

Assignment #5 – Money & You **How Much Is An Education Worth?**

Assigned: Friday, March 5, 1999

Prepare the following on separate sheets of paper. Head each paper using the format provided by Gloria. Where written answers are requested, proofread your work for legibility, punctuation, capitalization, spelling, conciseness and complete sentences. Where calculations are required, neatly write out the formulas you used and circle your answers. Number all answers. Be prepared to report on your work next Friday in class.

Part 1 – due Monday, March 8, 1999

Use the tables on the backside of this page as the source for this assignment.

1. Write out your assigned category.
2. How many individuals are in it?
3. How much does a person in your category earn each year above that earned by a person who dropped out before high school?
4. About how many years beyond 8th grade did a person in your category go to school?
5. How much per year is each of those years worth to a person in your category?
6. What is the difference in yearly pay between a person in your category and his/her gender opposite?

Part 2 – due Tuesday, March 9, 1999

Using a web browser, open the *USA Today* page at <http://www.usatoday.com/snapshot/money/msnap075.htm>. Print it for your binder. Where appropriate, use its information to respond to the following.

1. What is the source of the *USA Today* data?
2. What is the source for the data in the tables on the backside of this sheet?
3. Is the data itself the same or different?
4. Would you say that the *USA Today* data is more or less accurate than the data on the backside of this sheet? Why?

Part 3 – due Thursday, March 11, 1999

Using a web browser, open the *Information Almanac* page at <http://www.infoplease.com/ipa/A0112646.html>; and the *Christian Science Monitor* page at <http://www.csmonitor.com/durable/1999/03/03/p1s1.htm>. Print the pages for your binder. To print the *Monitor* story, you'll need to click inside the story frame; then click File, Print Frame. Use the information on the printouts to respond to the following. Each listed item should be a complete sentence.

1. List the things you learned from the Information Almanac page that were unavailable in Monday's and Tuesday's data.
2. List the things you learned from the Monitor story that were not in any of the other data.

(over)

How Much Is An Education Worth?

- There are undoubtedly numerous non-monetary benefits to a good education (both personal and social). However, in purely monetary terms the answer has to be quite a bit. In 1997 the median income for men with professional degrees was \$60,117 per year greater than that for men who never entered high school. A man graduating with a BA made on average \$16,496 per year more than a high school graduate.
- Income data in the following tables is from the Census Bureau's annual publication *Money Income in the United States 1997*. It is reported in table #7, page 26 (men) and page 27 (women). I calculated the 2 right hand columns based on the Census Bureau's data displayed in the median income column. All workers 25 years old and older (full and part time) were included.

Male Workers, 1997 (sample size: 80,263,000)

Education attained	% of sample	median income	\$ per year added	\$ per year cumulative
less than 9th grade	7.27%	\$12,157		
Grades 9-12, no diploma	9.47%	16,818	\$ 4,661	\$ 4,661
High School graduate	32.12%	25,453	8,635	13,296
Some college, no degree	17.31%	30,536	5,083	18,397
Associate degree (AA)	6.97%	32,930	2,394	20,773
Bachelor's degree (BA)	17.32%	41,949	9,019	29,792
Master's degree (MA)	5.71%	52,530	10,581	40,373
Doctorate degree (PhD)	1.67%	68,643	16,113	56,486
Professional degree (Dr., lawyer, dentist, etc.)	2.17%	72,274	3,631	60,117

Female Workers, 1997 (sample size: 83,821,000)

Education attained	% of sample	median income	\$ per year added	\$ per year cumulative
less than 9th grade	6.74%	\$ 7,505		
Grades 9-12, no diploma	9.14%	8,861	\$ 1,356	\$ 1,356
High School graduate	34.99%	13,407	4,546	5,902
Some college, no degree	17.50%	17,153	3,746	9,648
Associate degree (AA)	8.25%	21,073	3,920	13,568
Bachelor's degree (BA)	16.45%	26,401	5,328	18,896
Master's degree (MA)	5.35%	35,882	9,481	28,377
Doctorate degree (PhD)	0.61%	46,545	10,663	39,040
Professional degree (Dr., lawyer, dentist, etc.)	0.96%	45,200	-1,345	37,695