

Lit Scan

Facts & Figures from the Colorado Literacy Research Initiative

Volume 7 - Number 1

February 12, 2003

Who Wants To Be a Multi-Millionaire?: The Big Payoff of Educational Attainment in Lifetime Earnings

According to the 2000 Census, 363,039 Colorado residents age 25 and over have not graduated from high school or earned a GED diploma. Of that figure, 228,691 attended some high school (grades 9 to 12), but did not finish, while 134,348 never even reached high school (less than 9th grade).

How are the lifetime earnings of these Coloradans impacted by their lack of educational attainment? This question is answered by a 2002 U.S. Census Bureau report.

Educational attainment affects not only one's earnings, but also the likelihood that one will be employed on a full-time, year-round basis.

- Those who did not complete high school average annual earnings of only \$18,900. Part of the reason for such low earnings is that only 65.3 percent of this group works full-time and year-round.
- By contrast, high school graduates average \$25,900 a year, and 73.1 percent of them are employed full-time, year-round.
- Those with bachelor's degrees average \$45,400 a year, and 76.7 percent of them are employed full-time, year-round.

What is the impact of these discrepancies in average annual earnings on a person's total earnings throughout their working life?

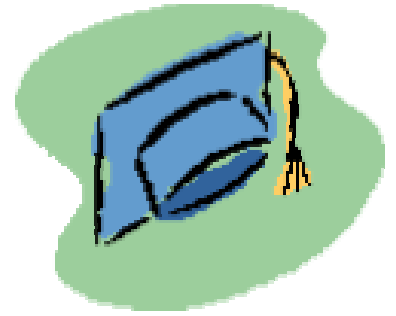
- Non-high school graduates earn an average of \$1 million.
- High school graduates average \$1.2 million.
- Those with bachelor's degrees average \$2.1 million; those with master's degrees, 2.5 million; and those with professional degrees (e.g., doctors, lawyers), \$4.4 million.



Who Wants To Be a Multi-Millionaire?:
The Big Payoff of Educational Attainment in Lifetime Earnings

Gender and race and ethnicity also impact lifetime earnings.

- Women who do not finish high school average lifetime earnings of \$0.7 million, compared with 1.1 million for their male counterparts.
- Blacks and Hispanics who drop out of high school and never return average lifetime earnings of \$0.8 million; while Asians/Pacific Islanders do only slightly better \$0.9 million. By contrast, non-Hispanic Whites who do not complete high school average \$1.1 million during the course of their working lives.



Clearly, the surest course to becoming a multi-millionaire is by completing high school and going on to earn a college degree, then an advanced degree.

SOURCE

Jennifer Cheeseman Day and Eric C. Newburger, *The Big Payoff: Educational Attainment and Synthetic Estimates of Work-Life Earnings*, **Current Population Reports**, U.S. Census Bureau, July 2002. Available at: <http://www.census.gov/prod/2002pubs/p23-210.pdf>.

CONTACT INFORMATION

For more information about this study or other projects of the Colorado Literacy Research Initiative, contact: Keith Curry Lance, Colorado Department of Education, 201 E. Colfax Ave., Suite 309, Denver, CO 80203-1799, (303) 866-6737, fax (303) 866-6940, e-mail lance_k@cde.state.co.us