

Lit Scan

Facts & Figures from the Colorado Literacy Research Initiative

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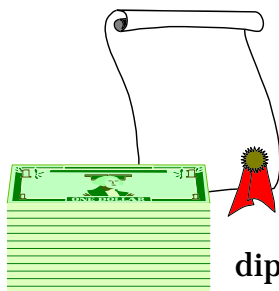
The Economic Value of High School--& Higher--Education to Coloradans, 1998

The last issue of **LitScan** (v. 2, n. 1) presented data on *The Economic Value of Adult Education Programs to the State of Colorado, FY 1997*. In other words, it described how society in general and the State of Colorado in particular benefit financially when residents who did not complete high school participate in adult education programs. This issue turns attention to how adult learners—and their families benefit financially from earning GED diplomas and, in some cases, from pursuing higher education.

Table 1 ♦ Average Hourly Wages by Level of Education, 1998

Level of Education	Average Hourly Wages	Increase Over Less Than High School	
		Dollars	Percent
Less than high school	\$8.04	\$0.00	0.0%
High school/GED	\$11.07	\$3.03	37.7%
Some college	\$12.05	\$4.01	50.0%
Associate's degree	\$13.83	\$5.79	72.0%
Bachelor's degree	\$18.49	\$10.45	130.0%
Advanced degree	\$25.27	\$17.23	214.3%

Source: Colorado Literacy Research Initiative (based on Current Population Survey data and Economic Policy Institute projections and adjustments)



There is a very strong positive relationship between level of education and average hourly wages. (See Table 1.) The higher the level of education from high school on up, the more dramatic the average increase in hourly wages for those who did not complete high school. Individuals with high school or GED diplomas earn over one-third more than those without such diplomas, and individuals with advanced degrees earn over three times as much as those who did not complete high school.

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Consider what these differences might mean in terms of additional earnings—earnings above what one would average with less than a high school education—over time. (See Table 2.)

Table 2 ♦ Average Additional Income Earned by Level of Education, 1998 Dollars

Interval	High School/ GED	Some College	Associate's Degree	Bachelor's Degree	Advanced Degree
1 Year	\$6,296	\$8,351	\$12,045	\$21,729	\$35,829
5 Years	\$31,479	\$41,754	\$60,226	\$108,647	\$179,147
10 Years	\$62,958	\$83,507	\$120,452	\$217,294	\$358,294
25 Years	\$157,396	\$208,768	\$301,129	\$543,235	\$895,736
30 Years	\$188,875	\$250,522	\$361,355	\$651,882	\$1,074,883
45 Years	\$283,313	\$375,783	\$542,032	\$977,822	\$1,612,325

Source: Colorado Literacy Research Initiative (based on Current Population Survey data and Economic Policy Institute projections and adjustments)

While undergraduate and graduate degrees from colleges and universities yield tremendous financial payoffs over time, the income gains attributable to high school graduation alone are impressive:



- ♦ For \$283,313 (45 years), one could own a two-bedroom penthouse condo at the base of Copper Mountain;



Harvard University

- ♦ For \$188,875 (30 years), one could send a son or daughter to an Ivy League university (e.g., Harvard, Princeton);

- ♦ For \$157,396 (25 years), one could pay cash for a typical new home (i.e., an 1,800 square foot, three-bedroom, two-bath house) in a major metropolitan area;
- ♦ For \$62,958 (10 years), a family of four could spend a week at Disney World—including luxury lodging (the Grand Floridian Beach Resort) and tickets to all of the theme parks—every year from the time the kids are born until they leave for college;



- ♦ For \$31,479 (5 years), one could send a son or daughter to a four-year, public university (tuition and fees, books, room and board); and
- ♦ For \$6,296 (one year), one could buy a good used car (i.e., a low-mileage, 1990 Toyota Corolla).



Extravagant as these potential payoffs of having a high school diploma may be, they pale next to the possible returns on higher education. Over a lifetime, an associate's degree is worth over half a million dollars in extra income, a bachelor's degree another million dollars, and an advanced degree over \$1.6 million in increased earnings.

In the Office of Adult Education's 1996 study of recent GED graduates, three out of four identified personal enrichment as the primary motivation for returning to school. Admirable as that motive is, it is worth noting that investments in one's own education yield long-term economic benefits that can make a dramatic difference in a family's lifestyle as well as the financial status of future generations.

SOURCES

- ◆ Economic Policy Institute, epinet.org/datazone/datapages/wagesbycpsed.htm and [~/cpiux1.htm](http://epinet.org/datazone/datapages/~/cpiux1.htm)
- ◆ Copper Mountain Resort, www.ski-copper.com/Pages/SplashCvillageReal.htm
- ◆ College Board, www.collegeboard.org/index_this/press/arch9697/960925.html
- ◆ Disney World, www.ineedavacation.com/disneyworld/GrandFloridianMagicPlan.html
- ◆ Access Colorado Library & Information Network/Colorado Facts/Colorado Housing Costs, www.aclin.org/other/business/facts/text/housing2.htm

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