



Do People with College Degree Make More Money than those without Degree

Nitisha Sorte^{*1}, *Paridha Bhatkulkar*^{*2}, *Prof. Vishranti Raut*^{*3}

*¹ Student, Final Year BBA, Dr. Ambedkar Institute of Management Studies and Research, Nagpur, Maharashtra, India

*² Student, Final Year BBA, Dr. Ambedkar Institute of Management Studies and Research, Nagpur, Maharashtra, India

*³ Guide, Professor, Dr. Ambedkar Institute of Management Studies and Research, Nagpur, Maharashtra, India

ABSTRACT:

Today, not only does the number of degrees count, but so does the type of education or graduation. In this study, we will look at the graduate's educational backgrounds as well as their wages or financial situations after obtaining their corresponding degrees in any of the disciplines. There is no doubt that education, qualification, or graduation are beneficial, as they aid in the development of one's intellect, critical thinking abilities, communication skills, and interpersonal skills, as well as the balance and maintenance of one's financial standing. It was formerly believed that someone with little or no education might also make more money than they should, but circumstances have changed significantly since then. This research gives significant insight about the perceived link between college degree and income based on the responses collected using Google Forms and personal interviews, bringing light on the intricacy of this relationship as well as the bigger factors affecting individuals' financial success. The findings provide useful insights into the complicated dynamics of education and income, shedding light on the elements that contribute to financial success beyond educational qualifications.

Keywords: Qualification background, mindset, factors affecting finance, benefits of graduation, acquired skills, perspective about majors.

INTRODUCTION:

Money? College education has traditionally been thought to boost one's chances of earning higher pay. It is often assumed that a college degree leads to better career possibilities and higher pay. However, the relationship between a college education and greater pay is more complicated than it appears on the surface.

The discussion over whether college graduates make more money has received a lot of attention as people discuss the challenging landscape of educational and professional options. This research paper dives into this intriguing question, with the goal of uncovering the complexities of this relationship and providing a clearer knowledge of how educational attainment affects earning potential.

The expense of colleges and universities has risen in recent years, prompting many to question the value of having a college degree. As disputes about student debt, tuition prices, and the value of a college education heat up, it is critical to examine if the conventional belief that a college degree leads to better income is still valid.

To address these issues, we created a structured questionnaire that examines this essential problem from various perspectives. The questionnaire collects demographic information to ensure a representative sample, educational information to categorize participants into separate groups, employment status and income levels to quantify financial outcomes, reasons, and factors of unemployment, and finally, beliefs and individual experiences to uncover every aspect of the relationship. The research study aims to find if educational qualifications alone are a reliable predictor of greater income or whether other factors, such as work experience and location, also have a major impact on earnings.

OBJECTIVE OF THE STUDY

- To determine the extent to which earning potential is increased by a college education.
- To determine whether fields or majors offer a more notable financial benefit in the job market.
- To study the relationship between graduation and income.

HYPOTHESIS

HO: There is no statistically significant difference in average salary between college graduates and non-college graduates.

HI: On average, college graduates earn more money compared to individuals without a college degree.

LITERATURE REVIEW

Paul Taylor, Executive Vice President of the Pew Research Center, highlights that rather than college graduates exceeding previous generations, the increasing wage gap is more about high school graduates facing less economic prospects. Even though college graduates encounter more obstacles, people without a college degree struggle more. It's said that skipping college will negatively affect one's lifetime income and make finding a job more difficult. The argument refutes popular wisdom that suggests avoiding college, citing exceptions such as Richard Branson but maintaining that, for most people, a degree is necessary for long-term success.

The Bureau of Labor Statistics' study reveals a positive relationship between the education levels and incomes of American workers aged 25 and above. The lowest average weekly pay (\$520) and highest unemployment rate (6.5%) are found among those without a high school degree. On the other hand, people with higher education levels earn more money and have lower unemployment rates.

The relationship between education and earnings has long been a subject of scholarly inquiry, with the prevailing belief that higher levels of education lead to increased economic prospects. The information comes from the report "College Degree Carries a Big Earnings Premium, But Other Factors Matter Too" by the Georgetown University Center on Education and the Workforce. The study, which investigates the complex relationship between schooling and lifetime incomes, spans from 2009 to 2019. According to the report, people with a bachelor's degree make \$2.8 million on average over their lifetime earnings, which is \$1.2 million more than those with a high school diploma. Beyond education, several factors affect earnings, such as age, occupation, gender, color, ethnicity, and place of residence. Architecture and engineering majors tend to make much more money than other majors. Education level, gender, and geographic location all affect earnings disparities; workers who identify as white or Asian make more money than those who identify as black or Latino. The study shows the relationship between income and education, showing the role of multiple factors and the major impact that educational decisions have on the economy.

Extensive research demonstrates the clear economic advantages conferred by attaining a college degree. Bachelor's degree holders are approximately half as likely to experience unemployment compared to those with only a high school diploma (Abel & Deitz, 2019; Timiraos & Zumbrun, 2016). College graduates make substantially higher earnings over their lifetimes - an average of \$1.2 million more than their peers whose highest education is a high school diploma (Abel & Deitz, 2019; Timiraos & Zumbrun, 2016).

The earnings premium for college graduates has continued to grow over time. Bachelor's degree holders currently earn median annual incomes 84% higher (\$36,000 more) than those with a high school diploma as their highest degree (U.S. Bureau of Labor Statistics, 2022 data cited in original article).

College graduates have also proven more resilient to economic downturns. They weathered the Great Recession far better than those with only a high school education (as referenced in original article). A college education's value is expected to keep rising, with essentially all net job growth over the past decade going to workers with bachelor's or graduate degrees (U.S. Bureau of Labor Statistics, Current Population Survey data cited in original).

Beyond employment and income, a college education provides other tangible benefits. Poverty rates among bachelor's degree holders are substantially lower - 3.5 times less compared to high school graduates (Trostel, 2015 as cited).

The research makes clear that earning a bachelor's degree results in markedly improved economic and employment outcomes versus having only a high school diploma. The literature highlights the growing importance and significant advantages of attaining higher education.

DATA ANALYSIS AND INTERPRETATION

- **Quantitative Insight**

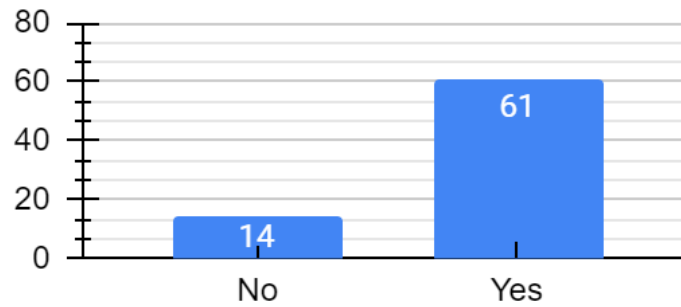
For analyzing the relationship between graduation and income potential a broad analysis of the collected data through the questionnaire survey is shown below:

1. Did you attend college or university?

Total Responses	
Yes	61
No	14

Analysis of College or University Atten...

Total responses: 75



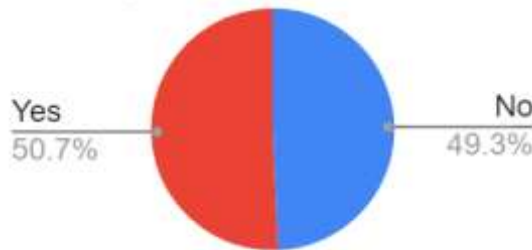
Interpretation: Most respondents, 81.3 percent (61 respondents). of the sample, have attended college or university, according to their answers to the question. However, 18.7 percent of the sample, or a lesser part, stated that they did not attend college or university (14 respondents).

2. Did you complete your degree?

Total Responses	
Yes	38
No	37

Degree Completion Status

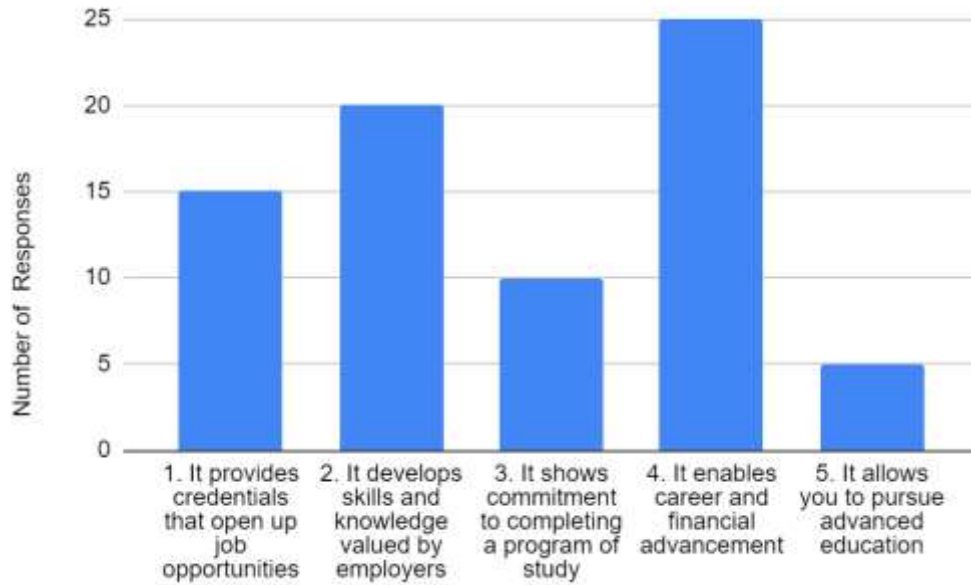
Total responses: 75



Interpretation: In the respondents' answers to the question, it is found that the respondents' distribution of degree completion seems to be almost equal. 49.3% of the 75 respondents said that they had not completed their degree, while 50.7 percent of the respondents (38 respondents) said that they had.

3. Why is graduation necessary?

Response Option	Number of Responses
1. It provides credentials that open up job opportunities	15
2. It develops skills and knowledge valued by employers	20
3. It shows commitment to completing a program of study	10
4. It enables career and financial advancement	25
5. It allows you to pursue advanced education	5
Total Responses	75

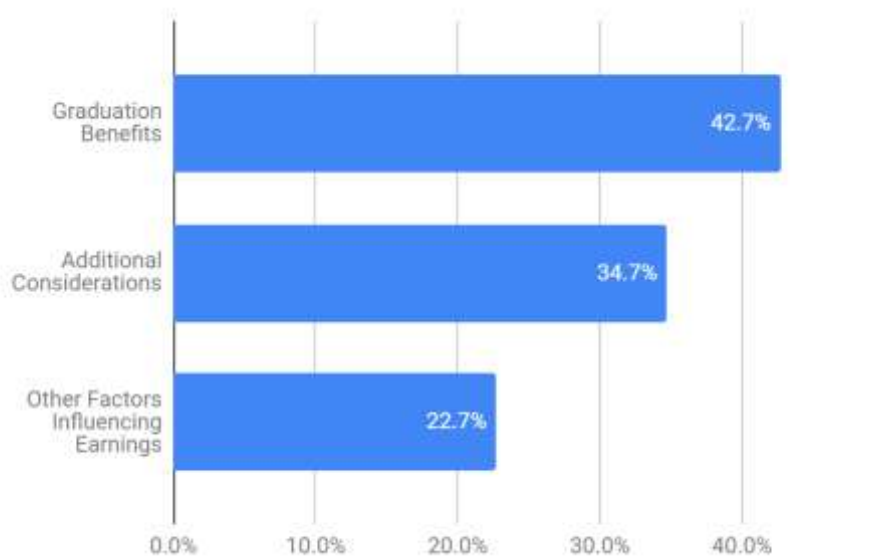


Interpretation: The responses highlight varied reasons for the importance of graduation. For 20, it's about practical skills for employment; 25 see it as a gateway to career and financial success. Another 15 stress credentials' role in job opportunities, while 10 emphasize graduation as a commitment. A few, 5, see it as a platform for advanced education.

4. Graduation helps an individual to what extent? Give your view.

Here are some common keywords extracted from the 75 responses:

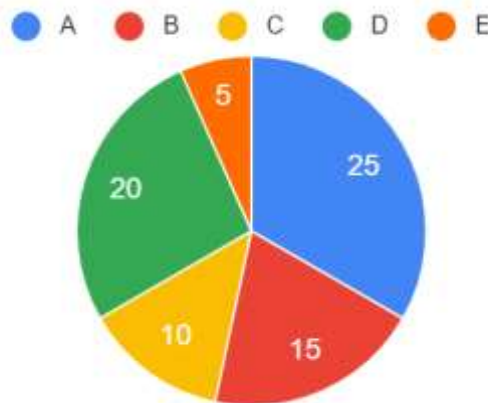
Responses	Number of Responses
Graduation Benefits (Higher pay chances, Valuable future earnings investment, Education: Career advancement base, Improved skills, market value, Competitive job market edge)	32
Additional Considerations (Practical skills and experience, Career choices and industry dynamics, Relevant work experience and expertise, Adaptation to evolving industries and global market trends.)	26
Other Factors Influencing Earnings (Networking and personal branding, soft skills development, Continuous professional development and upskilling, Strategic career planning and negotiation skills, Passion, dedication, and innovation.)	17
Total Responses	75



Interpretation: The chart outlines viewpoints on the benefits of graduating for an individual. It divides the opinions into three categories. The advantages of graduation factors to consider and other influential aspects. Most responses (32 in total) focused on the perks of graduating, such as increased salary earning potential, career progression, and a competitive edge. These points underscore how obtaining a degree can result in benefits and advantages in the job market. On the other hand, 26 responses also mentioned factors beyond just holding a diploma. They stressed the significance of skills, experience, adapting to industry changes, and more. This suggests that while graduation opens opportunities, real world abilities and ongoing learning are equally important. Additionally, 17 responses pointed out elements like networking, personal branding, passion, and innovation. This indicates that factors outside of education play a role in both income and professional success. Soft skills, mindset, networking abilities, and continuous skill development are components. To sum up, although graduation lays a foundation for success in the job market according to responses gathered here, thriving in one's career demands a mix of education along with experience, soft skills, continuous learning and adaptability. The chart offers a view by highlighting both the advantages of graduating well and other crucial factors influencing career growth opportunities.

5. What would you choose: earning with a particular degree or without any degree?

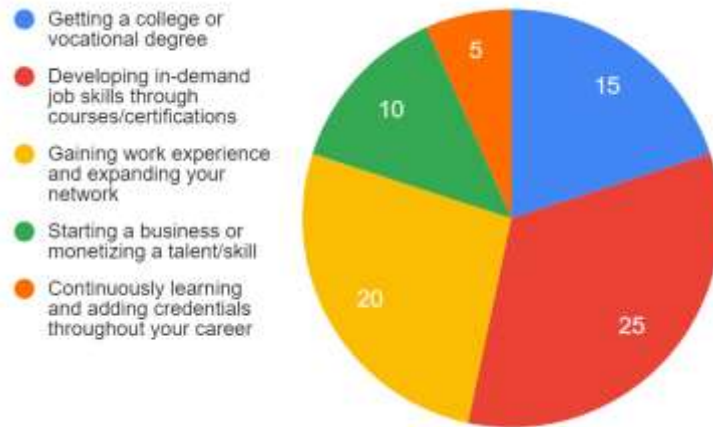
Response Option	Number of Responses
a. I would choose to earn a degree because of the knowledge, credentials, and income potential	25
b. I would choose to earn a degree because education is important to me personally	15
c. I would choose to earn without a degree because experience matters more to me	10
d. I would choose a vocational qualification over an academic degree	20
e. It depends on the field - some careers require degrees more than others	5
Total	75



Interpretation: The question reveals a range of perspectives on whether it is better to earn with or without a degree. A good number of participants, 25 out of 75, prioritized getting a degree because of the knowledge, credentials, and higher earning potential degrees can offer. Another segment of 15 respondents chose degrees simply because education is personally meaningful to them. Interestingly, 10 individuals emphasized hands-on experience as more important than formal education when it comes to success. Additionally, 20 respondents favored vocational qualifications over traditional four-year degrees, suggesting practical skills are valued over academic study for some. It's also notable that 5 respondents pointed out how the necessity of a degree really depends on one's specific career field and goals.

6. What will help an individual to increase the ability to make more money?

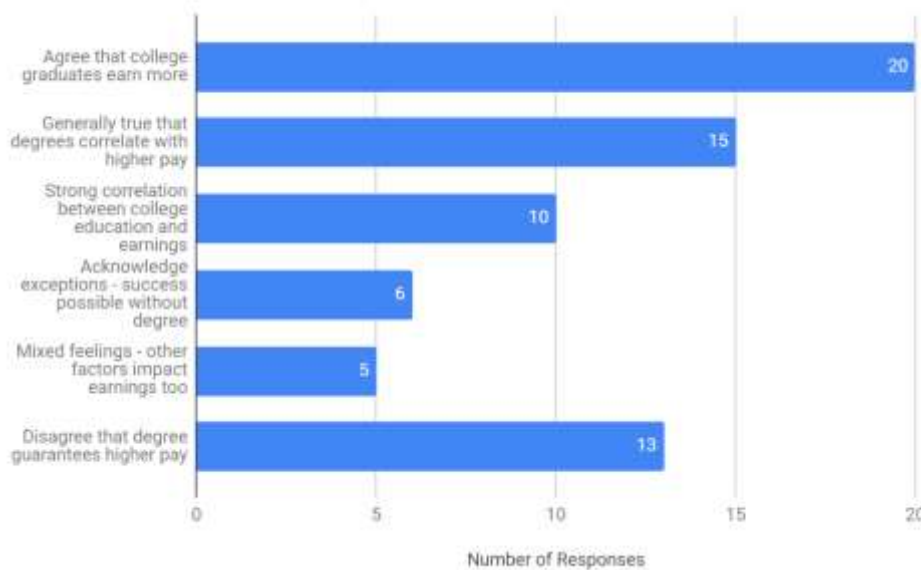
Response	Number of Responses
a. Getting a college or vocational degree	15
b. Developing in-demand job skills through courses/certifications	25
c. Gaining work experience and expanding your network	20
d. a business or monetizing a talent/skill	10
e. Continuously learning and adding credentials throughout your career	5
Total	75



Interpretation: People suggested a bunch of different strategies for increasing your ability to make more money. The most popular choice was developing skills and getting certifications in fields that are in high demand right now. 25 out of 75 survey takers picked this option, showing that in today's job market, specific abilities really pay off. The next biggest group, 20 respondents, focused on getting work experience and expanding your professional network. They figure practical experience and connections are super valuable in moving up in your career. 15 participants took the more traditional view that getting a college or vocational degree boosts earning potential by giving you that educational foundation. 10 individuals went the entrepreneurial route - they think starting your own business or making money from your talents can totally work if that's your thing. And 5 emphasized constantly learning new skills and getting credentials even after you're done with school. Their take is you have to stay relevant in this economy.

7. Salaries for college graduates are typically higher than those without a degree. Give your opinion. (Open-Ended)

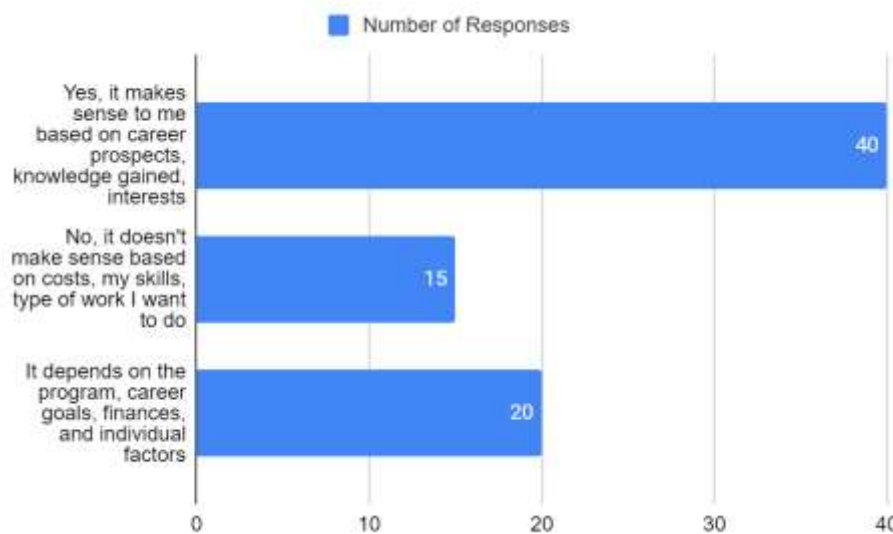
Response Theme	Number of Responses
Agree that college graduates earn more	20
Generally true that degrees correlate with higher pay	15
Strong correlation between college education and earnings	10
Acknowledge exceptions - success possible without degree	6
Mixed feelings - other factors impact earnings too	5
Disagree that degree guarantees higher pay	13
Total Responses	69



Interpretation: The table shows that most people agree to some extent that college grads tend to earn more than those without degrees. A bunch directly agreed, while others thought it was generally true or cited a strong link between college and higher pay. But it wasn't unanimous. Some responses acknowledged that you could find success even without a college degree. Others had mixed feelings, noting that factors besides education also impact earnings. And some disagreed that having a degree guarantees higher pay for everyone. So, while the majority of responses supported the idea that college graduates typically make more, there were also quite a few nuanced takes in the mix. A decent number of highlighted exceptions or argued earnings depend on other stuff too, not just having a degree.

8. Does earning a college degree make sense for you?

Response	Number of Responses
a	40
b	15
c	20
Total	75

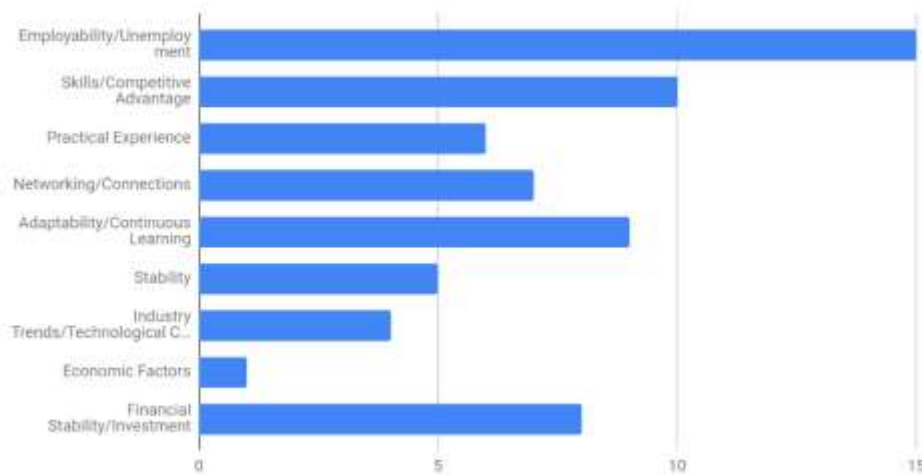


Interpretation: Perspectives appear divided on the merits of pursuing a college degree. The majority (40 out of 75) believe it makes good sense to obtain a degree, discussing enhanced career opportunities, acquiring useful knowledge, and aligning with personal interests. However, some (15 out of 75) feel degrees may not suit them, sensing their current abilities suffice for desired vocations, and not wishing to handle the costs and time commitments of further education. Additionally, a portion (20 out of 75) convey a qualified perspective, suggesting factors like chosen academic program, financial feasibility, intended career, and individual circumstances should determine the prudence of higher education. In summary, while many value college degrees, the responses demonstrate it is not a simple binary decision. Careful evaluation seems warranted when determining if undertaking tertiary studies aligns with one's personal goals and situation.

9. Earning a degree can lower your risk of unemployment. Give your view.

Categories	Percentage
Employability/Unemployment	15
Skills/Competitive Advantage	10
Practical Experience	6
Networking/Connections	7
Adaptability/Continuous Learning	9
Stability	5

Industry Trends/Technological Changes	4
Economic Factors	1
Financial Stability/Investment	8
Total Responses	65



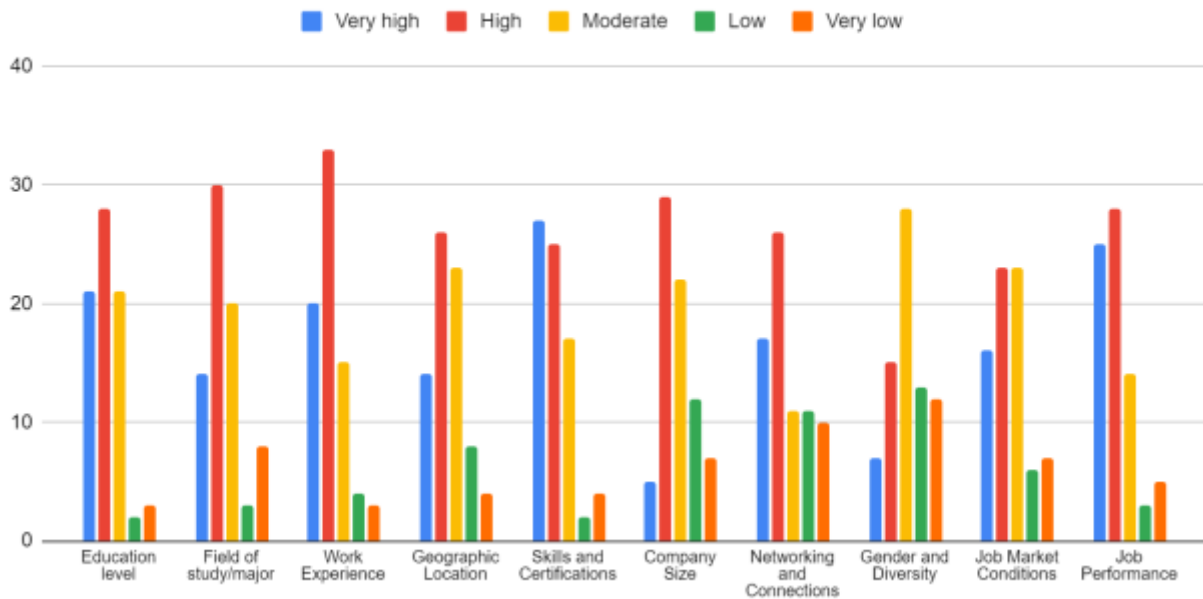
Interpretation: The table breaks down factors that contribute to employability and job security into distinct categories. Based on the percentages, the most influential factors seem to be one's ability to adapt and continuously learn new skills (13.8%), networking and connections (10.8%), and financial stability and wise investments (12.3%). This implies that to lower unemployment risk, it is critical to actively build up transferable skills, expand professional networks, and manage finances responsibly. A degree can certainly help with employability but may not be the only or decisive factor. The data shows practical experience (9.2%), niche skills that offer competitive advantage (15.4%), and understanding industry trends (6.2%) also matter. So, while education is important, one must complement formal learning with real-world experience, specialized expertise, and awareness of where your industry is heading. The lowest weighted factors are economic conditions (1.5%) and stability (7.7%). This suggests that external economic factors are not necessarily the biggest driver of employability. More critical is one's individual adaptability, willingness to learn, and cultivation of the right skills. Overall, a degree is beneficial but not singularly definitive for employability. One must pursue multifaceted professional development across skills, experience, connections, and financial wisdom to minimize unemployment risk.

10. What other factors do you believe have influenced your earnings?

Factors	Very high	High	Moderate	Low	Very low	Total responses
Education level	21	28	21	2	3	75
Field of study/major	14	30	20	3	8	
Work Experience	20	33	15	4	3	
Geographic Location	14	26	23	8	4	
Skills and Certifications	27	25	17	2	4	
Company Size	5	29	22	12	7	
Networking and Connections	17	26	11	11	10	
Gender and Diversity	7	15	28	13	12	
Job Market Conditions	16	23	23	6	7	
Job Performance	25	28	14	3	5	

Factors Shaping Income Levels

Total Responses: 75



Interpretation:

Educational Level: About 12.7 percent of the respondents relate their incomes to their education levels. This shows that there is a notable influence on income, but not a very strong one.

Field of study: Approximately 8.4 percent of respondents feel that their major or field of study determines how much money they make. Even though it isn't the most important factor, it still has a significant effect.

Work Experience: Almost 12 percent of respondents said that work experience was an important factor that determined salary. This shows how important real-world experience is in determining income.

Geographic Location: Approximately 8.4 percent of respondents think that their income levels are influenced by their geographic location, although this is unlikely. This shows that one's working location is a noticeable but not particularly important factor.

Skills and Certification: Around 16.3 percent of the respondents linked their salary levels to their skills and certifications. This is a significant percentage. This implies a strong belief in the relationship between earnings specialized training, and continuous learning.

Company Size: About 3% of respondents believe that their income is influenced by the size of their company. Even though it's a smaller portion, it shows that some people take organizational size into consideration.

Networking and connection: Around 10.2% of respondents said that connections and networking had a role in their income levels. This shows how important people think professional connections are.

Gender and Diversity: Of the respondents, over 4.2% believe that gender and diversity have an impact on their salary. This shows that these factors influence income, although not much.

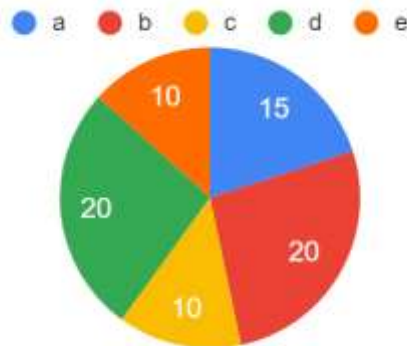
Job Market condition: Of the respondents, over 9.6% believe that gender and diversity have an impact on their income. This shows that these factors have an influence, though not much.

Job Performance: About 15.1 percent of respondents stated job performance as an important factor in deciding income. This shows a strong belief in the link between professional productivity and income.

11. If you began a college degree program but did not complete it, what options are available to help you finish and obtain your degree?

Responses	Number of Responses
a. Returning to the same college as a part-time or online student	15
b. Transferring credits earned to a new institution	20
c. CLEP or challenge exams to gain credits for work/life experience	10

d. Night school, community college, or online courses for remaining requirements	20
e. Scholarships, grants, or employer tuition assistance to finance going back	10
Total	75



Interpretation: The responses show people seeking to finish an unfinished degree have plenty of options to get it done. The most popular choice was transferring credits to a new school; 20 out of 75 picked this, valuing flexibility. Similarly, 20 others were interested in night classes, community college, or online courses—practical formats fitting their lifestyles. 15 said going back to the same school part-time or virtually could work well for them. 10 looked at CLEP exams to get credits for work experience. And 10 wanted financial help through scholarships or tuition assistance from employers—crucial for making it feasible to complete. Overall, people are resourceful and open-minded, focused on finding the right pathway to fit their circumstances and make finishing achievable through varied formats and funding sources.

12. How do you perceive the relationship between your education level and career advancement or income growth? Please provide specific examples or observations. (Open-Ended)

To access the qualitative responses and perspectives relevant to this question, readers may refer to the link provided below. (Reference 2)

Interpretation: The interpretation of this question suggests that education seems to have a positive impact on career and income growth. The absence of negative correlations shows that several respondents seemed to have a positive view as to how education affects their jobs. Respondents think education is a great tool that improves employability, presents opportunities, and increases a person's skill set.

- **Qualitative Insights**

We encourage readers to actively explore diverse personal narratives. The resources showcase the first-hand perspectives highlighted in the links section. Readers can directly explore the analysis of qualitative insights detailed below. (Reference 1)

Analysis and Implications of qualitative insight:

These findings provide a variety of views regarding the relation between income and education. Taking into consideration factors including skills, college selection, cultural variations, and the changing job market, participants draw attention to the correlation's complex nature. The participants' diverse comments provide depth to our understanding of how people view the relationship between money and educational attainment.

Conclusion:

Based on the analysis, this study confirms the original hypothesis - college graduates do tend to earn higher incomes compared to those without college degrees. However, the relationship is quite complex. The data shows strong support for the benefits of college. Most participants agreed college grads earn more. Over 81.3% attended university themselves, so they clearly value higher education. Many cited reasons like career opportunities, skill development, and credentials to explain why graduating matters. At the same time, there are caveats. Several responses stressed work experience and soft skills also impact earning ability. Some succeeded professionally without degrees. It's not as simple as "college = more money." Factors like field of study, job performance, connections, and economic conditions play roles too. The personal perspectives really capture the nuances. Individuals described how college reputation, choice of major, culture, industry changes, and more can affect outcomes. It's not one-size-fits-all. The right school and program for your goals is key. In the end, the data supports the claim that college boosts earning potential. But degrees alone don't determine salary levels. Education lays a foundation, but people need to build on it with experience, skills, networking and adapting to trends. College helps but doesn't guarantee a higher income. This is a complex issue with no simple answers. The study shows degrees tend to pay off but many elements influence success. More research could further unpack the nuances. The key is approaching higher education in an informed way - weighing costs, fields of study, and career goals. For most people, college is a worthwhile investment if done thoughtfully. But it requires effort beyond just getting a degree to thrive in your career and finances.

Limitations:

1. The open-ended responses required interpretive coding into categories which can involve subjectivity.
2. The paper may not involve all the factors which have an influence on education and earnings such as family background.
3. Interviewer's personal biases and perspective may influence the qualitative insight.
4. The data was limited to a single country (India). Educational systems and job markets differ across countries, so the relationship may not be generalizable globally.
5. The sample of 75 respondents, while sufficient for basic analysis, is relatively small and may not fully represent diverse populations. A larger and more demographically varied sample could improve generalizability.

References:

1. Last question Responses - [respondents opinion.docx](#)
2. Primary Source- Personal Interview responses and analysis-[Qualitative Insight.docx](#)
3. Michael T. Nietzel, October 2021, "College Degree Carries Big Earnings Premium, But Other Factors Matter Too". Forbes.
4. Pew Research Center, February 2014, "The Rising Cost of Not Going to College". Pew research.
5. Jaison R. Abel and Richard Deitz "Despite Rising Costs, College Is Still a Good Investment," Federal Reserve Bank of New York, 2019.
6. Timiraos and Zumbrun "The July Jobs Report in 15 Charts," Wall Street Journal, 2016.
7. U.S. Bureau of Labor Statistics, Quartiles and Selected Deciles of Usual Weekly Earnings by Educational Attainment, 2022.
8. Trostel, Lumina Foundation, "It's Not Just the Money," 2015.

LINKS:

- <https://libertystreeteconomics.newyorkfed.org/2019/06/despote-rising-costs-college-is-still-a-good-investment/>
- <https://www.pewresearch.org/social-trends/wp-content/uploads/sites/3/2014/02/SDT-higher-ed-FINAL-02-11-2014.pdf>
- <https://www.forbes.com/sites/michaelt Nietzel/2021/10/11/new-study-college-degree-carries-big-earnings-premium-but-other-factors-matter-too/?sh=1e177a6e35cd>
- http://blogs.wsj.com/economics/2016/08/05/the-july-jobs-report-in-15-charts/?reflink=desktopwebshare_permalink
- [Quartiles and selected deciles of usual weekly earnings by educational attainment \(bls.gov\)](#)
- [Americas-Divided-Recovery-web.pdf \(georgetown.edu\)](#)

Questionnaire

This questionnaire is intended to collect data and comments on the relationship between college degree and earning potential. Your replies will assist us in better understanding the link between higher education and income levels.

1. Did you attend college or university?
 - a. Yes
 - b. No
2. Did you complete your degree?
 - a. Yes
 - b. No
3. Why is graduation necessary?
 - a. It provides credentials that open up job opportunities
 - b. It develops skills and knowledge valued by employers
 - c. It shows commitment to completing a program of study
 - d. It enables career and financial advancement

-
- e. It allows you to pursue advanced education
 4. Graduation helps an individual to what extent? Give your view? (Open-Ended)
 5. What would you choose: earning with a particular degree or without any degree?
 - a. I would choose to earn with a degree because of the knowledge, credentials, and income potential
 - b. I would choose to earn with a degree because education is important to me personally
 - c. I would choose to earn without a degree because experience matters more to me
 - d. I would choose a vocational qualification over an academic degree
 - e. It depends on the field - some careers require degrees more than others
 6. What will help an individual to increase the ability to make more money?
 - a. Getting a college or vocational degree
 - b. Developing in-demand job skills through courses/certifications
 - c. Gaining work experience and expanding your network
 - d. Starting a business or monetizing a talent/skill
 - e. Continuously learning and adding credentials throughout your career
 7. Salaries for college graduates are typically higher than those without a degree, give your opinion? (Open-Ended)
 8. Does earning a college degree make sense for you?
 - a. Yes, it makes sense to me based on career prospects, knowledge gained, interests
 - b. No, it doesn't make sense based on costs, my skills, type of work I want to do
 - c. It depends on the program, career goals, finances, and individual factors
 9. Earning a degree can lower your risk of unemployment, give your view (Open-Ended)
 10. What other factors do you believe have influenced your earnings?
 - a. Educational Level
 - b. Field of study
 - c. Work Experience
 - d. Geographic Location
 - e. Skills and Certification
 - f. Company Size
 - g. Networking and connection
 - h. Gender and Diversity
 - i. Job Market condition
 - j. Job Performance
 11. If you began a college degree program but did not complete it, what options are available to help you finish and obtain your degree?
 - a. Returning to the same college as a part-time or online student
 - b. Transferring credits earned to a new institution
 - c. CLEP or challenge exams to gain credits for work/life experience
 - d. Night school, community college, or online courses for remaining requirements
 - e. Scholarships, grants, or employer tuition assistance to finance going back
 12. How do you perceive the relationship between your education level and career advancement or income growth? Please provide specific examples or observations. (Open-Ended)