loan programs. (Cooper said he is most concerned with the outcomes of students who “taxpayers are funding;” and the time lag in the data, he said, was

necessary to collect multiple years of salary data for graduates.)

Several college presidents and researchers also said it is important to take a longer-term view when considering where and what to study. Career-focused majors, such as computer science and accounting, tend to earn higher returns in the short run, but such earnings premiums stagnate over time, while humanities majors typically catch up later in their careers, said David Deming, professor of political economy at the Harvard Kennedy School. Sometimes that’s because they go on to professions in law or government where careers can take longer to build, and often further education is required.

“Imagine if society concerned itself exclusively with earnings between the ages of 22 and 26,” said Greg Weiner, president of Assumption University in Worcester. “We are happy to play on that field because we [at Assumption] do very well, but I don’t think that is a society many of us would want to live in.” The average starting salary for an Assumption graduate is \$43,000, increasing to \$70,000 after 10 years, according to the data set. All of the university’s programs reported positive returns over a lifetime.

Horn, however, said prospective students and families increasingly are focused on earnings right after graduation. Colleges are often resistant to discussions about ROI because they say future earnings are just one component of the value they provide, Horn said. Still, he said, colleges have a responsibility to their graduates — “the economic value of what you’re [offering] can’t be negative.”

In New England, at the most competitive colleges, including Ivy League campuses and elite liberal arts schools, nearly every academic major from theater to economics led to positive financial returns. This could be attributable to any number of factors: strong alumni networks that provide graduates with connections, or the average comparative wealth and privilege of students at those schools. Top employers also heavily recruit from name-brand schools, operating on the theory that the intensive college admissions process has already sorted the best from the rest.

Schools with robust co-op and internship programs, such as Northeastern University and Endicott College, also posted strong financial results in almost all fields. Others that performed well in the data set include colleges with business or engineering focuses, such as Babson College, Bentley University, Worcester

Polytechnic Institute, Wentworth Institute of Technology, and Olin College.

Even some small liberal arts schools, such as Salve Regina University in Newport, posted strong financial outcomes. Kelli Armstrong, Salve Regina's president, said her institution bakes career preparation and planning into the curriculum starting in the first year. Alumni also regularly visit campus to share how they navigated their careers and teach soft professional skills, such as how to partake in a "proper business-etiquette lunch," Armstrong said.

Average starting salaries for Salve Regina graduates are \$40,500, and grow to \$73,500 after a decade, according to Cooper's data set.

Some institutions, though, posted mixed results, including the flagship public universities in Massachusetts, New Hampshire, Vermont, and Rhode Island.

Kim DeRego, vice provost of enrollment management at the University of New Hampshire, said the university is focused on improving the value proposition for prospective students by expanding career services, and helping to address the state's workforce shortages. The total cost for in-state students living on UNH's main campus is \$38,440 a year before financial aid.

"We hear from our employers that they need more workers, and our responsibility is to try to get as many of those students into those opportunities as possible," DeRego said.

Engineering, business, and nursing programs posted positive returns at these universities, while many humanities, social sciences, and art programs did not. (Some programs included in the data set may no longer be offered, and some colleges have closed or merged with other institutions since 2017.)

Several private institutions focused mostly on art or music posted some of the lowest financial outcomes, according to Cooper's data set. Berklee College of Music, for example, had negative returns for all but one of its four-year degree programs included in the data set. The school declined to comment.

Many students pursue degrees in music, dance, theater, and art to follow a passion rather than pursuing financial gains. And those majors often teach important skills such as "communication, collaboration, creativity," which can be helpful in any

number of jobs, said David Kaye, professor of theater and dance at UNH.

Cooper himself acknowledges that financial outcomes should not be the only factor a prospective student considers, but they "do matter," he said. He hopes his data set will spark debate about lowering prices for degree programs that tend to lead to jobs in lower-paying fields, such as teachers, social workers, or artists, or inspire schools to learn from peers that successfully launch students into careers with livable wages from humanities and art programs.

"Giving them skills relevant to the labor force — an English major with marketing skills, for example," Cooper said. "If you are a student interested in theater, could you do apprenticeships in theater, working while learning, rather than paying thousands in tuition. These are conversations to be had. There are ways to make these fields more financially viable to students."

Real life, though, is complicated. Noelle Stallings, a recent graduate of Northeastern, did not have access to ROI information when she was a driven high school senior in rural Virginia deciding where to go to school or what to study. She chose Northeastern, which Cooper's data set shows is usually a great investment with a strong co-op program. For Stallings, though, the real value of the co-op program — and, ultimately, of Northeastern — was that it taught her what she didn't want to do with her life.

She studied environmental science and learned she did not want an office job in the corporate world like she had in one of her co-ops. Since graduating about a year ago, Stallings has backpacked through Europe working on organic farms, and at a camp in Iceland. She has also worked as a barista in Boston.

She appreciates the education Northeastern provided, but she does wish she'd found a cheaper way to learn about herself, and is still figuring out a career path that will make her happy and cover her bills, including student debt repayments, which she says are her "number one priority."

"I like being outside — I could see myself doing field tech stuff for research," Stallings said. "But I don't know if I could do that as a full-time job, and also you don't make money."

Strohl, with the Georgetown University

Center on Education and the Workforce, said data sets like Cooper's are helpful to guide prospective students and families, but should not be read as a guarantee they will see certain outcomes.

"Schools should invest in counseling to help students understand the value of this information," Strohl said. Institutions, he added, should also try to be better aligned with the labor market and with other institutions in their region to ensure they aren't overproducing graduates in certain fields.

Some colleges are quietly tuning in to ROI data, and have made changes in recent years to increase value for students, such as dropping programs with low enrollment and lower average earnings, and adding majors that align with regional workforce shortages.

New England College in Henniker, N.H., for example, added a nursing program three years ago that incorporates work experience before graduation. Students "walk across the stage with a job offer in hand," said Wayne Lesperance Jr., the college's president. The college has also had to make "tough decisions," in recent years including ending its English program because enrollment was low, Lesperance said.

Cooper's data set shows average starting salaries for graduates of New England College from 2015 to 2017 were about \$33,000; average salaries after 10 years were \$54,000.

"Higher ed as an industry has done a terrible job making the case for itself," said Lesperance. "We have operated for far too long thinking everyone knows what the [return on investment] is."

Curry College in Milton, a small school where about a fifth of students have learning differences, guarantees its graduates (starting with the class of 2027) will receive job offers or graduate school acceptances within six months of graduation. Any student who does not will be eligible to have their federal student loans paid for up to 12 months while they work with a career adviser, said Curry president Jay Gonzalez.

"We've tried to respond to the number one market demand that we hear, which is, 'If we're going to pay all this money to go to a four-year college and spend all the time to go, what's the job I'm going to get at the end of the day?'" Gonzalez said.