

Census: Education plays a role in income levels

According to a U.S. Census Bureau study, education levels had more effect on earnings during a 40-year span in the workforce than any other demographic factor, such as gender, race and Hispanic origin. For example, a worker with a professional degree is expected to make more than a worker with a eighth grade education or lower.

Some groups, such as non-Hispanic white males, Asian males and Asian females, benefit more from higher levels of education than other groups over a 40-year career for those with a professional degree. White males with a professional degree make more than double (about \$2.4 million more) than that of Hispanic females with the same level of education.

Many factors, such as race and Hispanic origin, gender, citizenship, English-speaking ability and geographic location do influence work-life earnings but none had as much impact as education. The estimated impact on annual earnings between a professional degree and an eighth grade education was about \$72,000 a year, roughly five times the impact of gender, which was \$13,000.

These findings come from the report Education and Synthetic Work-Life Earnings, which looks at the economic value of educational attainment by estimating the amount of money that people might earn over the course of a 40-year work-life given their level of education. The report also looks at the effect of other factors, such as race and gender groups and other characteristics with regard to this relationship.

Other highlights:

Overall, white males had higher earnings than any other group at every education level, with the exception of those with a

master's degree, which was topped by Asian males, and those with a professional degree, where Asian males were not significantly different from white males.

In general, women in the most economically advantaged race groups usually earn less than men in the most disadvantaged race groups. For example, a white female with master's degree is expected to earn \$2.4 million over a 40-year work-life. In comparison, a Hispanic male with a master's degree is expected to earn \$2.8 million.

For Asian, black and Hispanic groups whose highest education completed is high school, the difference between each group's work-life earnings was not large compared with the differences between these groups when they had higher levels of education.

Asian men and women with a bachelor's degree or higher had greater returns on higher education than blacks or Hispanics of either gender. For example, an Asian female with a professional degree made \$3.7 million in work-life earnings compared with \$2.3 million for a Hispanic female with a professional degree.

Geography impacted earnings, showing higher earnings in the Pacific states and in New England and lowest earnings in East South Central states.

Data for this research comes from the 2006-08 American Community Survey.