



THE INS & OUTS OF COLLEGE ADMISSIONS

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No matter where you turn, you come across articles that question the wisdom of going to college. The familiar

mantra is "college is not for everyone" or some such sentiment, and the articles go on to explain all the various reasons why attending college may not be a good life choice. I definitely understand the reasons that ground this belief, although I cannot help but wonder what educational choices the authors' own children are making.

There is little doubt that in this newspaper's readership area, going to a four-year college immediately after high school is the norm. At Homestead and Cedarburg, the number of graduates matriculating to a baccalaureate-granting institution hovers around 80 percent, and at Grafton it is about 70 percent. A good many of the others go on to schools such as MATC and Moraine Park in our state's superb Wisconsin Technical College System. The expectation that a high school student in Ozaukee County (Wisconsin's most affluent) will go directly to college is strong, and it can unduly influence some students to choose the college path when another option may be more appropriate.

Part and parcel of the debate over whether to attend college or not is the one regarding the purpose of higher education: to impart knowledge or vocational skills. In my work with families and students, I constantly hear (especially from the parents) that their children must major in a subject area that leads directly to a job and the earning of a respectable salary. The stories of underemployed college graduates (e.g., the stereotypical art history major who works as a barista at Starbucks) are omnipresent and legendary, and parents legitimately balk at paying \$100,000 to \$250,000 for a four-year degree (and that is if the student finishes in four years) that seems to have little financial return. This prospect is especially daunting if student loans are involved. Nationally, about 70 percent of college graduates leave school with some loans, and the average debt for these individuals is just shy of \$30,000. With statistics such as these, it is no wonder many are giving second thought to attending college.

No one who states that college is expensive would spur

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disagreement from me. I work with families and students of various means, and I have been present at numerous dining room tables when some agonizing discussions have ensued regarding college choice and affordability. Tears have been known to flow. My only counterpoint to the "college is expensive" argument is that so is not going to college. I need not tell you that the American economy and our workforce composition are changing rapidly, and have been for some time. As the manufacturing sector continues to shrink, our workforce is evolving in a bifurcated manner: the service sector and the knowledge/information sector. This division in the workforce and job opportunities is reflected in increasing income inequality, with its shrinking middle class, an expanding low-income class and a smaller percentage of households controlling a disproportionate percentage of our nation's wealth. This trend toward increasing class and economic disparities not only portends poorly for our nation's democratic system, but has huge implications for students as they make what can be life-altering decisions at the tender age of 18.

Studies on the economic value of a college education are numerous. Recently, I have reviewed such data from the Pew Research Center, Bloomberg Business, the Federal Reserve Banks of New York and San Francisco and Georgetown University's Center on Education and the Workforce. With apologies to Benjamin Disraeli and Mark Twain who reminded us that there are three kinds of lies ("lies, damned lies and statistics"), I think some statistics may be illuminating here. In early 2015, the overall unemployment rate was approximately 5.7 percent, but those who held a four-year degree had an unemployment rate of 2.8 percent. For those with only a high school diploma, the unemployment rate exceeded 6 percent.

There is also a substantial difference between the annual wages of those with or without a college degree, and this is especially true for the so-called Millennial generation (ages 25-32). The Pew study found those with a college degree had median annual earnings of \$45,500, as opposed to \$28,000 for high school graduates. This is an annual earnings premium that exceeds 60 percent. The study of all age groupings by the Federal Reserve Bank of San Francisco showed those with at least a bachelor's degree earning \$20,050 more annually than those with a high school diploma. If one considers an employment career of approximately 45 years (from age 22 to 67), the lifetime earnings differential for college graduates is approximately \$900,000, and that does not even consider that these additional monies can

compound in the form of home ownership, stocks and mutual funds, retirement accounts, etc. Additionally, the wage/salary premium for those possessing a graduate or professional degree is substantially higher. Before closing this paragraph, it should be noted that the earnings gap between high school and college graduates is growing, not necessarily because the pay of college graduates is increasing, but because that of high school graduates is shrinking as the traditionally low-wage service sector continues to make inroads vis-à-vis the manufacturing sector.

I fully realize that the statistics above are just a snippet of information. Those who question the value of a college education will often cite the "opportunity costs" of earning a college degree, i.e., while forking out \$100,000 to \$250,000, a college student is also missing out on four years of earnings or approximately \$100,000. Remember, though, even if not in college, the individual or parent is incurring costs for the person's housing, meals, transportation, etc. In fact, the study by the Federal Reserve Bank of New York finds that college graduates recoup the opportunity costs of attending college approximately 10 years after graduation.

Up to this point, this column has focused primarily on the financial pay-off of earning a four-year degree. But I would argue that there is much more to the value of a college degree than money. Almost regardless of the measurement – health outcomes and longevity, job satisfaction, civic and voter participation, divorce rates, crime statistics, drug, alcohol and tobacco use, home ownership, health insurance coverage, retirement plans, continual learning, children's educational attainment, etc. – those with a college degree fare better than those without. College may not be for everyone, but a two-year vocational or associate's degree or a baccalaureate degree and beyond correlates with superior life outcomes, whether material or social.

If you try college and find that it is not for you, little is lost. Once you enter the work world, though, and take on the increasing responsibilities that adulthood brings, returning to school will be an increasingly difficult proposition. Nothing ventured, nothing gained.

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