



Return on College Investment

Let's say you're giving your niece or grandson some advice on which major to select in college. Do you tell them to get an art degree, or take courses in social sciences? Or should they focus on business and finance?

The decision should not ignore their natural abilities and interests, of course. But if they're looking for the best return on their tuition dollar, then they might consider spending their time in the computer sciences and math buildings.

This information comes from a report published by PayScale.com, which helps people manage their careers and figure out what they're worth on the job market. PayScale's research team tracked the median salary for people who completed its salary survey online. They then compared the 20-year earnings of people following different careers with what was earned, on average, by competing workers with a high school diploma but no college degree. Then they subtracted the cost of 4 years of college tuition, to arrive at a return on investment figure—the additional money the degree provided. Advanced degrees like law and medicine were excluded; the survey focused on bachelors degrees.

The results were striking. Business and finance majors came away with a respectable \$331,345 average ROI over 20 years, but they actually finished a distant third on the list, just ahead of sales, marketing and public relations (\$318,212). The highest ranking majors, by this metric, were computer and math, whose degree-holders saw a net return on their tuition investment of \$584,339 over the 20 years after graduation. These nerdy individuals nosed out the architecture and engineering graduates, whose average ROI came to \$561,475.

Life, physical and social sciences majors fared somewhat less well, earning almost exactly \$250,000 more than their high school diploma competition. Graduates with an arts, design, entertainment and related degree came in last in the survey; they are expected to make a little over \$125,000 as a result of their college training.

Interestingly, the PayScale website also tracks the average return on tuition investment for different colleges. Graduates of Harvey Mudd College in Claremont, CA can expect to earn nearly \$1 million over the 20 years after graduation, with a typical starting salary north of \$75,000—with a 4-year college investment of \$237,700. Numbers 2-10 on the rankings include the California Institute of Technology (\$901,400 earnings, \$221,600 cost); The Stevens Institute of Technology in Hoboken, NJ (\$841,000; \$232,000), the Colorado School of Mines in Golden, CO (\$831,000; \$112,000); Babson College in Wellesley, MA (\$812,800; \$230,200); Stanford University (\$809,000; \$233,300); the Massachusetts Institute of Technology (\$798,500; \$224,500); Georgia Institute of Technology (\$796,300; \$86,700); Princeton University (\$795,700; \$217,300); and the Virginia Military Institute (\$767,300; \$95,700).

You can look up your own alma mater here: <http://www.payscale.com/college-roi/>