**The choice of one’s university affects one’s future earning power**

Stance: Agree  
Word Count: 395

It’s become almost common knowledge that as a child growing up, your goal is to get into the best university. The assumption is that a more prestigious school will correlate with a better education and higher earning potential. Based on research about the correlation between school and earning power, I argue that the choice of one’s university does affect future earning power. However, I also argue that while the correlation exists, it is not because more prestigious universities have a significantly better education.

In a paper by the London School of Economics, researchers concluded that a degree from the top quarter of universities led to wages 10-16% higher than a degree from the bottom quarter (Hussain et al. 2009). This wage gap suggests that two people with similar backgrounds would proceed to earn very different wages simply because of their choice of school. This is unfortunate since the increasing cost of universities worldwide makes it a difficult career path for many potential students. For those that do pursue higher education, the average of $26,600 in debt accrued leaves many wondering if the potential gains outweigh the initial investment (Denhart 2013). Either way, while earnings are significantly higher for the top quarter of universities, the significant cost of investment could potentially neutralize true realized gains.

While the positive correlation between university and future earning power cannot be ignored, it may not be because the education at the top quarter of universities is far superior. At a fundamental level, both Ivy league schools and community colleges teach generally the same material. The method of teaching is also very similar with a lecturer in the front teaching with the help of visual aids. However, there is one significant difference. Looking into the statistics for the Brown University Class of 2016, Courtney Coelho found that 47% of the new class of students were Valedictorians in their high schools. Statistics for other Ivy league schools show similar results. This suggests that prestigious schools act as a filter on students and accept a higher percentage of talented individuals. While the variation in education quality is small, the high filters that prestigious schools have for being accepted ensures that their students are predetermined to succeed above average. Through an intensive filtering process, these schools create a quality signal for their students that employers are willing to pay a higher margin to attain.

**Bibliography**


Hussain, Iftikhar and McNally, Sandra and Telhaj, Shqiponja, University Quality and Graduate Wages in the UK. IZA Discussion Paper No. 4043. Available at SSRN: https://ssrn.com/abstract=1355426