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Higher Education

Is college worth it? A Georgetown study measures return on investment — with some surprising results.



Maine Maritime Academy's campus is seen in an aerial view this fall. (Maine Maritime Academy)

By Susan Svrluga

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When Larry Burrill started college, his goal was to walk into a job that paid well after graduation. He was coming from a family of humble means and knew he would be paying his way through school. He chose Maine Maritime Academy, set in a historic town miles down a peninsula, because he knew graduates were earning starting salaries double or triple what he could otherwise expect to make.

That was back in the 1970s, but today, as a senior executive at an engineering services company he helped found (and as a father who paid for his children's college educations), that practical approach makes more sense to him than ever. Higher

education is so expensive now, he said, that few can afford the luxury of meandering through a liberal arts education without making hard calculations about employment prospects.

Is college worth it? Researchers at the Georgetown University Center on Education and the Workforce tried to answer that question, using newly released federal data to try to calculate return on investment for thousands of colleges across the country.

The results — searchable and sortable online — were released Thursday, with rankings of 4,500 schools.

Some may discount the idea that the true value of higher education can be quantified, let alone calculated in dollars. But given surging student-loan debt nationally, the study's authors argue it's a question that cannot be ignored. The issue has galvanized national attention, with many legislators loath to fund universities that aren't preparing young people for the workforce. And it's an issue that is deeply personal for many families as they worry about paying tuition bills each fall.

Some of the results will come as no surprise: Among the top 10 colleges with the best long-term net economic gain are Harvard University, the Massachusetts Institute of Technology and Stanford University. Forty years after enrollment, bachelor's degrees from private colleges have the highest returns on investment.

But the top three on the top 10 list — eclipsing MIT and Stanford — are schools specializing in pharmacy and health sciences. The only two public schools to make that top 10 list are maritime academies.

And the Maine Maritime Academy? It's on the top 10 list, outscoring Harvard.

"Return on investment is huge," said William J. Brennan, president of Maine Maritime Academy, where the majority of students come from within the state and nearly half are the first in their families to attend college. "They're looking to prepare themselves for a career that will include hard work."

In conversations with parents of prospective students, Brennan often casts the academy as a value proposition, he said: "It's expensive to attend college, but ... we will prepare their sons and daughters to be successful in school so they can be successful in their careers."

The academy consistently places at least 90 percent of graduates in their chosen career fields within 90 days, Brennan said, and many of those jobs pay well, leading to a low default rate on student loans. "The value of this education is huge," Brennan said.

Most people already knew a Harvard degree confers power.

Many didn't know it about pharmacy schools.

Faith Byland worried in high school in Indiana that she might have trouble finding a job after college. But she learned that pharmacists tend to have good job security and earnings. And when she enrolled at St. Louis College of Pharmacy — No. 2 on Georgetown's list of schools with the best net economic gain — she calculated her return on investment knowing she would graduate in 2016 with student debt but also a job "that makes six figures right off the bat."

She and her husband, also a graduate, are able to live comfortably in New York on their incomes, she said, and are thrilled with their choice.

Higher education is a complicated proposition, tricky to measure. The superintendent of one of the leading schools on the list, the U.S. Merchant Marine Academy, said he doesn't think candidates to the academy are applying because of return on investment, given the intense, challenging nature of the service academy's program, which includes hundreds of days at sea and a commitment to years of service. "Rather, it's an investment in themselves to become leaders, and see where that might take them," Rear Adm. Jack Buono said.

For Burrill, lining up on his first day of class at Maine Maritime Academy, getting issued a uniform and having his head shaved so he looked like everyone else in the regimental program was part of an experience he values. So was getting his hands dirty, using a wrench and learning to weld — along with studying calculus for his engineering degree. So was crossing the Atlantic on a giant ship.

Some people wouldn't want any part of that.

Surveys suggest many students are motivated to go to college to learn more about subjects that interest them — and to become a better person, said Professor Anthony P. Carnevale, director of Georgetown's Center on Education and the Workforce. But the vast majority cite a career as a primary goal for college, he said. "This is the point of the spear."

A drive for greater accountability has been gaining momentum for a long time, Carnevale said, amid a huge increase in college-going beginning in the 1980s and rapidly rising costs that inspired a demand for data on outcomes. "This is a train that's rolling and will continue to roll," he said, with political leaders pushing for greater transparency.

For 16-year-olds thinking about their futures, Carnevale said, the rankings can help them — with good college counseling — to perform risk analysis. If they want a quick turnaround, they can choose a certificate program with a successful track record, with the understanding it may be the most lucrative choice a decade out but probably won't be the best value during a 40-year career. Or they could decide that assuming debt is worth it for future potential.

The study concluded that even after paying off higher amounts of debt, the average graduate of a private four-year college has a net economic gain of \$838,000 over 40 years — compared with \$765,000 for a public college graduate.

Or a student could choose a theology school near the bottom of the long-term return-on-investment list — because salary is not important.

"This should encourage people to think like that," Carnevale said, "What do I want, who am I, what can I afford, what are my options?" The rankings highlight names that a student or school counselor might not have considered, with all the cultural pressure some feel to attend a prestigious school.

"Most people don't want to go to Maine Maritime Academy — they want to go to Harvard," Carnevale said.

"I wanted to go to Maine Maritime Academy," he added. "My folks wouldn't let me."

INSTITUTIONS WITH THE HIGHEST LONG-TERM NET PRESENT VALUE (NPV)

SCHOOL	RANK
Albany College of Pharmacy and Health Sciences	1
St. Louis College of Pharmacy	2
Massachusetts College of Pharmacy and Health Sciences	3
Massachusetts Institute of Technology	4
Stanford University	5
Maine Maritime Academy	6
Babson College	7
Harvard University	8
Georgetown University	9
United States Merchant Marine Academy	10

Source: Georgetown University Center on Education and the Workforce; analysis of data from the Education Department College Scorecard, 2019.