

# Community college grads out-earn bachelor's degree holders

CNNMoney

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By Jon Marcus at The Hechinger Institute @CNNMoney February 26, 2013: 6:23 AM ET

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Nearly 30% of Americans with associate's degrees now make more than those with bachelor's degrees, according to Georgetown University's Center on Education and the Workforce

NEW YORK (CNNMoney)

Berevan Omer graduated on a Friday in February with an associate's degree from Nashville State Community College and started work the following Monday as a computer-networking engineer at a local television station, making about \$50,000 a year.

That's 15% higher than the average starting salary for graduates -- not only from community colleges, but for bachelor's degree holders from four-year universities.

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"I have a buddy who got a four-year bachelor's degree in accounting who's making \$10 an hour,"

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Omer says. "I'm making two and a-half times more than he is."

Omer, who is 24, is one of many newly minted graduates of community colleges defying history and stereotypes by proving that a bachelor's degree is not, as widely believed, the only ticket to a middle-

class income.

Nearly 30% of Americans with associate's degrees now make more than those with bachelor's degrees, according to Georgetown University's Center on Education and the Workforce. In fact, other recent research in several states shows that, on average, community college graduates right out of school make more than graduates of four-year universities.

The average wage for graduates of community colleges in Tennessee, for instance, is \$38,948 -- more than \$1,300 higher than the average salaries for graduates of the state's four-year institutions.

[Related: Colleges find a new way to get grads hired](#)

In Virginia, recent graduates of occupational and technical degree programs at its community colleges make an average of \$40,000. That's almost \$2,500 more than recent bachelor's degree recipients.

"There is that perception that the bachelor's degree is the default, and, quite frankly, before we started this work showing the value of a technical associate's degree, I would have said that, too," says Mark Schneider, vice president of the American Institutes for Research, which helped collect the earning numbers for some states.



**College grads, better start saving**

And while by mid-career, many bachelor's degree recipients have caught up in earnings to community college grads, "the other factor that has to be taken into account is that getting a four-year degree can be much more expensive than getting a two-year

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degree," Schneider says.

A two-year community college degree, at present full rates, costs about \$6,262, according to the College Board. A bachelor's degree from a four-year, private residential university goes for \$158,072.

The increase in wages for community college grads is being driven by a high demand for people with so-called "middle-skills" that often require no more than an associate's degree, such as lab technicians, teachers in early childhood programs, computer engineers, draftsmen, radiation therapists, paralegals, and machinists.

With a two-year community college degree, air traffic controllers can make \$113,547, radiation therapists \$76,627, dental hygienists \$70,408, nuclear medicine technologists \$69,638, nuclear technicians \$68,037, registered nurses \$65,853, and fashion designers \$63,170, CareerBuilder.com reported in January.

[Related: How does your community college stack up?](#)

"You come out with skills that people want immediately and not just theory," Omer says.

The Georgetown center estimates that 29 million jobs paying middle class wages today require only an associate's, and not a bachelor's, degree.

"I would not suggest anyone look down their nose at the associate's degree," says Jeff Strohl, director of research at the Georgetown center.

"People see those programs as tracking into something that's dead end," Strohl says. "It's very clear that that perception does not hold up."

The bad news is that not enough associate's degree holders are being produced.

Only 10% of American workers have the sub-baccalaureate degrees needed for middle-skills jobs, compared with 24% of Canadians and 19% of Japanese, the Organization for Economic Cooperation and Development reports.

Over the last 20 years, the number of graduates with associate's degrees in the United States has increased by barely 3%. And while the Obama administration has pushed community colleges to increase their numbers, enrollment at these schools fell 3.1% this year, the National Student Clearinghouse Research Center reports. Graduation rates also remain abysmally low.

[Related: Community colleges: How to avoid 'dropout factories'](#)

Meanwhile, many people with bachelor's degrees are working in fields other than the ones in which they majored, according to a new report by the Center for College Affordability and Productivity.

"We have a lot of bartenders and taxi drivers with bachelor's degrees," says Christopher Denhart, one of the report's coauthors.

Still, the salary advantage for associate's degree holders narrows over time, as bachelor's degree recipients eventually catch up, says Schneider.

Although these figures vary widely by profession, associate's degree recipients, on average, end up making about \$500,000 more over their careers than people with only high school diplomas, but \$500,000 less than people with bachelor's degrees, the Georgetown center calculates.

As for Omer, he's already working toward a bachelor's degree.

"Down the road a little further, I may want to become a director or a manager," he says. "A bachelor's degree will get me to that point."

*This story was produced by [The Hechinger Report](#), a nonprofit, nonpartisan education-news outlet based at Teachers College, Columbia University. It's one of a series of reports about [workforce development and higher education](#). ■*

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James · 2 days ago

The headline is misleading. Only some community college grads out-earn bachelor's degree holders. According to the U.S. Census Bureau, the median earnings for people with bachelor degrees is \$42,783, while the median earnings for people with associate degrees is \$32,602. That's a \$10,000+ gap in favor of bachelor degrees. Google "Education and Synthetic Work-Life Earnings Estimates" for my source. (CNN blocks comments with links.)

92 □ ▾ 1 □ \* Reply \* Share ›



yeahbuddy11 > James · 2 days ago

"right out of school" was a very key phrase that they included.

Many bachelor degree holders do not work in their field directly out of school, by a combination of factors that include: economy, poor field choice, poor grades, etc...

Community college 2 year degrees tend to work in their field at much greater rates, which would explain the better wages 'right out of school'

42 □ ▾ 1 □ \* Reply \* Share ›



Tipapou Papito > yeahbuddy11 · 2 days ago

Agreed! There are so many variables. Career path is a big key. Getting early work experience is also a big deal. The days of waiting to get a bachelor before getting a job are so long ago. Unless you're an exceptional student or a student that takes school seriously, I would not recommend it. I think a combination of working while attending school is the best of both worlds.

14 □ ▾ □ \* Reply \* Share ›



falcon7455 > yeahbuddy11 · 2 days ago

Which is the whole point of having a degree(CC or bachelors), yes?

6 □ ▾ □ \* Reply \* Share ›



yeahbuddy11 > falcon7455 · 2 days ago

correct.

but CC degrees are much more specifically geared toward specific jobs, as opposed to traditional 4 year degrees, which include many majors that don't qualify persons for a single job, but instead leave it up to them to try and find their way

16 □ ▾ □ \* Reply \* Share ›



40words > yeahbuddy11 · 2 days ago

And then there are the career paths of degreed individuals vs. those with

diplomas. Within 10 years' time, there is no real comparison between the two. A easily attained diploma from a community college is common, and its career path will be common, at best...depending how many others also flood the market with very little education.

8 1 \* Reply \* Share ›



[yeahbuddy11](#) > 40words • 2 days ago

It all depends on the market and the field one will be entering into.

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[Ginny](#) > 40words • 16 hours ago

True - But a CC degree can get a job, and a BS degree is not. While the CC person is working, they can go to night school (the company normally would pay)and get a BS degree. Within 10 years, the CC then BS will be much better off. More money over 10 years, experience and a free BS degree

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[parishmp](#) > yeahbuddy11 • 2 days ago

Poor field choice is right; how many art appreciation or history majors can get jobs in their respective fields. Now a two year person studies in his technical field and can hit the ground running and that's what employers are looking for.

4 1 \* Reply \* Share ›



[Steve Perry](#) > parishmp • a day ago

"Nearly 30% of Americans with associate's degrees now make more than those with bachelor's degrees"

Well that means that 70% of those with an associates degree DON'T make more than those with a Bachelor's degree, so I guess the claim and the title of this article is completely wrong.

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[Russell Frege](#) > James • 2 days ago

So the debt difference is paid off in just a few years based on the earnings difference. Good numbers. It seems trendy to attack higher education these days, but the facts still matter.

16 1 \* Reply \* Share ›



[James](#) > Russell Frege • 2 days ago

Yeah, the press has been doing a great disservice recently in bashing higher education. They do scare stories about unemployed college graduates, while anyone who looks at the statistics can see that people who never went beyond high school have much higher unemployment rates.

The St. Louis Federal Reserve's FRED database has lots of public data on the web. They break down the unemployment rate by level of education and it's clear that more education generally means lower unemployment. CNN doesn't tell you that though.

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[Russell Frege](#) > James · 2 days ago

The press is just reacting to rising tuition, but it's a really shallow reaction. There's very little actual reporting on why tuition is rising that digs deep into the political economy of the university. Here's a question that it would be good to have the answer to: Why is tuition going up as the proportion of faculty that are tt declines? If we're saving so much by paying adjuncts so little, why is tuition going up? The professor's salary is paid by one or two student's tuition. Where is the rest going? To answer those questions CNN would need to do actual investigative reporting as opposed to poorly paraphrasing some press releases.

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[James](#) > Russell Frege · 2 days ago

The best explanation I've heard yet for rising tuition costs is that over time employers have been paying a higher premium for human capital (e.g. education). Salaries for college graduates have been outpacing inflation. Salaries for people with master's degrees have been outpacing those for people with bachelor's degrees. Salaries for people with doctorates have been outpacing those for people with master's degrees.

Since the primary economic input for a college education is the labor of college professors (who usually have PhD's), a result is that college costs rise faster than inflation because PhD salaries are rising faster than inflation. This also helps explain rising health care costs, because well-educated medical school graduates have seen their salaries rise much faster than inflation as well.

At the same time that the salaries of people with doctorates have been rising, most universities have experienced very little technological change. In many industries, technological change has been a way to increase employee productivity and reduce costs. Unfortunately, college is still mostly taught the way it was 50 years ago.

So, salaries for professors have been rising because education is more economically valuable, but there has been no real innovation to try to reduce college costs other than increasing the hiring of adjunct professors.

Another possible factor is that colleges rankings, like those of U.S. News & World Report, reward colleges for being expensive. Things like low student-faculty ratios and large endowments cost money. Colleges learn that they can better attract students by ranking well than by being inexpensive.

I don't know if these explanations are correct, but they're the best I've heard so far.

7   \* Reply \* Share ›



[true\\_or\\_false](#) > James · 2 days ago

You are definitely misinformed. College professors' salary increase

has been ridiculously low (1-3%) at least based on my experience with 4 schools. That is not a reason for rising tuition cost.

7   \* Reply \* Share ›



James > true\_or\_false · a day ago

I got my information from a college professor.  
<http://gregmankiw.blogspot.Com/2006/12/on-college-tuition.html>

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Zaphod > James · 2 days ago

The answer is because it's profitable and the market has thus far been able to bear it. No way salaries for professors, etc...is growing that fast. Doctors salaries are one of the few salaries that have been decreasing for decades, and that is with more actual work performed, and much higher educational debt (as prices keep increasing). It's a total sham. People should not be paying 2-4x a peer for a degree that has an associated career that doesnt justify it. Theyve priced what they can get away with, simple really.

5   \* Reply \* Share ›



James > Zaphod · a day ago

"It's profitable" isn't a good explanation because the vast majority of universities are not-for-profit. The money has to go somewhere and it's not going to shareholders because there are none.

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Zaphod > James · a day ago

Not for profit does not mean they dont make money. Theyre are plenty of not for profit hospitals that are making a ton of money. Someone is still making money, even if it isnt shareholders.

0   \* Reply \* Share ›



James > Zaphod · a day ago

Yeah, but you fail to identify who is making the money. I said it's going to professors. I may be wrong. You say it's not professors, but you fail to provide an alternative. Ultimately, the money goes to people. Which people?

0   \* Reply \* Share ›



Zaphod > James · a day ago

In hospitals it goes to CEO's, the board, and administrators. In schools I assume its somewhat similar. Is it the professor getting the dough or is it the football coaches and school president?

0   \* Reply \* Share ›



[Letmecheck](#) > James · 2 days ago

Definitely the explanation is based on wrong information. The salary increase for college professors has been staggering. I experienced 4 schools and the in the last more than 10 years, the increase was 1-3%. Because many schools use that increase to compensate for the increase in health insurance, most faculty did not see actual increase in their salary. Your explanation should be true and logical (education cost, salary for those who actually teach should rise together right?), but far from truth.

2 · Reply · Share ›



[James](#) > Letmecheck · a day ago

So, from your experience as a professor, where's the extra tuition money going? Tuition increases don't just disappear into thin air. They have to go somewhere, right?

Another explanation I've heard is that universities are offering more financial aid than in the past, so while the tuition sticker price goes up fast, only the rich kids pay full price. The average tuition paid thus goes up at a slower rate than the listed tuition price.

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[Letmecheck](#) > James · a day ago

Please check on the two items because those are the only ones I am aware of. The salary increase of administrative positions. Buildings and technology. One more thing about the salary of professors. Anyone with a doctoral degree would not choose to stay at school if money is an important factor. You can earn at least 1.5-2 times if you go to a private sector (except for some majors).

0 · Reply · Share ›



[Russell Frege](#) > James · 2 days ago

Theoretically, that makes sense. But in fact, universities have been relying more and more on adjuncts and less on tenure track faculty. The major cost drivers have been building costs and administrative costs. These costs are often related to the universities' scientific research mission. I am a huge supporter of public scientific research. This is something, however, that should be funded by taxpayers not by 19 year olds taking out loans.

Well, this is my understanding anyway. We really need in depth reporting to dig into the issue.

2 · Reply · Share ›



[Sharon DiOrio](#) > James · a day ago

You forgot a really big factor in rising tuitions: Federally-backed student loans that are bankruptcy-proof. In the mid-80s, they changed the banking laws so that you can't invoke bankruptcy protection on student loans.

Once you owe, you owe for life. Banks, seeing this as a low-risk move, immediately started handing out loans like candy. College tuitions soon followed along.

1   \* Reply \* Share ›



[Jeremiah Bullfrog](#) > James · 2 days ago

The tuition comparison was also poor. Of course a private school is going to be expensive, but if you are commuting to a public university, or even living on campus, tuition isn't nearly that high. Not as low as a CC, but a heck of a lot lower than \$158,000

4   \* Reply \* Share ›



[Prime Controller of Planet X](#) > James · 2 days ago

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[James](#) > Prime Controller of Planet X · a day ago

Cool trick. Thanks.

1   \* Reply \* Share ›



[Shawn Adams](#) > James · 2 days ago

Here is the question i have for your statement. Is that 10k more a year really worth 150k more in tuition bills?? Most likely not.

2   3   \* Reply \* Share ›



[KRuke](#) > Shawn Adams · 2 days ago

150k is a gross exaggeration, and misleading. The average bachelor's degree will cost \$9k/y at a public university, and \$25k/y at a private. That's without counting any kind of aid, grants, scholarships, family help, etc.

Even at the high-end, the college education will pretty easily pay for itself within 10 years. All without counting the fact that Bachelor's degree recipients will have a greater statistical chance of upward mobility than Associate's degree recipient, and more likely to receive promotions/raises, among other factors.

5   \* Reply \* Share ›



[Edmund Charles Davis-Quinn](#) > KRuke · 2 days ago

It's a huge amount of money (often in loans) to start a life with. And college is not a guarantee of a job. The price of college right now is absurd and at some point people will boycott the cost.

2   \* Reply \* Share ›



[KRuke](#) > Edmund Charles Davis-Quinn · 2 days ago

Oh I agree completely. College is not for everyone, nor is it always worth the cost (particularly in certain lines of profession... hello \$150k for a degree in social services), and it does not guarantee anything.

Statistically, however, it still does pan out better in the long-term than the alternative.

2 · Reply · Share ›



[James](#) > Shawn Adams · a day ago

For students contemplating community college, the next best option is a 4-year PUBLIC university which costs nowhere near \$150,000.

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[Jake](#) > Shawn Adams · 2 days ago

The 150k was for a private university at full price. You pay that, you're an idiot and won't graduate anyway.

0 · Reply · Share ›



[Jayaram](#) > James · 2 days ago

It is true, the article slightly misleading. The compensation depends on the field, the IT sector in particular is an exception due to dearth of qualified US students and the number of available positions. In most of other fields, such as accounting, a four year degree student would earn at least 25% more than a community college student. Also four year degree with experience allows one to get promoted to mid-level management positions unlike a person with an associate degree.

0 · Reply · Share ›



[Ri808](#) · 2 days ago

Accounting and making \$10? HAHA... you must have not recruited with the multiple firms that come out to the career fairs on campus. I graduated with my BBA in Accounting and had 5 offers to choose from (and they were all \$55k+). Keep your grades up, be involved, and network. If you make \$10 an hour with an Accounting degree you are getting ripped off big time. Once you complete your accounting studies, start preparing for the CPA exam and you have all but assured employment for life.

60 · 2 · Reply · Share ›



[Paul](#) > Ri808 · 2 days ago

Fact is some folks can not go to college at all and make millions or billions, Bill Gates for example. Some folks need 2 years and they take off and make a fortune, some go to college 2 years and fail at everything. Some get a bachelors and do great, some, not so much. Like everything else it's all about how PERSONALLY motivated one is or isn't!

24 · 3 · Reply · Share ›



Christopher Kidwell > Paul · 2 days ago

No, it isn't. There are a lot of people who are motivated, personally or not, and just are not cut out for the 'education' (more like memorization and regurgitation) system as it stands today.

The fact is that even 'highly technical' jobs you don't really need a degree. You need someone to sit down with you and teach you how to do X and Y thing that the business wants you to do.

24 ; 1 · Reply · Share ›



Ridiculous > Christopher Kidwell · 2 days ago

You do your best with what you are given. If you feel you are not "cut out for the education system" you aren't very motivated. It doesn't matter what the education system SHOULD be according to you because it is where it is right now. Either go to a school that is willing to customize the curriculum or work harder.

11 ; 2 · Reply · Share ›



falcon7455 > Ridiculous · 2 days ago

^ thats "ridiculous". i spent over 10 hours a week per class learning "programming" and "accounting" and "business" for a NETWORKING major at a STATE university. Do you know how many computer/Networking classes I would actually take (mind you at senior year after i took "filler" classes)? 3!! I would get laughed out of an interview with that curriculum citing examples of how I created programs when i should already have the know-how of hardware, cables etc. And those "classes" werent even applicable in real life!!. CC had me 10 CLASSES all related to the field. So you want me to take FILLER classes for 24k/yr and still risk unemployment?? Please, speak for yourself...obviously an admission counselor!! I dropped out and beat out B.S

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