

present themselves after the student graduates. The first can be measured by an estimation of personal qualities, the second and third by past experience of the graduates of the institution, and the fourth by relying on averages.

It is not a simple process to arrive at the cash value of a college education. The efforts made by Dean Everett W. Lord of Boston University and those made by statisticians at Northwestern University are worthy of note at this point.

In Diagram III and the accompanying explanation, the cash value of a college education is placed at \$72,000. The study made at Northwestern University in 1913 places it at \$24,080.³⁰

The manner in which Dean Lord arrived at his figures can best be told in his own words:

These statistics, as indicated in the note on the following sheet, are based on reports of the Massachusetts Department of Labor and Industry and on statistics of earnings of students and graduates of the College of Business Administration of Boston University, the latter figures compared with, and to some extent adjusted by, similar reports from other institutions. The statement carried by the Associated Press, and published in many newspapers that the figures are 'based on a lengthy study of the earning capacity of college students' will then be seen to have been slightly exaggerated. I believe, however, that the figures will be found reasonably accurate in application to college graduates in general, and decidedly conservative in relation to graduates of colleges of business administration.

Fig. 1, The Earnings of the Untrained Man, based almost entirely upon statistics published by the Massachusetts Department of Labor and Industry, safely represents conditions in this state. It is probably a fair representation of conditions elsewhere.

The estimate made by Northwestern University was determined in the following manner:

In 1913 a census of the class of 1903 was taken by statisticians of Northwestern for purposes of computing the worth in money of higher education. This class was taken because it had nearly ten years "to get shaken down" and to realize the permanent value of things acquired in college.

1st five years after graduation,	average earning power	\$1,867
2nd " " " " " "	" " " "	1,862

The National Census Bureau gives the annual yearly income of the Chicago salaried man during that period at \$1,200; \$1,862 minus \$1,200 equals \$662 annual cash value; 40 times \$662 equals \$26,480, forty years being a fair estimate of a man's productive activity after he leaves college.

Deducting cost of four years college course (\$2,400): \$26,480 minus \$2,400 equals \$24,080 which is the net value of the "sheepskin", so to speak.

³⁰ "Educational Values", *Dial*, July 1, 1913.