Wages for Graduates of University of Texas Institutions Higher than National Average, New Georgetown University Report Finds
Choice of major is largest factor in earnings potential

(Washington, D.C., July 19, 2017) Graduates from University of Texas System institutions out earn other bachelor’s degree holders not just in Texas but across the nation, a new study shows, demonstrating that a University of Texas education is a worthwhile investment in the future.

The study—Major Matters Most: The Economic Value of Bachelor’s Degrees from The University of Texas System—found that three years after completing college a graduate from a University of Texas System (UT System) institution has median earnings of $39,600, which is more than all Texas workers with a bachelor’s degree ($36,800), and all workers nationally with a bachelor’s degree ($34,000).

This study is the result of a unique partnership between the Georgetown University Center on Education and the Workforce (Georgetown Center) and the UT System to explore earnings patterns of UT graduates and understand the economic impact of a degree. In 2014, the UT System became the first system of higher education in the nation to offer salary and debt statistics of students up to a decade after they graduate with undergraduate, graduate, and professional degrees. The information is offered through an innovative tool called seekUT, which provides data on salaries and debt of alumni by institution and degree.

While the new study found UT institution bachelor’s degree holders earn almost twice as much as similarly-aged Texas high school-educated workers and more than other bachelor’s degree holders within Texas and across the United States, it also highlighted that earnings vary widely, primarily because of choice in major. For example, graduates with degrees in architecture and engineering typically earn over 50 percent more than the median for all bachelor’s degree holders.

“In the UT System, like everywhere else, what you take determines what you make,” said Anthony P. Carnevale, director of the Georgetown Center and lead author of the report.

Stephanie Bond Huie, UT System’s vice chancellor for strategic initiatives, said the UT System has long been focused on helping young adults make informed decisions about their education and plan for their financial future.

“Our mission in creating seekUT was to provide students and their families with critical information that can help them make important decisions that will affect the rest of their lives. Leveraging this data so new and prospective students can learn from the choices of students who have gone before them not only demonstrates accountability and transparency, but also shows the value of investing in higher education,” Huie said. “Now, the Georgetown Center has helped us answer even more questions with this data—and identify vital areas of focus for higher education leadership.”
Key findings of the study include:

- Choice of major helps narrow the earnings gap between low-income and high-income students. Both low- and high-income students who attend the same colleges and have the same majors have similar earnings after graduation.
- UT institution Pell Grant recipients, on average, earn 80 percent more than similarly-aged workers in Texas with only a high school diploma and 44 percent more than those with only an associate’s degree.
- A key factor in explaining the $6,000 wage gap between white and Latino UT System institution graduates is access to particular occupations after college. Seventeen percent of Latinos who majored in architecture and engineering end up working in blue-collar occupations compared to 8 percent of their white peers.
- Women initially out earn men in majors dominated by women (health, psychology and social work, humanities and liberal arts), but fall behind men three years after graduation. This initial female wage advantage holds for similarly aged workers in Texas generally. However, the wage advantage disappears when women reach their 30s.

“Career guidance and efforts to ensure that all students can complete bachelor's degrees will increase equity and opportunity and make sure higher education in the UT System remains a viable pathway to the middle class,” said Megan L. Fasules, research economist at the Georgetown Center and co-author of the report.

The UT System was able to obtain salary data on UT institution graduates through a unique collaboration with the Texas Workforce Commission that tracked students up to a decade post-graduation. Last year, the UT System and the United States Census Bureau signed a 10-year partnership agreement that will provide both organizations a more comprehensive picture of degree attainment and how it impacts labor market outcomes, allowing the UT System to track students moving not just around Texas but across the country.

To view the full report, visit cew.georgetown.edu/UTSystem.

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The Georgetown University Center on Education and the Workforce is an independent, nonprofit research and policy institute that studies the link between individual goals, education and training curricula, and career pathways. The Georgetown Center is affiliated with the Georgetown University McCourt School of Public Policy. For more information, visit: cew.georgetown.edu. Follow us on Twitter @GeorgetownCEW, on Facebook, and LinkedIn.

Educating students, providing care for patients, conducting groundbreaking basic, applied and clinical research, and serving the needs of Texans and the nation for more than 130 years, The University of Texas System is one of the largest public university systems in the United States. With 14 institutions and an enrollment of more than 228,000 students, the UT System confers more than one-third of the state’s undergraduate degrees, educates approximately two-thirds of the state’s health care professionals annually and accounts for almost 70 percent of all research funds awarded to public institutions in Texas. The UT System’s operating budget for FY 2017 is $17.9 billion, including $3 billion in sponsored programs funded by federal, state, local and private sources. With more than 20,000 faculty – including Nobel laureates and many members of the National Academies – and nearly 80,000 health care professionals, researchers, student advisors and support staff, the UT System is one of the largest employers in the state.