

STUDENTS

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

By Audrey Williams June | NOVEMBER 14, 2019

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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*.

Albany College of Pharmacy and Health Sciences	\$2.72m
St. Louis College of Pharmacy	\$2.71m
Massachusetts College of Pharmacy and Health Sciences	\$2.42m
Massachusetts Institute of Technology	\$2.27m
Stanford U.	\$2.07m
Maine Maritime Academy	\$2.04m
Babson College	\$1.99m
Harvard U.	\$1.97m
Georgetown U.	\$1.95m
U.S. Merchant Marine Academy	\$1.95m
U. of the Sciences in Philadelphia	\$1.93m
St. Paul's School of Nursing-Queens	\$1.88m
Massachusetts Maritime Academy	\$1.87m
Harvey Mudd College	\$1.85m
Stevens Institute of Technology	\$1.83m
U. of Pennsylvania	\$1.83m
California State U. Maritime Academy	\$1.82m
California Institute of Technology	\$1.81m
Colorado School of Mines	\$1.79m
Bentley U.	\$1.79m
Yale U.	\$1.78m
Columbia U.	\$1.77m
State U. of New York Maritime College	\$1.76m
Duke U.	\$1.75m
Carnegie Mellon U.	\$1.75m
The Creative Circus	\$1.74m
Georgia Institute of Technology	\$1.73m
Worcester Polytechnic Institute	\$1.73m
Lehigh U.	\$1.69m
Rensselaer Polytechnic Institute	\$1.69m
Rose-Hulman Institute of Technology	\$1.67m
Kettering U.	\$1.66m
Princeton U.	\$1.64m
U. of Notre Dame	\$1.63m

DigiPen Institute of Technology	\$1.62m
Cornell U.	\$1.61m
Aria Health School of Nursing	\$1.58m
Washington and Lee U.	\$1.58m
Villanova U.	\$1.56m
Dartmouth College	\$1.56m
JFK Medical Center Muhlenberg Harold B. and Dorothy A. Snyder Schools-School of Nursing	\$1.56m
Missouri U. of Science & Technology	\$1.55m
Tufts U.	\$1.54m
Blue Hills Regional Technical School	\$1.52m
U. of Southern California	\$1.52m
Milwaukee School of Engineering	\$1.52m
Case Western Reserve U.	\$1.52m
Claremont McKenna College	\$1.52m
Holy Name Medical Center-Sister Claire Tynan School of Nursing	\$1.51m
Johns Hopkins U.	\$1.51m

[Get the data](#) • [Created with Datawrapper](#)

Top Colleges With the Highest ROI Fall Into 3 Categories

Most of the 50 institutions with the highest long-term ROI are private:	Number
Private nonprofit	38
Public	9
Private for-profit	3
Most of them are four-year colleges:	
4-year	44
2-year	5
Less than 2-year	1
And more than half are located in these four states:	
Massachusetts	9
New York	7
California	6
Pennsylvania	6

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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.





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