The first graph below presents a common finding with a bonus. Specifically we observe the higher the level of educational attainment the higher median weekly earnings. The bonus is higher levels of educational attainment are inversely related to unemployment rates.

Julianand and Kominski (2011) estimate synthetic work-life earnings (SWE) for the mentioned groups, displayed in the following graph. The dotted and solid lines represent females and males, respectively, with their associated group in a different color.

All groups appear to benefit from higher educational attainment levels, as measured by SWE. The benefits are not uniform however.

- Males make $12,618 per year more than females
- Individuals with an associate’s degree make nearly $10,500 more per year than high school graduates
- Individuals with a bachelor’s degree make nearly $13,400 more per year than high school graduates
- Individuals with a doctorate degree make over $51,000 per year than high school graduates
- Hispanics make $6,285 less per year than “White alone, not Hispanic”
- Similarly, “Black, not Hispanic” individuals make $6,003 less per year than “White alone, not Hispanic”

* The Census Bureau defines synthetic earnings in the following manner: “These estimates are “synthetic,” that is, they are not the actual dollars people earned over the complete working life of the person (which would require us to have retrospective earnings data for the 40 years of their work-life). Instead, they are estimated using data from a one point-in-time cross-sectional survey. Median annual earnings estimates are computed for the point in time of the survey for all ages (5-year age groups are used), education, gender, and race/ethnicity groups. The age group-specific medians are then summed across the category of interest (say, Black females with a Master’s degree) to construct expected lifetime earnings of that group if all earnings patterns observed in the cross section were to remain unchanged.”

Explaining the Variation in Earnings Due to Educational Level, November 6, 2011