



Published on *Business, Political, and Cultural News in Fort Smith and Northwest Arkansas* (<http://www.thecitywire.com>)

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Experts scrutinize the value of college degrees

Submitted by The City Wire Staff on Tue, 06/11/2013 - 4:40pm

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The cost of a college degree has never been higher in times of near-flat inflation like those seen in the past few years. Conversely, incomes have also been stagnant and jobs harder to come by as companies large and small have kept a damper on payrolls since the Great Recession of 2008.

The results have created a gap, trapping some college graduates into years of repayment plans for a growing number of careers such as teaching, sociology and journalism.

[Bankrate.com](#) ^[2] released a study this week that examined a wide range of college degrees and ranked them in terms of value or return on investment. The study also found that a graduate degree doesn't necessarily lead to a lucrative career.

The study suggests that careers in marketing/promotion carry a median salary of \$100,000 and do not usually require a graduate degree. With this high salary range and lower schooling cost, Bankrate.com analysts expects student loan debt could be comfortably retired in less than six years.

Conversely, teachers with a bachelor's degree earn on average \$43,000 per year with an education cost in excess of \$52,000. This career likely requires more than a 20-year repayment plan and offers one of the lowest returns on investment in the study.

Wage growth has been held back for a number of reasons including a move away from organized labor over the years, said economist Jeff Collins.

"That, as well as employers' ability to tap global markets for lower labor costs and of course higher levels of unemployment since 2008 have keep wages from growing," he explained.

He doesn't see any real opportunity for wages to grow in the near term given unemployment rates remain elevated.

Kathy Deck, director for the Center for Business and Economic Research at the University of Arkansas, agreed that there is no catalyst to push wage grow based on the current labor market

dynamics. She said inflation is below 2%, virtually non-existent, and the median wages today have the same purchasing power as they did the mid-1970s. But the cost of higher education has risen significantly in that time frame.

Interestingly, economists fared well in the Bankrate study with a return on investment of about 7 years. Bankrate estimates economists earn in excess of \$90,000 annually, with an education cost of \$53,000 over four years.

Deck and Collins agreed not all college degrees are created equal when it comes earnings potential. Both said degrees that involve math and sciences generally provide a wide range of career opportunities.

One of those career paths is engineering. Bankrate found civil engineers earn just under \$80,000 to start and can generally repay their education cost of roughly \$53,000 over an 8-year period. Engineering is one of the most more versatile degrees that will transfer into the business world and into management roles for a number of industries like retail.

Gisel Ruiz, chief operating officer for Walmart U.S., said she has 600 engineers working in her division helping to dissect operations and looking for ways to improve the company's efficiency.

Michael Stewart, chief operating officer for Northwest Health System in Springdale, earned an engineering degree and said running the day-to-day business at a hospital is a great fit because its organizational structure.

Bankrate said while doctors earn a comfortable \$172,000 annually, it still takes them more than a decade to retire their student debt which averages \$135,000 over at a minimum of 8 years. Lawyers face an even steeper climb. Bankrate.com estimates that the typical lawyer will battle his/her student loans for over 13 years.

Journalists and family counselors were deemed to have the lowest return on investment with starting incomes of \$37,000 and \$43,000, respectively.

The study found it would take journalists an average of nearly 32 years to pay back student loans of \$53,000 for the bachelor's degree required for most traditional beginning media jobs.

Family counselors typically require a master's degree and had the lowest value in the survey with an estimated 34 years to repay the \$68,000 cost of the degree.

Financial experts said a college degree does not come with a guarantee of prosperity and students today need to be aware of the earning potential and job opportunities for specific careers long before they take out any loans.

Eric Vest, director of academic advisors at NorthWest Arkansas Community College, said students can shave some of the college costs by attending a community college either for two years ahead of transferring for a four-year university, or perhaps choosing a two-year degree that will get them into the workforce sooner.

"We offer a number of programs in the health professions area that are two-year degrees. These can be used as stepping stones to future degrees but they also allow the student to start their careers and two years sooner in some cases," Vest said.

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Julie Simmons Cox knows too well the value of a two-year nursing degree. She earned a bachelor's degree in kinesiology in 2005 with plans to become a physical therapist. The bachelor's degree took four years and cost more than twice as much as the two-year nursing degree she picked up a local community college in Texas a couple of years later. Cox now works as a cardiac intensive care nurse at St. Paul Hospital in Dallas and said the two-year nursing degree is five times more valuable than her bachelor's degree.

Deck said health professions are in demand partly because so few are being added each year because of limited educational capacity which has kept that labor market tight.

Vest said the recently expanded health sciences center at NWACC offers five different health professions including a new health information management degree. This larger facility allowed the college to increase enrollment by nearly 400 students in those health fields from the 1,350 cap which was previously imposed because of the smaller teaching site.

He said the health professions are two-year degrees and entry into the programs are quite competitive, for instance typical applications to the nursing program number about 300 per semester, for roughly 75 spots.

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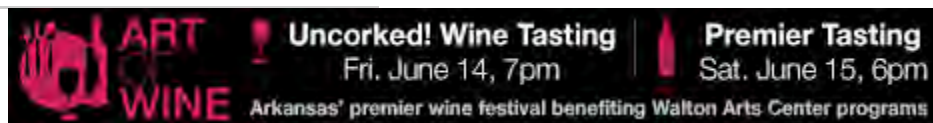
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