More than Harvard?
Study of 40-year gains says yes

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Would you be better off enrolling at pharmacy school or Harvard University?

If you’re looking for a long-term return on investment, a new study suggests that attending the Massachusetts College of Pharmacy and Health Sciences, the Longwood-area pharmacy school, may be a better option. MCPHS ranked number three in a study of colleges based on the economic value they’re likely to provide their students over 40 years.

The report, by Georgetown University’s Center on Education and the Workforce, was released Thursday and included data on 4,500 colleges and universities across the country.

Students who attend MCPHS could on average see a net economic gain — after paying off their college debt — of $2.4 million after 40 years. Harvard ranked eighth, with an economic gain of nearly $2 million. Two other area colleges, MIT (fourth), with an economic gain of $2.3 million, and Babson College (seventh), with about $2 million in net income gain, helped round out the top 10 list.

In fact, many of the top 10 colleges on the list specialize in certain fields: The top three are pharmacy schools, and two maritime academies that help students prepare to work on ships rank among the best long-term financial investments.

“The variation is what stuns me,” said Anthony P. Carnevale, the study’s lead author and director. “It is the tip of the iceberg on real transparency in higher education.”

The study aims to shed light on the hotly debated question of whether college is worth the cost and rank how well institutions do in helping students improve their earning potential. The Georgetown study is based on data submitted by colleges to the federal government. The government, through the College Scorecard, reports earnings of graduates at individual colleges 10 years after they earn their degree. Using that data, the Georgetown study for
the first time attempts to estimate future earnings 40 years out.

At a time when the rising cost of college and the ballooning amount of student loan debt has worried families, policy makers, and young students about whether college is worth the financial risk, the Georgetown report offers some positive news for higher education.

“I will probably share this report with one or two people,” said Stephen Spinelli, the president of Babson College. “People are questioning deeply the value position. This says the value proposition is robust.”

Babson, a business school that focuses on entrepreneurship, counts the cofounder of Home Depot and the former chief executive of PepsiCo among its graduates. The college attracts students who are interested in starting businesses and, after graduating, many land in leadership positions at their organizations, explaining Babson’s ranking at the top of Georgetown’s study.

But not all students want to become pharmacists, launch companies, become engineers, or spend their career at sea, working on a ship.

Earning a college degree is a “worthwhile investment,” according to the report, but how good an investment varies significantly depending on the type of institution, the training it offers, and the career choices of graduates.

“It is important to discuss this information with families when they embark on the college search and funding process,” said Todd Weaver, a private counselor with Strategies for College Inc., a Norwood-based company.

The study shows that “name brand” institutions aren’t always the best option for students, Weaver said.

In the short term, over a 10-year period, community colleges and certificate programs, particularly in nursing, provide the highest returns on investment, in part because students graduate with little debt and can move into the workforce.

Four-year institutions may initially cost more, but over a 40-year period their graduates also have higher economic gains, according to the report. Private four-year colleges on average have higher net returns, according to the report.

Over the course of 40 years, even after paying off higher amounts of debt, a private college graduate will reap a long-term net economic gain of $838,000, compared with $765,000 for graduates of public colleges, according to the report.

The best performing colleges in Georgetown’s ranking were four-year institutions with low student-debt levels that offered degrees that led to high paying jobs, including Harvard, Stanford University, and the Maine Maritime Academy.

Theological institutions, beauty schools, and colleges that focus on music and the arts ranked low in economic gains for their graduates.

In Massachusetts, Berklee College of Music graduates had an economic gain of $456,000 in a 40-year period, placing it below some of the state’s community colleges for long-term earning potential.

Still, education experts and Carnevale warn that families and students should look at more than this ranking to determine whether a college is right for them. Students should talk to guidance counselors and look at the institution’s graduation rates, how long it takes students to earn their degree, and how many students default on their loans.

In some cases, the schools that do well in Georgetown’s rankings are also drawing students who are likely to succeed, no matter what school they attend, said Phillip Levine, a Wellesley economics professor who focuses on college affordability.

Students who can get accepted by MIT are likely to earn more after graduation regardless of whether they attend MIT, Levine said.

“How do you know what the school is actually doing compared to the student’s individual attributes?” Levine said. “That’s a harder issue.”

There may be colleges that leave their graduates weighed down with debt and a degree that does them little economic good, but for the most part, a college education remains a good investment, Levine said.

“Yes, college is worth it. College is even more worth it for low-income kids,” he said. “Community colleges show positive returns, going to a lower-level state school shows a positive return, elite schools show a positive return:_____________________

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