

Think Hard: Your Graduate School's Sector Matters

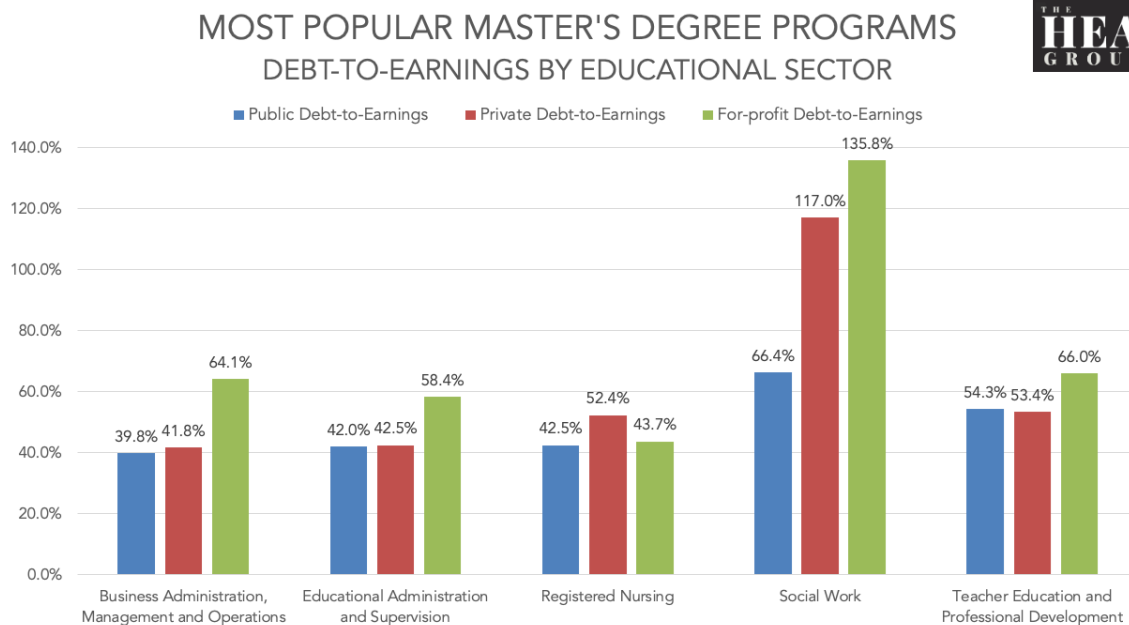
If you are considering graduate school, the ultimate payoff could vary widely depending on which school you attend and what you study. For those enrolling in graduate programs in psychology and social work, post-completion debt loads can often be extremely high compared to earnings prospects. The difference is even more striking for students who attend for-profit institutions, as compared to public and private non-profit schools.

In this report, we analyze the five most popular master's and doctoral programs awarded in the United States and examine whether there are differences in how much students earn—and how much they owe—based on their specific course of study.

For-Profit Master's and Doctoral Programs Leave Students with More Debt and Lower Earnings than Public and Private, Non-profits

Master's Programs

The five most popular master's degree programs in the U.S. are business administration, educational administration, registered nursing, social work, and teacher education.¹



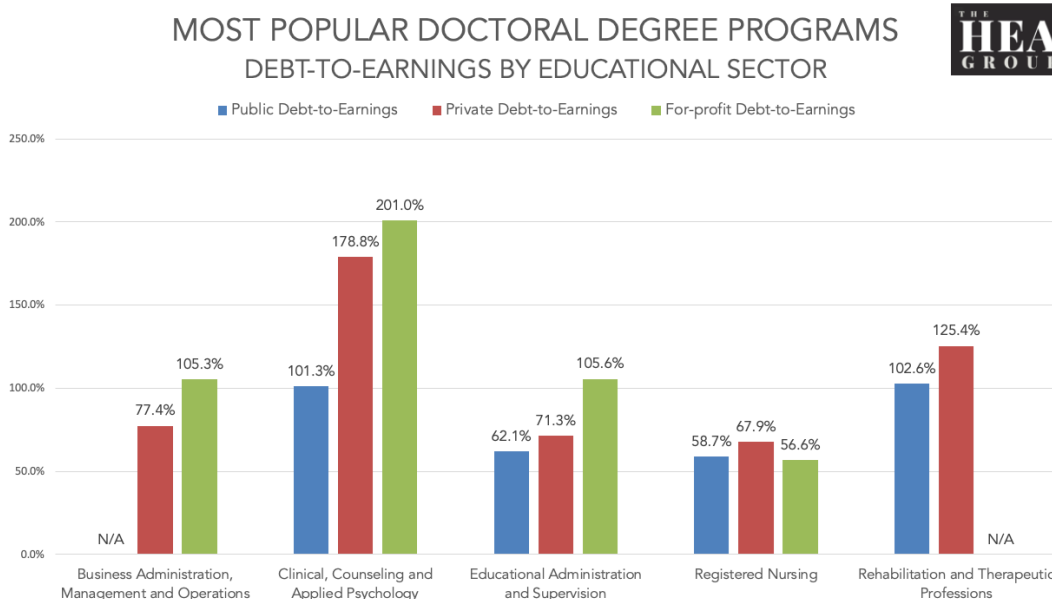
*Author's calculations from U.S. Department of Education's College Scorecard. Debt measures are reflective of completers from 2018-2020. Earnings reflect a completion cohort that graduated in 2015-2016 and are measured four year later in 2019-2020 — adjusted to 2021 dollars.

For each of these master’s programs, those offered at public universities show students with the lowest “debt-to-earnings” ratio, meaning they owe the smallest amount of debt in comparison to the wages they earn after graduation. For example, graduates who obtain a master’s in business administration at a public college end up owing \$42,246, but earn \$106,044 shortly after graduation, on average (see appendix for all debt and income figures). Therefore, their debt is 39.8% of their income.

However, our analysis shows master’s degree programs offered at for-profit institutions often leave students with more debt and lower wages than their public and private, non-profit counterparts. This is especially apparent for master’s degrees in social work, where students end up owing nearly twice as much at a for-profit college (\$72,715), yet still earn less (\$53,534) than students who complete the same degree program at a public university — where graduates typically borrow \$37,566 and earn \$56,607.²

Doctoral Programs

The most popular doctoral programs in the U.S. are business administration, clinical counseling and applied psychology, educational administration, registered nursing, and rehabilitation and therapeutic professions. Although these are the most sought-after doctoral programs, some are less concentrated in certain sectors. For example, there are no data available for “business administration” doctoral degrees at public universities, as they may offer more specified doctoral degrees in this field, such as economics, finance, or marketing.



*Author’s calculations from U.S. Department of Education’s College Scorecard. Debt measures are reflective of completers from 2018-2020. Earnings reflect a completion cohort that graduated in 2015-2016 and are measured four year later in 2019-2020 — adjusted to 2021 dollars.

Similar to master’s degrees, the doctoral programs that leave students with the highest debt and lowest comparative earnings are concentrated among for-profit institutions. For example, a for-profit doctoral degree in clinical, counseling and applied psychology leaves students owing more than twice as much (\$175,109) as they earn (\$87,136) a few years after they graduate. This leaves students with a 201% debt-to-income ratio early in their career — an indicator that they may struggle to repay their loans over time.

Likewise, popular doctoral degrees offered at public institutions often leave students owing the least in comparison to the amount they are expected to earn. The same degree program — clinical, counseling and applied psychology — completed at a public institution leaves students earning a similar amount (\$78,935) to their for-profit counterparts, yet they incur less than half the debt (\$79,991).

Conclusion

Advanced degrees offer substantial benefits for many program graduates, including specialized knowledge, higher earnings, and the ability to advance within a given career path at a quicker pace. However, certain institutions are more expensive and leave students earning less—drowning graduates in debt well beyond their earnings potential. As students contemplate post-graduate education, they should consider not only the program, but also the institution offering it. Graduate school can be a costly investment, so selecting a program with a positive return is key.

Appendix

Five Most Popular Master’s Degree Programs

Master’s Degree Programs	Public Earnings	Public Debt	Private Earnings	Private Debt	For-profit Earnings	For-profit Debt
Business Administration, Management and Operations	\$106,044	\$42,246	\$104,090	\$43,533	\$66,283	\$42,484
Educational Administration and Supervision	\$62,507	\$26,271	\$70,147	\$29,793	\$60,224	\$35,184
Registered Nursing	\$110,946	\$47,124	\$115,216	\$60,317	\$107,275	\$46,924
Social Work	\$56,607	\$37,566	\$58,930	\$68,976	\$53,534	\$72,715
Teacher Education and Professional Development	\$52,078	\$28,285	\$58,159	\$31,045	\$47,837	\$31,578

Five Most Popular Doctoral Degree Programs

Doctoral Program	Public Earnings	Public Debt	Private Earnings	Private Debt	For-profit Earnings	For-Profit Debt
Business Administration, Management and Operations	N/A	N/A	\$111,393	\$86,251	\$93,724	\$98,660
Clinical, Counseling and Applied Psychology	\$78,935	\$79,991	\$82,609	\$147,745	\$87,136	\$175,109
Educational Administration and Supervision	\$91,728	\$56,942	\$96,213	\$68,595	\$79,824	\$84,315
Registered Nursing	\$136,375	\$80,107	\$132,380	\$89,855	\$118,181	\$66,920
Rehabilitation and Therapeutic Professions	\$78,797	\$80,844	\$77,657	\$97,409	N/A	N/A

Data Dictionary

Variable	Description	Measurement Year
Debt	Median debt of graduates	Pooled cohort measured in 2018-19 and 2019-20
Earnings	Median earnings of graduates four years after they've completed their program of study.	Treasury AY2014-2015, AY2015-2016 pooled earnings cohort measured in CY2019, CY2020, inflation adjusted to 2021 dollars

¹ The five most popular majors — which are determined by the total amount of students in the debt cohort - are listed alphabetically, not necessarily in order of popularity.

² Federal educational debt is measured upon graduation. Graduate earnings are measured four years after students complete the program. A weighted average is used for, each, debt and earnings calculations.