

THE CHRONICLE OF HIGHER EDUCATION

A New Study Calculates Return on Investment — 40 Years After Enrollment. Here's What We Learned.

By Audrey Williams June NOVEMBER 14, 2019

College is expensive, and prospective students, their parents, and policy makers want to know: What kind of return can I expect on my investment?

Until now, those seeking answers have been able to evaluate the payoff of a degree as measured by official data on earnings, either [one](#) year after graduating or a [decade](#) after enrolling. A [new report](#) from the Georgetown University Center on Education and the Workforce provides an answer on an even longer scale: 40 years.

“A First Try at ROI,” ranks 4,500 two- and four-year colleges that primarily offer bachelor’s or associate degrees or certificates by their return on investment 10 and 40 years after enrollment. To measure ROI, the study uses net present value, which estimates how future earnings are valued in the present. The measure, calculated using data from the [College Scorecard](#), essentially weighs the cost of paying for college against what students could potentially earn down the line.

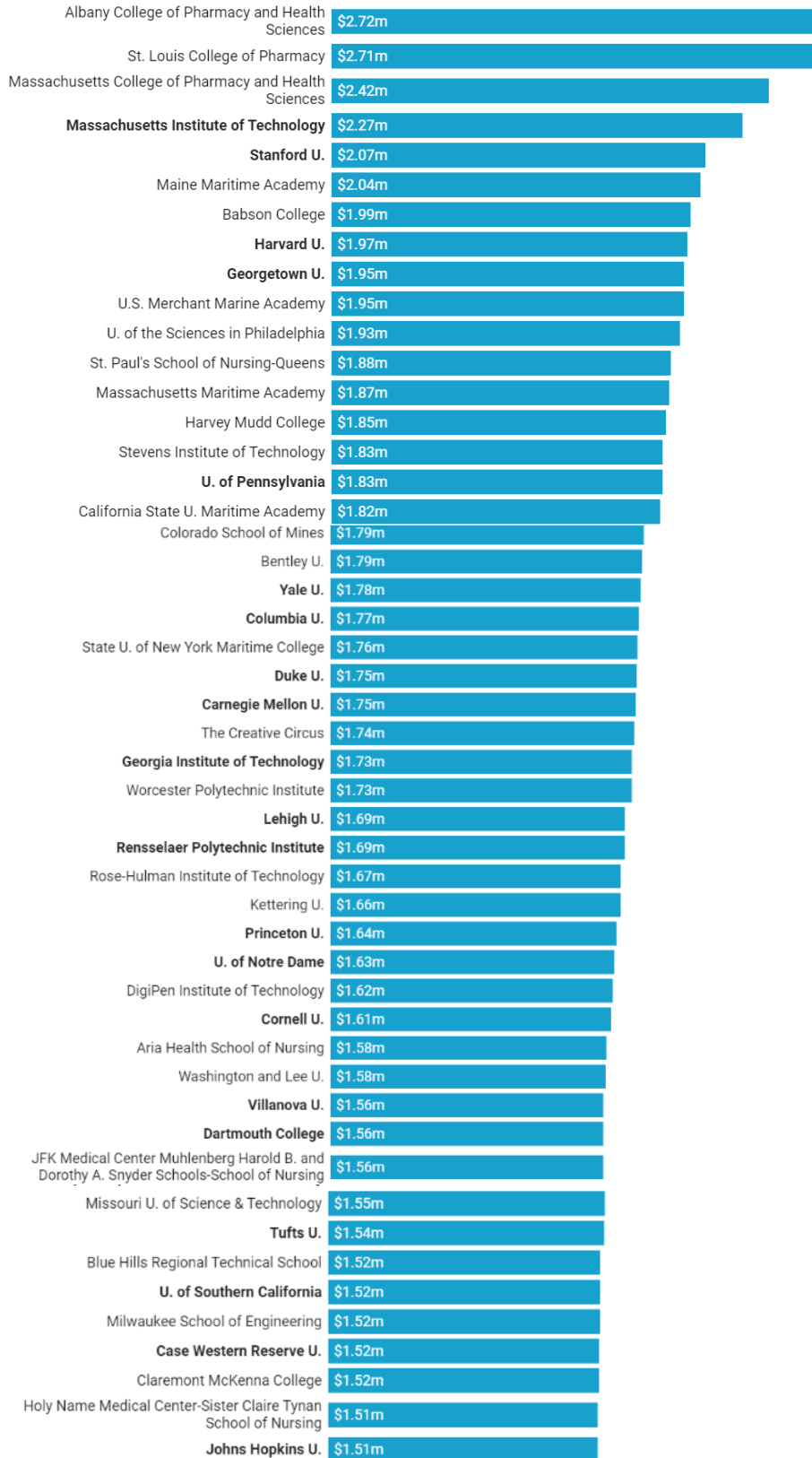
What do the data reveal?

Some insights are already well known as general rules of thumb, but the report offers detailed data about specific institutions: Colleges that mainly award bachelor’s degrees pay off over the long term, even though students typically take on more debt to attend four-year institutions than do those who go to two-year ones. And a credential from a two-year college or a certificate program has some of the highest return on investment in the short term, or a decade after enrollment.

What can be learned from this data by looking at the top 50 colleges on Georgetown’s list?

A National Reputation Doesn't Always Equal Top Long-Term ROI

Specialized institutions — and not necessarily those that get the most attention — lead the list of colleges that have the highest economic value at the 40-year mark. The institutions in bold are ranked in the Top 50 by *U.S. News & World Report*.



Long-Term ROI of High-Profile Institutions Can Vary Widely

Well-known colleges, like the top 50 institutions according to *US News & World Report*, have a 40-year return on investment that starts at the \$1-million mark.

