

Historically Large Earnings Premium for College Graduates Persists

Access Unevenly Distributed Across Racial and Ethnic Groups

College graduates have significantly higher earnings than high school graduates.

- In 2005, median earnings for bachelor's degree holders between the ages of 25 and 34 working full-time were \$13,900 higher than median earnings of high school graduates working full-time. For workers between the ages of 45 and 54, the median earnings gap was \$22,900.
- The earnings premium for college education has increased over time:
 - ▶ Among men, the earnings premium for a college degree increased from 19 percent in 1975, to 37 percent in 1985, 56 percent in 1995, and 63 percent in 2005.
 - ▶ The earnings premium for women is larger—70 percent in 2005. It was 47 percent in 1985, but has not increased since 1995.

The presence of college graduates also increases income for other workers in the area.

- Between 1980 and 1997, per capita income grew at an average rate of 1.8 percent per year in the metropolitan areas with the highest proportions of college graduates, compared to 0.8 percent per year in the metropolitan areas with the lowest proportions of college graduates.

Higher earnings are only part of the benefits college-educated parents pass on to their children.

- Among parents in the same income brackets, those with higher levels of education are more likely to be saving for college when their children are in high school.
- College graduates are also more likely to talk with their children about current events and to attend religious or cultural events with them.

The benefits of higher education are unevenly distributed across racial and ethnic groups.

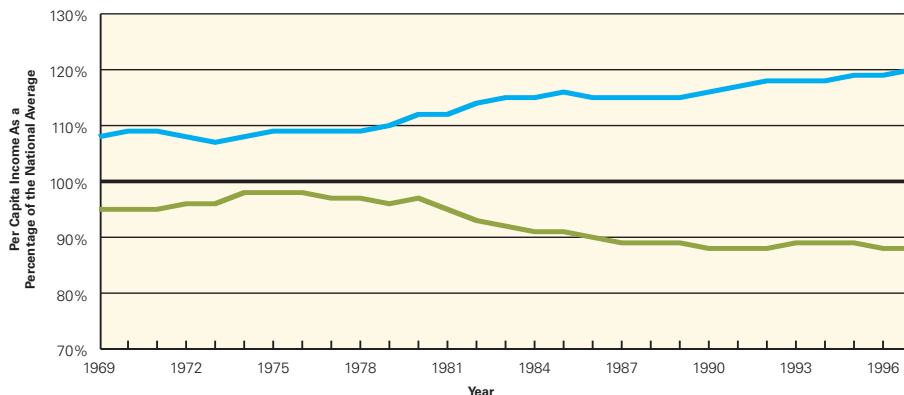
- Fifty percent of white females between the ages of 16 and 24 are enrolled in college, compared to 45 percent of black females and 40 percent of Hispanic females.
- Forty-four percent of white males between the ages of 16 and 24 are enrolled in college, compared to only 37 percent of black males and 36 percent of Hispanic males.

Per Capita Income As a Percentage of the National Average in Large Metropolitan Areas with High and Low Proportions of College Graduates, 1969–1997

Note: The 10 metropolitan areas with the highest share of college graduates in 1980 include: Albuquerque, NM; Austin, TX; Boston-Worcester-Lawrence-Lowell-Brockton, MA-NH; Denver-Boulder-Greeley, CO; Honolulu, HI; Minneapolis-St. Paul, MN-WI; Raleigh-Durham, NC; San Francisco-Oakland-San Jose, CA; Seattle-Tacoma-Bremerton, WA; Washington-Baltimore, DC-MD-VA-WV.

10 metropolitan areas with the lowest share of college graduates in 1980 include: Allentown-Bethlehem-Easton, PA; Bakersfield, CA; Jacksonville, FL; Las Vegas, NV-AZ; Little Rock-North Little Rock, AR; Mobile, AL; Stockton-Lodi, CA; Tampa-St. Petersburg-Clearwater, FL; Toledo, OH; Youngstown, OH.

Source: Gottlieb and Fogarty, 2003.



■ 10 METROPOLITAN AREAS WITH HIGHEST PROPORTION OF COLLEGE GRADUATES IN 1980: 34.8 PERCENT ON AVERAGE HAD A BACHELOR'S DEGREE OR HIGHER

■ 10 METROPOLITAN AREAS WITH LOWEST PROPORTION OF COLLEGE GRADUATES IN 1980: 17.4 PERCENT ON AVERAGE HAD A BACHELOR'S DEGREE OR HIGHER