

Why is the College-Going Rate Important?



EDWorks Policy Brief

By Laura Higgs Kappel and Patrick Kelly

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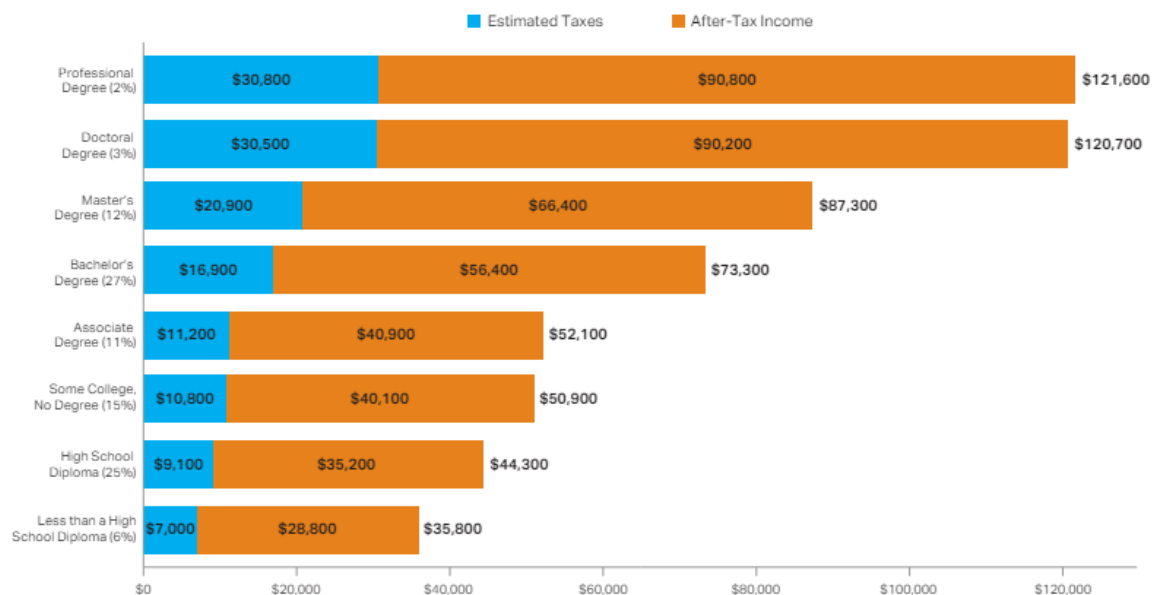
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Why is it important for high school students to attend college directly out of high school? College options in Tennessee include seeking career and technical education at a Tennessee College of Applied Technology (TCAT), career training or an associate's degree at a community college, or a bachelor's degree at a four-year college or university. The college-going rate (CGR) is an indication of the portion of high school students who enroll in college in the semester immediately following high school graduation.

Financial Advantages

There are many advantages to continuing the educational pathway, perhaps the most common one being the opportunity to prepare for a professional career that will yield significantly higher annual as well as lifetime earnings compared to jobs requiring only a high school education. The following chart was taken from a College Board report published in 2023 and shows the median income based on education level for the year 2021 (Ma and Pender, 2023, p. 17):

FIGURE 2.1 Median Earnings and Tax Payments of Full-Time Year-Round Workers Age 25 and Older, by Education Level, 2021



NOTE: The percentages in parentheses on the vertical axis indicate the shares of all full-time year-round workers age 25 and older with each education level in 2021. The bars show median earnings at each education level. The blue segments represent the estimated average federal income, Social Security, Medicare, state and local income, sales, and property taxes paid at these income levels. The orange segments show after-tax earnings. Percentages may not sum to 100 because of rounding.

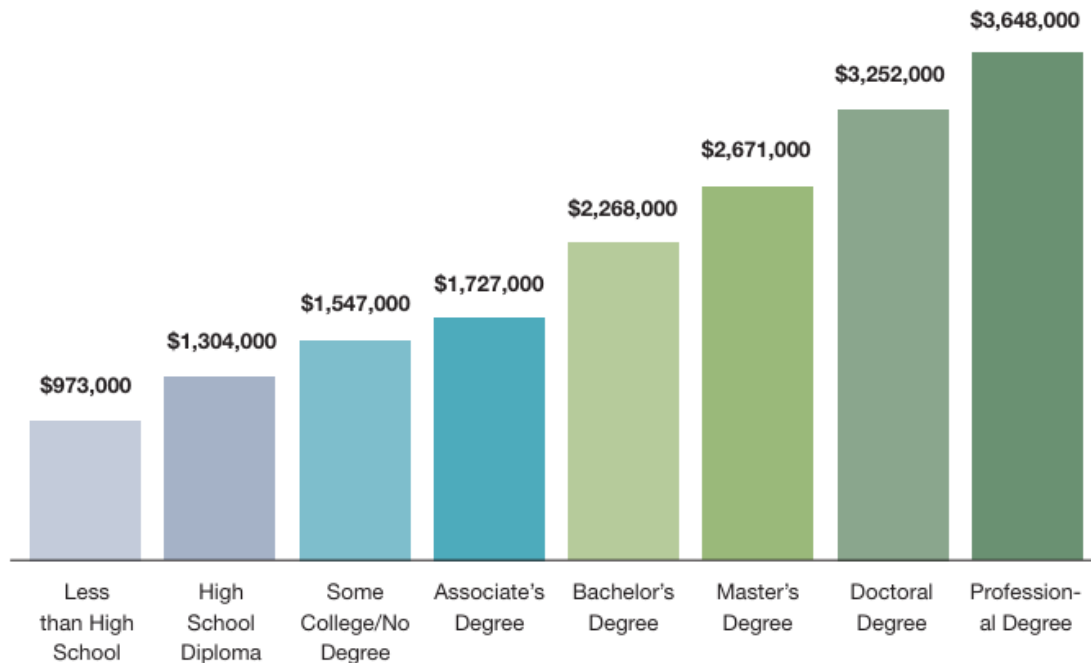
SOURCE: U.S. Census Bureau, Income, Poverty, and Health Insurance in the United States, 2021, Table PINC-03; Internal Revenue Service, 2020; Wiehe et al., 2018; calculations by the authors.

As this graph shows, the median annual income increases substantially as individuals achieve higher levels of education. In addition, overall lifetime earnings are significantly higher.

According to a report by the Association of Public and Land-Grant Universities, the lifetime earnings of a college graduate are \$1.2 million more compared to someone with only a high school diploma, and college graduates are twice as likely to be employed compared to people with only a high school diploma.

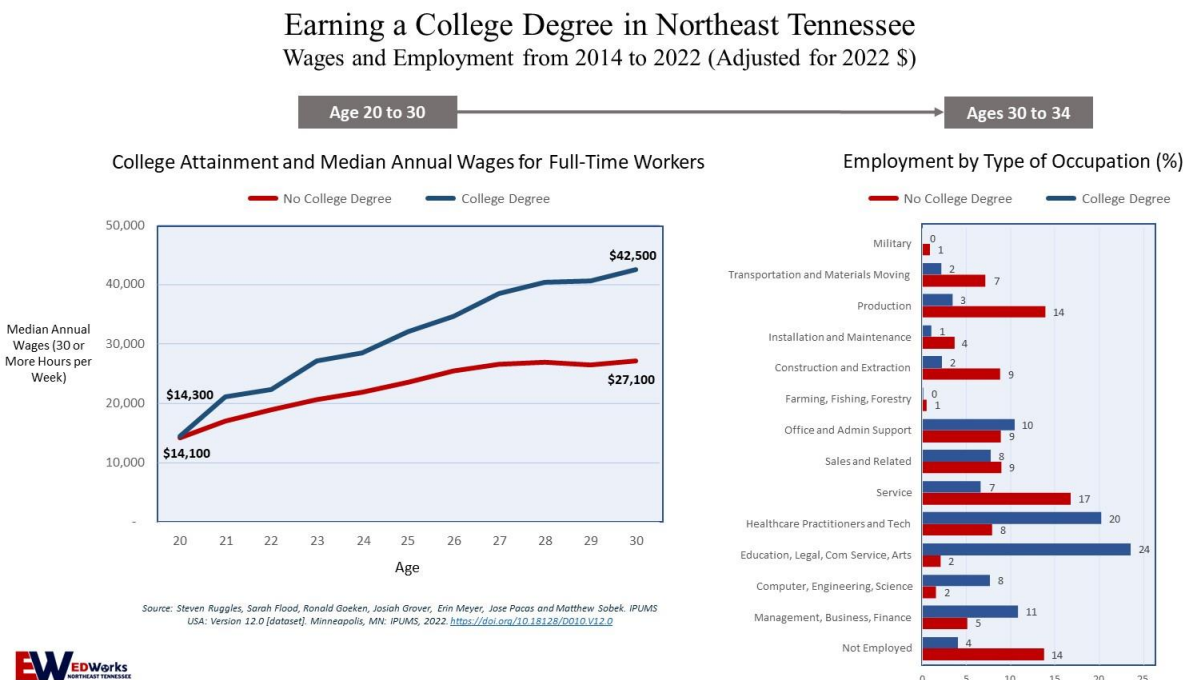
The difference in overall lifetime earnings was also highlighted in a report by the Georgetown University Center on Education and the Workforce. Using data from the 2007-2009 American Community Survey, Carnevale et al. (2013) found that “having some postsecondary education, even without earning a degree, adds nearly one quarter of a million dollars to lifetime earnings” (p. 4). The chart below from their report shows the lifetime financial benefits of a college education.

FIGURE 1: MEDIAN LIFETIME EARNINGS BY HIGHEST EDUCATIONAL ATTAINMENT, 2009 DOLLARS



Specifically, for our region in Northeast Tennessee, the median annual wages are not as high as those listed for the national averages, but the difference between median annual wages for full-time workers without a college degree and those with a degree shows a clear split after the age of 20. Although high school graduates who do not go on to college earn roughly the same as their college-educated counterparts initially, that difference begins to separate in the mid-twenties and widens substantially by age 30, with college graduates in Northeast Tennessee earning \$42,500 per year compared to \$27,100 made by people with only a high school diploma. The types of employment of college- vs. non-college educated residents is also important to note, with the predominant fields for people with a college degree being healthcare, education, legal,

community service, and arts. The non-college degree workers, on the other hand, tend to cluster in fields such as production, service, and construction. The charts below illustrate these points:



Professional Development Advantages

In addition to financial well-being, college students gain other career benefits such as networking opportunities, for example, through mentorships, internships, service learning, work-study, apprenticeships, and co-ops. Students also develop important durable skills, including critical thinking, problem-solving, communication skills, collaboration, and leadership, which transfer across many professions. A report by the State Collaborative on Reforming Education (SCORE, 2022) identified ten areas of competency of durable skills that employers look for: leadership, character, collaboration, communication, creativity, critical thinking, metacognition, mindfulness, growth mindset, and fortitude. A college education helps students develop in all these areas. Colleges also offer extensive support services to help students succeed in college, including tutoring, counseling, and both academic and career advising. Once in their careers, college graduates also have greater opportunities for career and professional advancement, promotions, and higher-level positions than workers without a degree.

Health Advantages

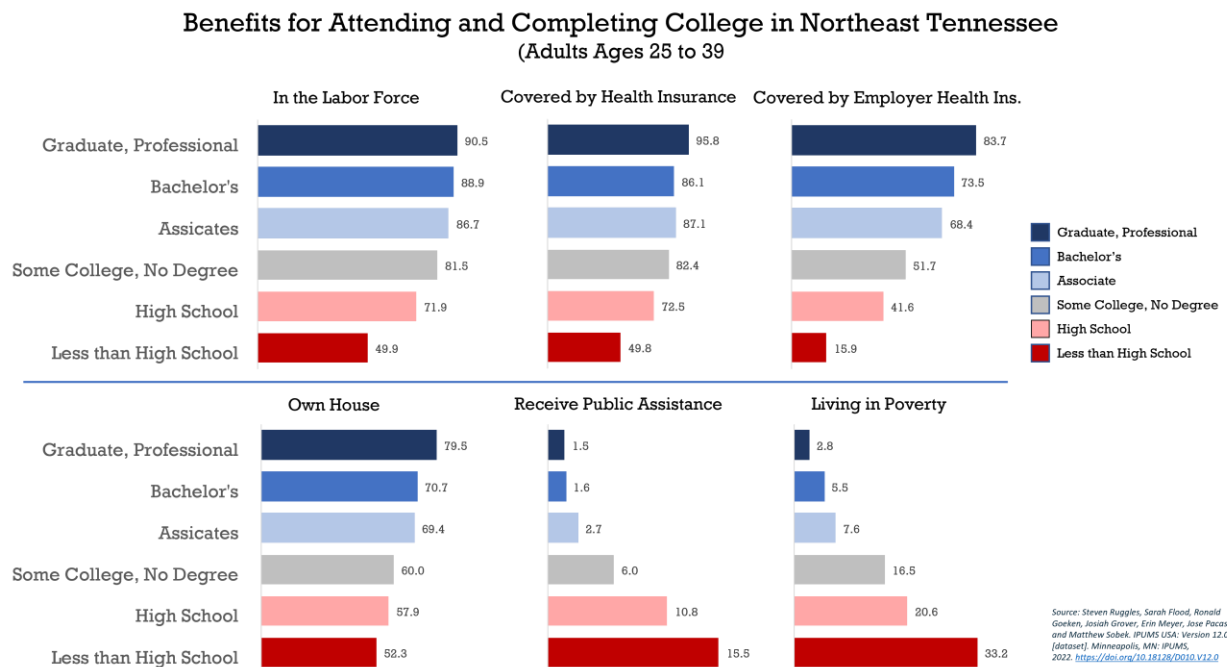
College attainment is also strongly associated with living longer, healthier lives. College graduates are more likely to have health insurance and access to care and are less likely to struggle with issues that challenge good health such as substance abuse, smoking, and obesity.

According to a report by the Lumina Foundation in 2023, the connection between income for college graduates and health is clear:

College graduates have double the yearly income, four times the retirement savings, and four times the net worth of working age, non-college Americans. Non-college workers are five times more likely to be in poverty and lack health insurance, and more likely to move because of economic trouble. There are four times as many working the night shift, and three times as many not working at all. (Colavito et al., 2023, p. 1).

In addition to being more likely to have health insurance, college graduates have a longer life expectancy than people with just a high school diploma. According to a Princeton University researchers Deaton and Case (cited in Matherly, 2023), the adult life expectancy as calculated in 2019 of people with a four-year degree was 84 years, compared to 79 years for people without post-secondary education.

In a video presentation by the Dean of Public Health at East Tennessee State University, Dr. Randy Wycoff stated that “education is a tremendous predictor of health” and that the difference in life expectancy for men who are college educated compared to men who are not is eight years and for women, it is four-to-five years. He also emphasized the interrelationships between education and jobs, access to health care, and behaviors related to health such as smoking, drug use, and obesity (Wycoff, 2024). Hence, a higher level of educational attainment can improve health. The following chart illustrates the relationships between educational attainment and employment, health insurance, home ownership, public assistance, and poverty in the Northeast Tennessee.



Personal, Social, and Cultural Benefits

The educational pathway through college also offers many personal benefits, the first being the sense of personal pride and accomplishment a college graduate feels when crossing the graduation stage. Graduation also often leads to feelings of higher self-esteem. Additionally, college offers opportunities for growth and learning in areas of personal interest with access to libraries, research facilities, laboratories, and technology. College students may also enjoy the many social, cultural, and athletic events and programs that are part of a campus community. Meeting people from other parts of the country and world with different perspectives is another perk of the college experience. College graduates are also more likely to own a home, have a private retirement account, have good credit scores for loans and mortgages, be employed, be paid a salary instead of an hourly wage, work during the day and not at night, and have a job sitting at a desk and not on their feet (Colavito et al., 2023).

Benefits for the Community

Finally, the community and region benefit from having a high college-going rate. Regional businesses and industries can find workers from the pool of college graduates who are more likely to be innovative and creative in their jobs than workers trained at a job site only. Research and innovation from college students has a valuable impact on local communities. College students are often interested in local internships, apprenticeships, service learning, and volunteer opportunities that can make a direct positive impact on local businesses. Furthermore, the colleges themselves have an economic impact by boosting the local economy, providing jobs, and leading to economic growth. In these ways and more, the educational pathway to college can improve a person's quality of life for a lifetime, and a more educated citizenry raises the quality of life for the entire region.

The Importance of Starting College Immediately after High School

The next question is, why is it important for students to attend college directly out of high school? The biggest reason is that if students do not attend college in the fall semester following high school graduation, they may be less likely to return to college at all. Although a gap year (or longer) may be beneficial for some students, many people find it harder to go back to school after they have started working and have more family responsibilities. Even for students who have applied and been accepted to college, there is a phenomenon called "summer melt" which means that students with the intention to start college at the point of high school graduation either do not complete some final requirements or decide not to attend in the fall. A survey conducted by the State Collaborative on Reforming Education (SCORE) in 2021 indicated that the top three reasons for summer melt were students started working, personal reasons (such as family responsibility and health), and the cost of college (SCORE, 2021).

There are also financial benefits to starting directly after high school because some scholarships and financial aid are only available to students attending directly out of high school. The Tennessee Promise program is a good example of one such program. Students can receive free tuition for two years at a community college, but they must enroll directly out of high school to become ineligible for this opportunity (Tennessee Promise Scholarship, 2024).

For many students, after taking time between high school and college, their knowledge and skills begin to fade, making their academic pursuits more challenging. Academic continuity of entering college directly after high school helps them to maintain their study habits and keep their motivation and momentum high.

Conclusion

While EDWorks promotes college attendance and completion for residents of any age, at any point in their lives, this brief focuses on college attendance directly following high school, the transition where the most policy intervention can take place between K-12 and postsecondary education. Because of the many personal and societal benefits associated with a more highly educated citizenry, EDWorks and its regional stakeholders from education, business, and industry are developing strategies to increase the college-going rate of students directly out of high school for the Northeast Tennessee region. An accompanying brief will address the college-going rate goal set for the region, as well as strategies for achieving it.

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