

# Major Matters Most

The Economic Value of Bachelor's Degrees  
from The University of Texas System



THE UNIVERSITY of TEXAS SYSTEM  
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

GEORGETOWN UNIVERSITY



Center  
on Education  
and the Workforce

McCourt School of Public Policy



THE UNIVERSITY of TEXAS SYSTEM  
FOURTEEN INSTITUTIONS. UNLIMITED POSSIBILITIES.

[WWW.UTSYSTEM.EDU](http://WWW.UTSYSTEM.EDU)

# Presenters

- Stephanie Huie, Vice Chancellor, University of Texas System
- David Troutman, Associate Vice Chancellor, University of Texas System
- Jeff Strohl, Director of Research, Georgetown University Center on Education and the Workforce
- Megan Fasules, Assistant Research Professor and Research Economist, Georgetown University Center on Education and the Workforce



# University of Texas System

- Fourteen Academic and Health Institutions
- Enrollment: 235,780 students (Fall 2017)
- Unrepresented Minority Status: Ranging from 31% to 94%
- Student Pell Status: Ranging from 24% to 61%
- Degree Production: 58,555 (AY 2016-17)
  - 51% of undergraduate degrees—are awarded to minority students



# Economic Value of Bachelor's Degrees

- Benefits of Higher Education
  - College education as a gateway to economic opportunity
  - Intergenerational mobility
  - Positive lifelong economic benefits
- Costs of Higher Education
  - One trillion dollars in loan debt
  - Students concerns with financing an education



# National Perspective on Student Debt

- Graduating seniors – public colleges
  - Average debt \$25,500
  - Percent with student loan debt 66%
- Graduate and professional students (combined undergrad/grad debt)
  - Average debt \$57,600
  - Percent with student loan debt 17%
  - Of the more than \$1 trillion in outstanding student debt, 40% financed graduate/professional degrees

## Sources:

Delisle, Jason. "The Graduate Student Debt Review: The State of Graduate Borrowing." New America Education Policy Program, March 2014.  
The Institute for College Access and Success, 2014. "Quick Facts about Student Debt". <http://bit.ly/1lxjskr>.



# UT System Student Debt

- Graduating seniors
  - \$21,698 (ranging from \$14,444 to \$25,020)
  - 53% (ranging from 49% to 65%)
- Master's students
  - \$33,341 (ranging from \$16,830 to \$36,918)
  - 47% (ranging from 29% to 61%)
- Professional students
  - \$130,628 (ranging from \$43,910 to \$143,480)
  - 84% (ranging from 73% to 89%)



# University of Texas System Response

- UT System Student Debt Reduction Task Force (2012)
  - Help students make informed financial decisions
  - Matching financial investment to the financial returns
- Establishing Collaborations
  - Texas Workforce Commission (5-year MOU) (2013)
  - United States Census Bureau (10-year MOU) (2016)
  - Georgetown University’s Center on Education and the Workforce
- Access to Real Wage Data
  - Realistic picture of students’ wages after graduation
  - seekUT ([seekUT.utsystem.edu](http://seekUT.utsystem.edu))



# UT System and Georgetown Collaboration

- Deep Dive in the Economic Value of Bachelor's Degrees
  - Using multiple data sources to provide a complete picture of earnings (TWC and US Census Bureau's American Community Survey)
- Research Questions
  - What is the economic return after obtaining a Bachelor's degree?
  - What role does choice of major and institutional selectivity impact students' earnings?
  - What is the economic return after obtaining a Bachelor's degree for Pell Grant recipients?
  - What factors contribute to earnings disparities for students who are ethnic minorities and female?





# Data and Methodology

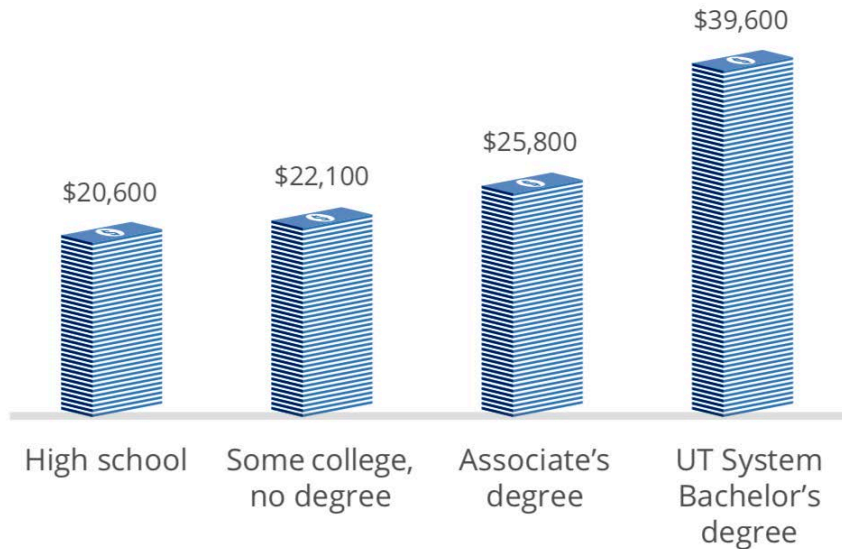
- UT System bachelor's degree recipients between 2008 and 2011
- UI wage records three years after graduation from 2011 to 2014
- American Community Survey (ACS) from 2012 to 2015



# Key Findings

# A UT System education is a worthwhile investment

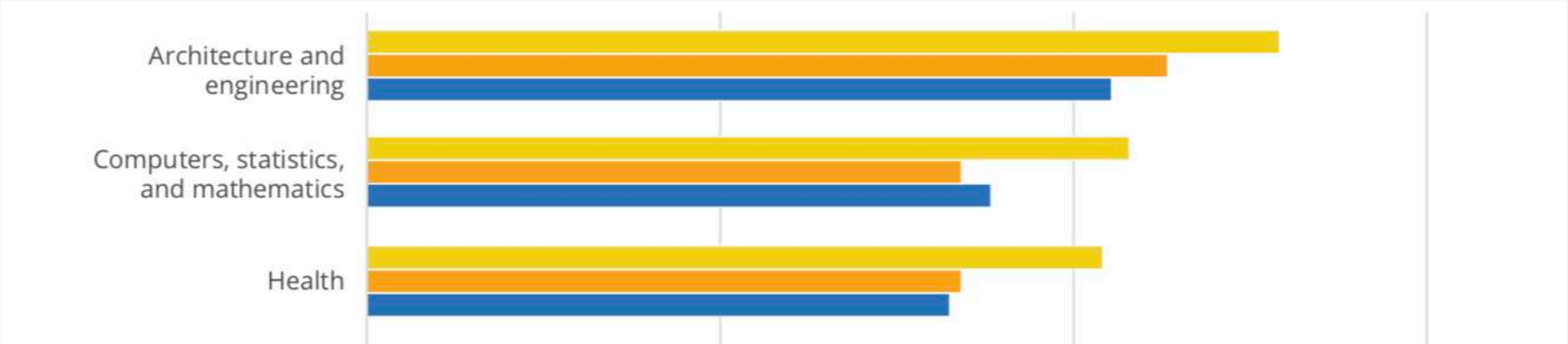
**FIGURE 1. UT System Bachelor's degree recipients, on average, have higher earnings than similarly aged workers in Texas with lower educational attainment.**



Median annual earnings three years after graduation for UT System Bachelor's degree recipients and similar age-year cohort of Texas workers by educational attainment.

# Major matters most in earnings

## Highest-earning majors



## Lowest-earning majors



# Choice of major outweighs institutional selectivity

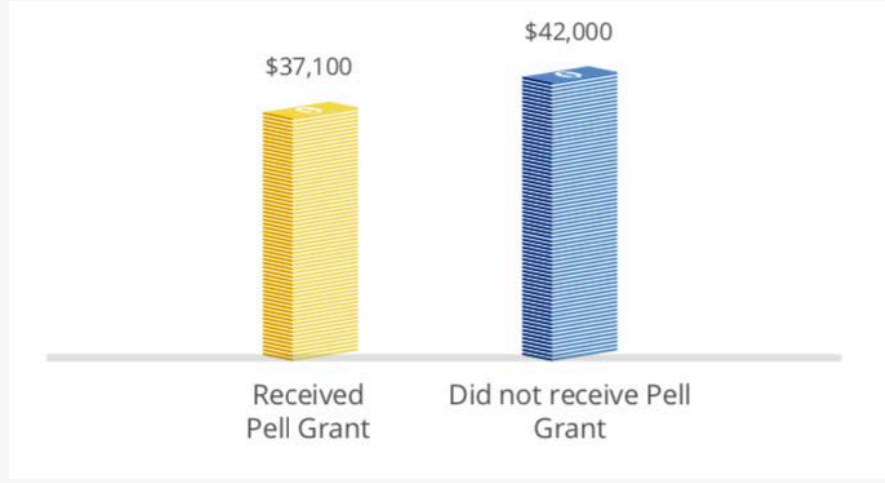
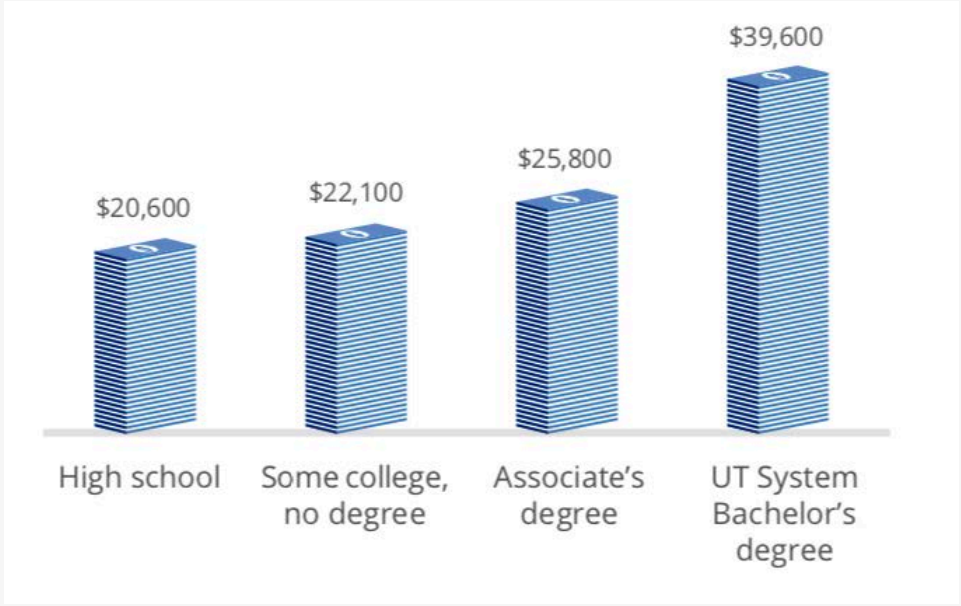
## Highest-earning majors



## Lowest-earning majors



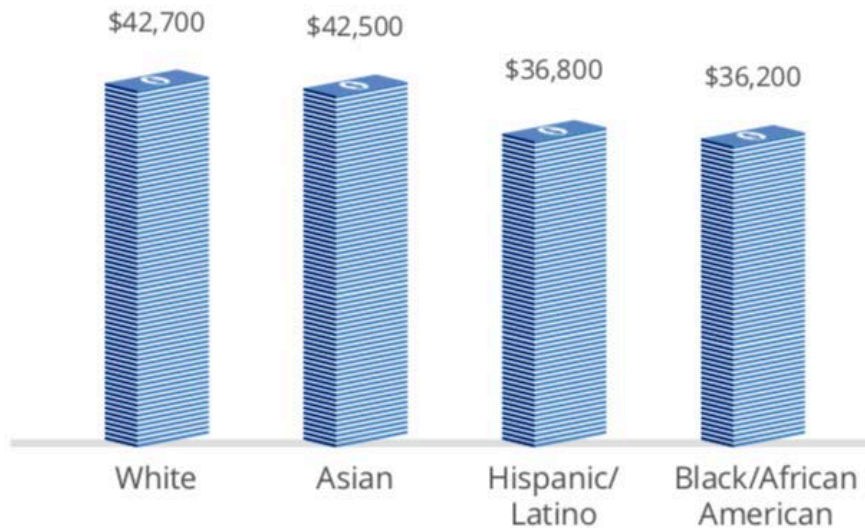
All UT System graduates earned a wage premium, including students who received Pell Grants





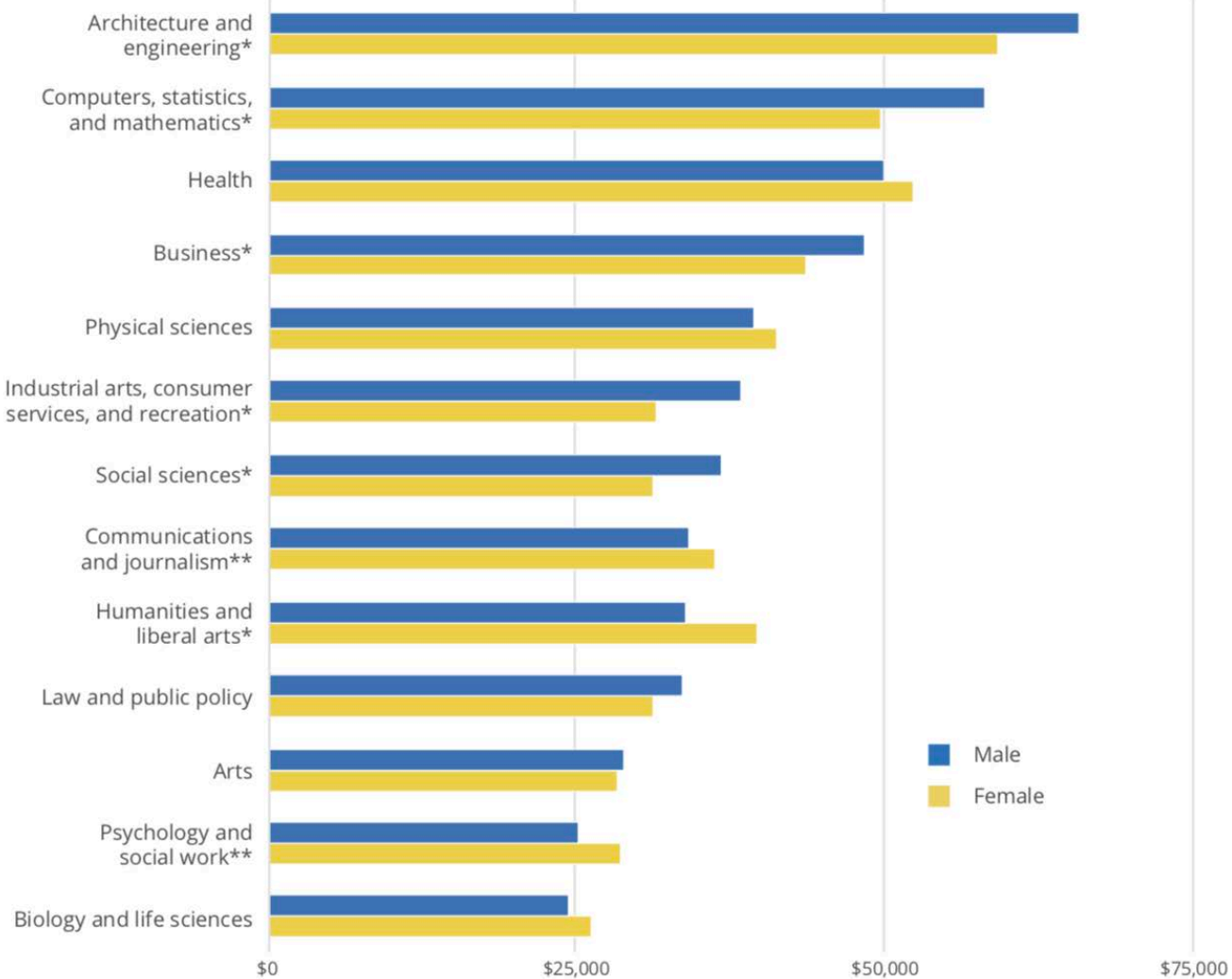
Access to particular occupations after college matters when examining earnings disparities by race and ethnicity

**FIGURE 8. The annual earnings gap between White and Asian graduates and Latino and Black graduates is around \$6,000.**



Median annual earning three years after graduation for UT System Bachelor's degree recipients by race and ethnicity.

Women initially outearn men in majors dominated by women, but fall behind men over time





# For more information:

See the full report at [cew.georgetown.edu/UTSystem](http://cew.georgetown.edu/UTSystem)



Email Us | [cewgeorgetown@georgetown.edu](mailto:cewgeorgetown@georgetown.edu)



Follow Us on Twitter | [@GeorgetownCEW](https://twitter.com/GeorgetownCEW)



Find us on Facebook | [Facebook.com/GeorgetownCEW](https://www.facebook.com/GeorgetownCEW)

# UT System Current and Future Efforts

- Disseminating Information to Stakeholders
  - seekUT Tool and Campus Visits
    - US Census Collaboration
    - Follow Your Passion
  - Earnings Outcome Almanac
  - Completion Matters
- Deeper Understanding of the Benefits of Higher Education
  - Liberal Arts Project
- Moving Beyond Earnings
  - Post Collegiate Outcomes (PCO) Framework



# Disseminating Information to Stakeholders

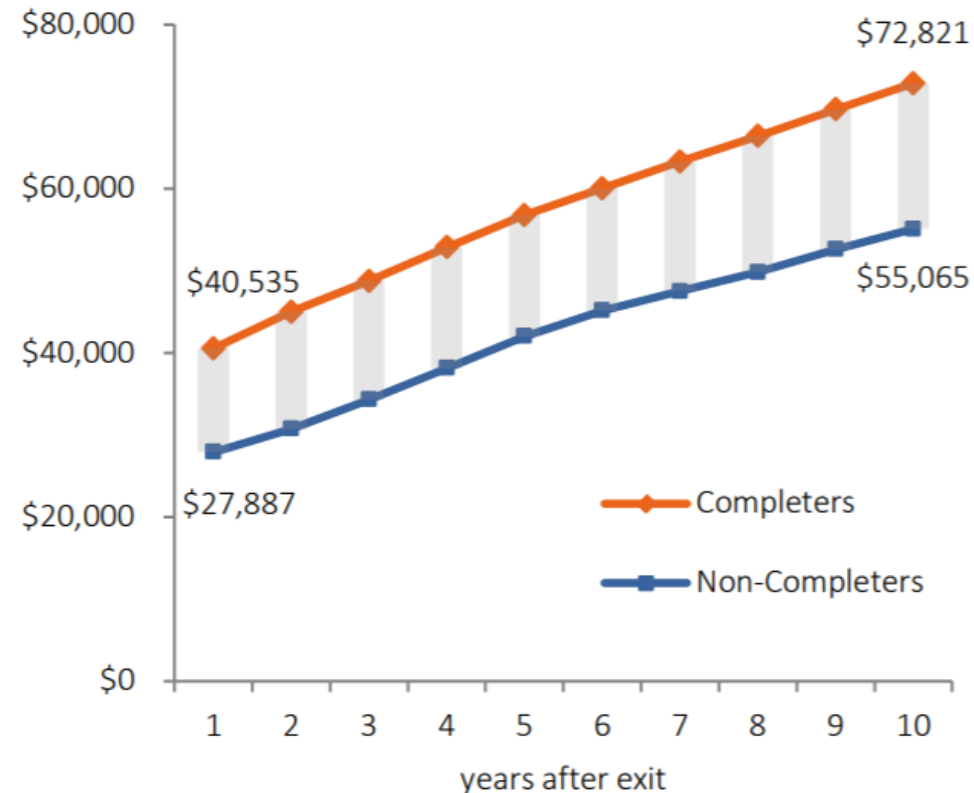
- seekUT <https://seekUT.utsystem.edu>
  - Tool for students on earnings and debt
  - National earnings data (March release)
  - Follow Your Passion
    - More than just earnings
- Spring Campus Visits
  - Meet with students, faculty, enrollment management, and career advisors
- [Earnings Outcomes Almanac](#)
  - By Institution, College, and Department



# Completion Matters

- Individuals who obtained a baccalaureate degree earned 45% more their first year than students who did not (\$40,535 vs. \$27,887)
- Difference in wages between completers and non-completers over the first ten years amounts to an average of \$147,910 in cumulative income

Average Wages  
by Baccalaureate Degree Status  
One through Ten Years after Exiting UT System  
Academic Institutions (in 2013 dollars)



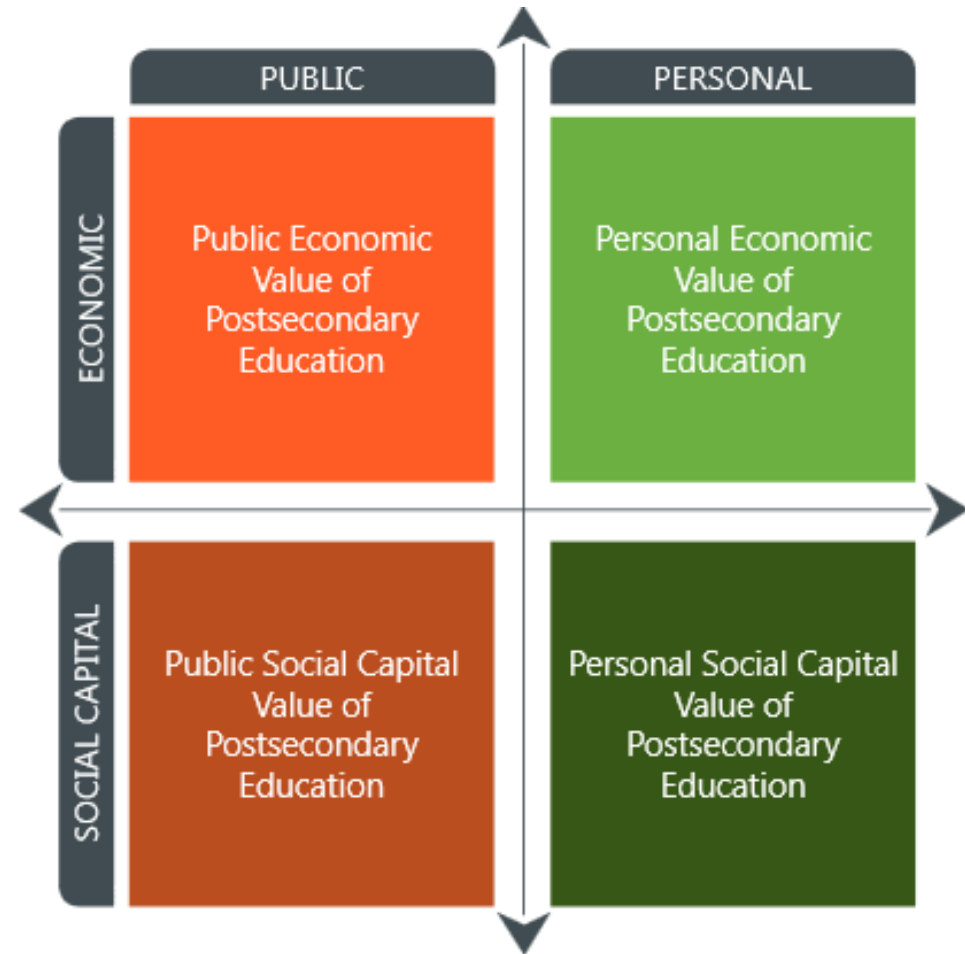
# Deeper Understanding of the Benefits of Higher Education

- Liberal Arts Project
  - Examine post collegiate outcomes and industry pathways
- Defining Liberal Arts
- Subsequent Degrees and Paths of Study
  - Industry Outcomes
  - Earnings Outcomes



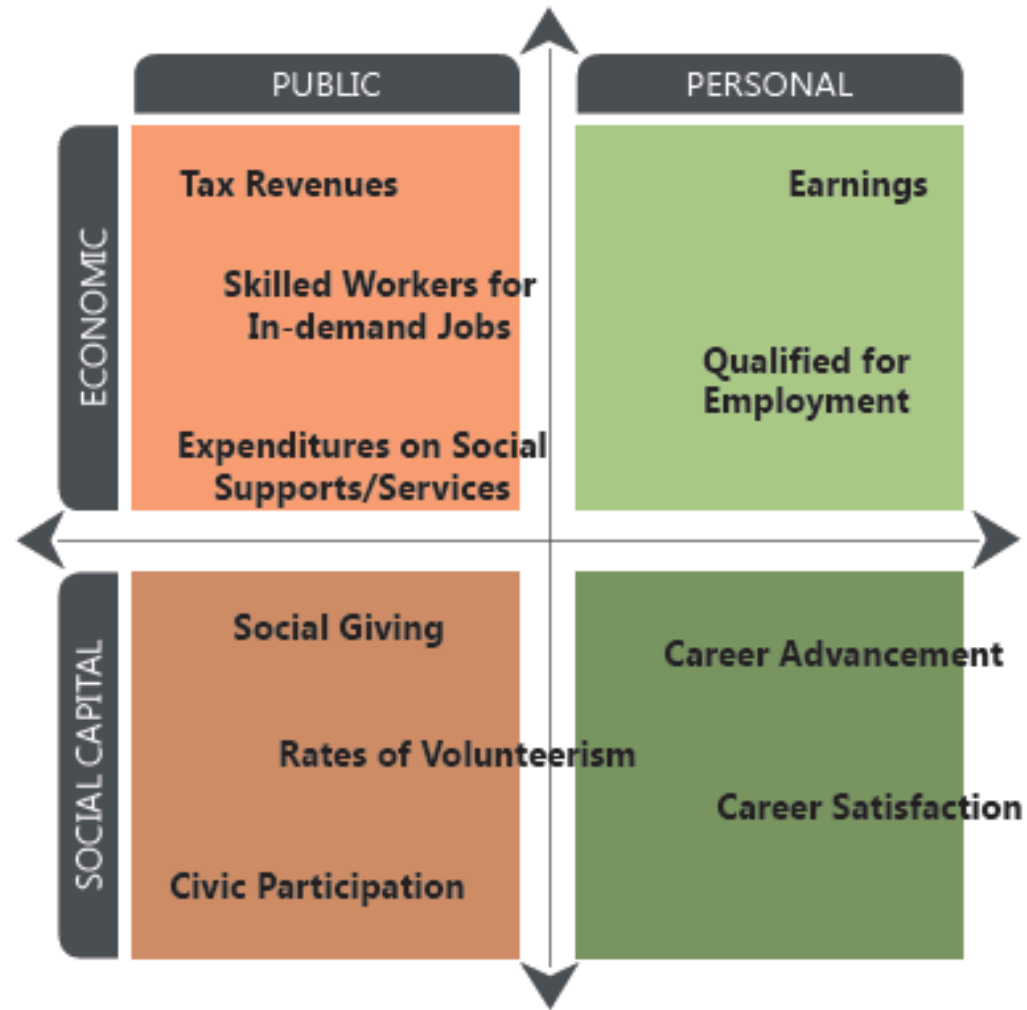
# Post Collegiate Outcomes (PCO) Framework

- AACC, AASCU, APLU
- Convened a group of advisors to create a framework used to discuss and report post-collegiate outcomes.



# PCO Framework

- Public/Economic
- Personal/Economic
- Public/Social Capital
- Personal/Social Capital





# National Perspective





# QUESTIONS