



The Financial Value of a degree

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A high school diploma is still the best investment any student can make.

Even truer today than last year, if you didn't grab that diploma on schedule it's wise to complete it now, either by re-enrolling or by passing the GED. These projections are based on the standard 40-year work life and the difference between the cost of obtaining education and the probable income gain. This 'net present value' of varying types of degrees are presented below in today's dollars.

Return on Educational Investment¹

High School Diploma vs. No Diploma

Net Present Value	\$156,600
Future Value ²	\$1,102,700

Getting a [high school diploma](#) is an easy way to make over a **million dollars**.

The figures for a GED are similar, though slightly higher. The earned value of a GED is slightly (negligibly) higher than a high-school diploma owing to the initial (slight) surge of earnings resulting from the standardized level of education a student must exhibit.³ Disparities between falling actual skills among high school graduates has driven the value of the GED up over the past decade.

Return on Educational Investment

GED vs. No Diploma

Net Present Value	\$125,100
Future Value	\$1,187,500

¹ The **Net Present Value** (NPV) of a degree indicates the total value today of the projected income gains after the cost of getting the degree is deducted. The greater the NPV, the better the educational investment. Any NPV greater than zero means that the educational investment pays for itself.

² The **Future Value** (FV) measures the degree's total net payoff 40 years down the road, assuming a 40-year career span

³ Nat Center for Adult Educational Literacy - <http://www.ncsall.net/?id=409>

Going on after High School graduation?

Does earning a 2 or 4-year college degree make a difference to your future? Absolutely. The facts are striking. On average, those who have a college degree earn almost twice as much as those who do not. [According to the U.S. Census Bureau:](#)

A high school graduate gets a nice payoff – **over \$400,000** -- by staying in school through the 2-year degree.

Return on Educational Investment

Associate's Degree vs. High School Diploma

Net Present Value	\$111,600
Future Value	\$1,503,600

Want a bigger payoff? A high school graduate who stays in school through a 4-year degree makes – **over \$2 million!**

Return on Educational Investment

Bachelor's Degree vs. High School Diploma

Net Present Value	\$346,900
Future Value	\$2,441,800

The **main determinant** of the **value** of the bachelor's degree is the undergraduate major subject. Students looking for highest salaries should focus on degrees in [engineering or computers](#), and business. Sadly, the lowest payoffs are in [education](#).

Fact: 4-year degree holders earned 62% more than workers with only a high school diploma⁴.

How about Certification Programs?

Depending on the field, a Certification program can have real impact on your salary. That being said, many Certification programs do **not** result in higher salaries. In fact, **without** a 2 or 4-year college degree, it can be argued that most Certification programs do **not** result in significant salary differentials nor make it easier to find work.

Certifications achieved **after** a 2 or 4-year degree do have varying **positive** effects on earnings in various professions. Let's take the example of someone working as a 4-year degreed computer tech where a Certification can be worth **8x more than an MBA⁵**.

⁴ Pew Research Study "The Rising Cost of NOT Going to College" 11 Feb 2014.

⁵ Prorated against cost and resulting salary increase per the US IT Survey, 2013.