

Business Students' Median Earnings 2 Years After Graduation Are Roughly 10 Times Their Debt Payments, Georgetown CEW Finds

CEW report ranks the economic value of 5,500 business programs at more than 1,700 colleges using College Scorecard data

(Washington, DC, June 28, 2022) Business is the most popular undergraduate and graduate major in the United States, but do business degrees pay off? A new report by the Georgetown University Center on Education and the Workforce (CEW) reveals the economic value of business programs is high compared to the financial returns from other programs, though not as high as returns associated with health, engineering, and computer and information sciences programs. *The Most Popular Degree Pays Off: Ranking the Economic Value of 5,500 Business Programs at More Than 1,700 Colleges* finds that while students' earnings and federal student loan debt vary by institution and degree level, the majority of business programs lead to median earnings that are roughly 10 times students' debt payments two years after graduation.

“Strong financial returns are good news for the more than 700,000 graduates each year who pursue the most popular field of study for bachelor’s and master’s degree holders,” lead report author and Georgetown CEW Director Anthony P. Carnevale said. “This information will help prospective students and their families assess the value of various business programs.”

Two years after graduation, associate’s degree holders in business have median annual earnings of \$30,000 after debt payments. The financial returns for a business degree rise to \$43,200 after debt payments for bachelor’s degree holders and \$51,600 for master’s degree holders.

By institution, earnings net of debt payments are highest for graduates of Excelsior College in New York and Union County College in New Jersey (\$44,400) at the associate’s degree level, Bismarck State College in North Dakota (\$103,200) at the bachelor’s degree level, and the University of Pennsylvania (\$165,600) at the master’s degree level. By field of study, earnings net of debt payments are highest for business/commerce majors (\$32,400) at the associate’s degree level, construction management majors (\$62,400) at the bachelor’s degree level, and management sciences and quantitative methods majors (\$96,000) at the master’s degree level.

“Earnings and debt at the degree, institution, or program level tell only one side of the story. In a specific business program at a given institution, students can earn significantly more—or less—than the typical earnings for that institution or program,” said Emma Wenzinger, report co-author and strategic communications specialist at CEW.

While more education in business typically leads to higher earnings, there are exceptions. For example, an associate’s degree in business administration, management, and operations from Southern New Hampshire University leads to earnings net of debt of \$44,400 two years after graduation, one of the highest among associate’s degree programs in business. This payoff exceeds typical returns for four of the six most common bachelor’s degrees in business, as well as the returns from one common business master’s degree, human resources management and services. Similarly, some bachelor’s degrees in business have greater financial returns than master’s degrees in the same field of study. A bachelor’s degree in finance from the University of Pennsylvania, for example, leads to median earnings of \$121,200 two years after graduation, well above the median of \$62,400 for master’s degrees in finance across institutions.

There are also significant discrepancies in earnings by gender and race/ethnicity. Women make up a growing share of graduates with business degrees, but men with business degrees earn more at the median. Forty-seven percent of young (ages 22–27) bachelor’s degree holders in business are women, and they earn a median of \$44,600 annually, compared to \$50,500 for men. The contrast at the master’s degree level is even starker: women represent 43% of master’s degree holders in business and earn \$75,600 compared to \$99,000 for men at the median.

Among racial and ethnic groups, Asian workers have the highest median earnings for both bachelor’s and master’s degree holders in business. For those with a bachelor’s degree in business, early-career earnings for Asian workers (\$51,300) are followed by those of Multiracial (\$48,600), White (\$48,600), Latino (\$42,600), Black (\$40,700), and American Indian/Alaska Native (\$39,400) workers. For those with a master’s degree in business, Asian workers have the highest median annual earnings (\$100,000), followed by White (\$92,000), Latino (\$77,700), and Black (\$65,000) workers.

Earnings are also influenced by a worker’s occupation. Early in their careers (ages 22–27), 12% of business majors become accountants and auditors, and they earn a median of \$57,000 per year. Among business majors, financial and investment analysts and securities, commodities, and financial services sales agents have the highest median earnings, at \$71,000 per year, followed by management analysts (\$67,000) and computer systems analysts (\$65,000). Secretaries and administrative assistants have the lowest earnings among business majors, at \$38,000 per year.

As today’s students and their families plan for the future, they face the daunting challenge of sorting through all the information now available to them about the outcomes from postsecondary programs. A more comprehensive college and career counseling system could help students make sense of this new information and guide them on the pathway through college and careers.

Visit cew.georgetown.edu/business to view a sortable table of more than 1,700 colleges and universities and 5,500 programs ranked by metrics including earnings, debt payments, and earnings net of debt payments.

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