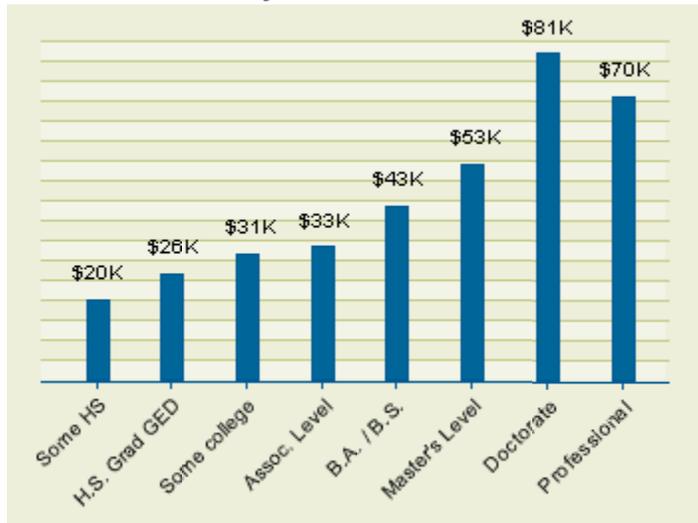


# Is a Higher Degree the Key to Higher Pay?

Discouraging predictions of lower salary hikes coupled with a tough job market have increased the already growing number of people returning to school. Numbers have been steadily growing because of increased educational requirements in the job market and the fact that on average a higher level of education translates into a higher annual salary. Salary.com's calculations for 2003 placed bachelor's degree holders at an average salary of \$43,000, and master's degree holders at \$53,000 (see earnings chart below). Therefore many professionals assume it is logical to go back to school, just as many undergraduates assume it is a good idea to avoid the tough job market altogether and enter graduate school immediately upon graduation. But many experts disagree, and are encouraging individuals to first weigh the benefits along with the drawbacks associated with attending graduate school.

Median 2003 Income by Educational Level



While it may seem like a logical choice for everyone, there are opportunity costs associated with attaining a higher degree, not to mention the career risks one takes if rushing into such a decision. Many career counselors suggest that individuals seek a higher degree mainly to pursue a passion or strong interest they have in a subject, rather than for a higher income or job security, as these are not always guaranteed. It is also strongly advised that in order to discover or reinforce your interests and better understand how a higher degree may benefit your career, one should first pursue work in their field and seek advice from professors and experienced professionals. Those who have worked in their field for a number of years will be more able to make this decision on their own. A cost analysis should be performed as well, on costs associated with going back to school and the alternative cost comparisons.

Average graduate school and living costs per year are running upwards of \$26,000 a year according to U.S. News and World Report. And according to Nellie Mae's National Student Loan Survey, graduate students held an average of \$23,700 in loans upon graduation last year, not to

mention the lost income and savings. This is the reason some experts suggest taking classes part-time while continuing to work. This way you won't forgo potential promotions, and the income flow and benefits will help counteract the cost of attending school, while still allowing you to pay the interest on your loans. Another way to avoid high costs is to look into attending public school rather than private, which can run at significantly lower tuition costs.

There are many different options available for professionals looking to attain a higher degree. Many highly regarded schools offer executive MBA programs with night and weekend classes, and most schools are increasingly making efforts to support part-time and distance learning students. Online degrees are a viable option as well these days; see related article, [The Value of Online Learning](#), for more information. Another advantage of part-time and online degree programs, along with the cost benefits, is that you are able to apply your skills immediately, keeping you current and more attractive to employers.

It is also important to keep in mind the validity of your degree, and salary potential in the field. Going back to school in a field because it is in high demand or pays a high salary is risky as it's possible the job market will have changed once you graduate. It is therefore essential to choose a degree that is based on your personal interests and skills and allows you to be flexible in the market and take on a variety of jobs in a variety of areas. Another factor to consider is the type of company at which you want to develop your career. While advancement at many Fortune 500 companies often warrants an M.B.A, at other companies it may not be necessary or even beneficial.

All in all, it is most important that you define your own personal priorities and goals regarding a higher degree, and by taking into account all of the various aspects of attaining this degree you will be on the right track to making the best decision.

Source: Salary.com