

## "Education Can Pay Off"

Introduction: The Patriot News offered figures on various educational achievements to average income. With some help from our career counselor, Mr. Harrison, we have been able to add a rapidly growing category for your consideration - Associate Technical Degree. Generally, Associate Technical degrees are two years. However, many trades require an apprentice period prior to earning full wages.

**C4** THE PATRIOT-NEWS THURSDAY, OCTOBER 26, 2006

# Education can pay off

The Associated Press

How much is a bachelor's degree worth? About \$23,000 a year, the government said in a report yesterday.

That is the average gap in earnings between adults with bachelor's degrees and those with high school diplomas, according to data from the Census Bureau.

College graduates earned an average of \$51,554 in 2004, the most recent figures available, compared with \$28,645 for adults with a high school diploma.

High school dropouts earned an average of \$19,169, and those with advanced col-

lege degrees made an average of \$78,093.

The income gap narrowed slightly from five years earlier, when college graduates made nearly twice as much as high school graduates. But the differences remained significant for men and women of every racial and ethnic group.

Eighty-five percent of people 25 and older had at least a high school diploma or the equivalent in 2005, according to the Census Bureau's 2005 Current Population Survey.

In 2000, 80 percent had a high school diploma or the equivalent, and a little more than half did in 1970.

For comparison sake, we will assume all workers retire at age 62

- Our worker drops out at age 16
- HS workers graduate at age 18
- Associate degree takes 2 years beginning work at age 20
- Bachelor's degree is typically 4 years - work begins at 22 years of age
- Advanced College Degree begins work at age 25.

Also, we will ignore cost of living increases which undoubtedly raise the average income over one's working career. Given these assumptions, use information from the Patriot News article entitled "Education Can Pay Off" to complete the following table. Based on data provided by Mr. Harrison, the average annual earnings of 14 Associate Technical programs is \$40,400.

	High School Dropout	High School Graduate	Associate/ Technical	Bachelor Degree	Advanced College Degree
Average Annual Income					
Working years till retirement @ age 62					
Total Lifetime Earnings					

### Comparison ...

1. Based on the data, what is the difference in life earnings between a High School Graduate and a High School Dropout?
2. As a result of earning an Associate/Technical degree, what change in earning potential results in comparison to a High School graduate?
3. From the table, how large is the gap in lifetime earning potential between a two year technical degree and a four year collegiate degree?
4. Repeat this comparison between the Advanced Degree verses the Bachelor Degree groups.

## Comparison ...

We will now construct three separate Bar graphs using our data. First, total earnings of a worker verses educational level achieved; second, additional lifetime earning potential verses a high school dropout; and the final graph is to show additional annual earning potential verses a high school dropout. Be sure each graph has a title as well as appropriate labels. Include with your bars the actual dollar amounts.

**Lifetime Earning Potential vs. Educational Level**

**Additional Lifetime Earning Potential vs. High School Dropout**

## Additional Annual Earning Potential vs. High School Dropout

Which of these graphical comparisons makes the most impact on your personal outlook toward the value an education plays in terms of earning potential? How has this project changed your outlook on the value of maximizing your educational abilities? Explain using complete sentences.