Do Elite Colleges Produce the Best-Paid Graduates?

*By Catherine Rampell*

**Updated | 11:36 a.m., July 21.** Updated with more information about why PayScale said they chose to exclude graduates with advanced degrees.

**Updated | 5:10 p.m., July 20.**

Forget *U.S. News’s academic rankings* and *Playboy’s party-school list*. For some prospective college freshmen, here’s the important question: Will I make more money if I go to Harvard, or if I go to Harvey Mudd?

*PayScale*, a site that collects data on salaries for different professions, argues that it can help students answer that question. Today the company is releasing an updated, gigantic data set on the salaries of graduates from hundreds of universities and colleges, as well as salaries and career choices broken down by department/major.

The numbers are from 1.2 million users of PayScale’s site who self-reported their salaries and educational credentials in a PayScale survey over the last year. While the data are *not* from a randomized scientific sample, they are still pretty tantalizing. Here, for example, are the rankings by median mid-career salary (minimum 10 years out of school) by university:
Full rankings are [here](http://economix.blogs.nytimes.com/2009/07/20/do-elite-colleges-produce-the-best-paid-gr...). An important note: The data include only survey respondents whose highest academic degree is a bachelor’s. Therefore, doctors, lawyers and others in high-paying jobs that require advanced degrees are not included in the data set.

The reason for this, according to Al Lee, PayScale’s director of quantitative analysis, is that PayScale is trying to determine which undergraduate educations are the “best investment.”

“You’re thinking of buying a college. If that’s all you buy — an undergraduate degree — without having to spend more money and time and effort to get another degree,” Mr. Lee said, “you want to know what the return on that investment is.”

He also said that for many schools including alumni with advanced degrees would bring down their median salaries, because in PayScale’s sample advanced degree recipients are primarily teachers getting master’s degrees in order to teach. According to Mr. Lee’s data, teachers generally have more modest incomes than their classmates.

Some highlights from the data:

- **Dartmouth College has the highest median mid-career salary** (defined as salary at 10 years or greater after graduation).
- **Loma Linda University has the highest median starting salary** (defined as salaries within five years of graduation), a function of their strong programs in nursing, dental and allied health.
In general, **engineering schools produced the best starting salaries**, and represented eight out of the top 10 schools in starting salary. On the other hand, **Ivy League Schools are the best bet for mid-career pay**, with five out of the top 10.

- Majors matter. **Quantitative-oriented degrees** – like engineering, science, mathematics and economics — filled most of the top 20 slots in both highest starting median salaries and highest mid-career median salaries.

- **Economics majors have the fifth highest mid-career median salary**, the 17th-highest starting salary, and the highest salary at the 90th percentile, mid-career mark.

- **Some of the major/department numbers may fool you**, though.

For example, who would have thought that philosophy majors in mid-career would earn more than information technology majors in mid-career? This is probably because students who major in philosophy are more likely to go to elite schools, whereas students who major in I.T. are likely to go to pre-professional-type schools that don’t even offer philosophy as a major, Mr. Lee says. So it’s not really the choice of major that’s making the difference – it’s the school.

“A student’s choice of major has a huge impact mid-career, enormous,” says Mr. Lee. “But you generally don’t see people majoring in philosophy” — or other “soft” majors, he says — “except

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in top schools."

- That said, here are the **bottom 10 majors** by mid-career salary:

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Bottom 10 Majors by Mid-Career Salary

<table>
<thead>
<tr>
<th>Major</th>
<th>Mid-Career Median Salary</th>
<th>Starting Median Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Social Work</td>
<td>$30,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Elementary Education</td>
<td>$25,000</td>
<td>$20,000</td>
</tr>
<tr>
<td>Theology</td>
<td>$20,000</td>
<td>$15,000</td>
</tr>
<tr>
<td>Music</td>
<td>$15,000</td>
<td>$10,000</td>
</tr>
<tr>
<td>Spanish</td>
<td>$10,000</td>
<td>$5,000</td>
</tr>
<tr>
<td>Horticulture</td>
<td>$5,000</td>
<td>$0</td>
</tr>
<tr>
<td>Education</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Hospitality and Tourism</td>
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<tr>
<td>Fine Arts</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Drama</td>
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</tr>
</tbody>
</table>
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And now back to our opening question: Will you make more money if you go to Harvard or Harvey Mudd?

Well, the median graduate at Harvey Mudd appears to make more money in starting salary than does the median graduate from Harvard (vice versa at mid-career). But of course, the people who choose to go to Harvard over Harvey Mudd, or the other way around, are different students; it would be hard to say that a particular person would make more money going to one instead of the other.

According to [research](http://economix.blogs.nytimes.com/2009/07/20/do-elite-colleges-produce-the-best-paid-gr...) from Alan B. Krueger, a Princeton professor and Treasury official who used to contribute to Economix, and Stacey B. Dale at Mathematica Policy Research, attending one relatively elite college (like Harvey Mudd) rather than another (like Harvard) doesn’t much affect a student’s future income. Rather, it’s the student who matters. Hard-working, ambitious students will do well wherever they go. The opposite applies to mediocre or lazy students.

The one exception was lower-income students. For them, the college mattered more.

Besides, PayScale’s medians don’t tell the whole story. There’s a lot of variation within each school, which means the lowest-paid graduates of a very elite school may earn less than the highest-paid graduates of a much less elite school.

For example, Mr. Lee suggests comparing Black Hills State University (B.H.S.U.), the school with
lowest median pay, to Dartmouth College. The 75th percentile mid-career pay of B.H.S.U. is comparable to the 10th percentile mid-career pay of Dartmouth grads.

In other words, one in four B.H.S.U. grads earns more at mid-career than one in 10 Dartmouth grads.

This variation within a school is called a “spread.” Franklin and Marshall College grads have greatest “spread” in mid-career earnings; the top 25 percent of graduates earn more than 2.6 times the earnings of the bottom 25 percent.

Among the schools with the lowest spreads – that is, the most consistently-earning alumni – is Harvey Mudd.

How do schools feel about all these numbers?

Mr. Lee says that the last time PayScale released this type of data, some schools complained about their (presumably low) rankings. He says he told these schools to bear in mind that students, and educators, have other criteria, besides income, for what should be valued in a university.

“Look, if your mission is to create graduates who become educators, who go into criminal justice, law enforcement or other social good careers, those jobs don’t pay well. But that’s your mission,” he says. “If you want to change your mission and send people to Wall Street or to become engineers, that’s a different thing.”

By the way, I asked Mr. Lee if there was any discernible difference in the career choices between graduates before and after the financial crisis struck — particularly in the top-tier schools, which have traditionally funneled a large proportion of their graduates into finance jobs. Will these graduates now choose lower-paying, public service-type jobs instead of more lucrative career paths?

Unfortunately, Mr. Lee says that year over year comparisons are difficult because the methodology changes from year to year. For example, the coding for career choices changes from year to year, depending on how survey respondents label themselves.

A note: PayScale declined to say how big the sample size was for each school, but said that for the bigger schools in many cases the responses numbered “in the hundreds.” For many smaller schools PayScale has not provided as much detailed statistical information because it said the sample size was too small.

Update: I updated the chart showing schools with the highest-paid graduates, which previously had accidentally left off some schools with top mid-career median salaries. Sorry, Yale! It wasn’t anything personal!