

RETURN ON INVESTMENT (ROI)

With the rising costs of higher education and concerns about student loan debt, students and parents often ask: **“Is the cost worth it?”** Recognizing that **each student and family will arrive at their own equation** about the value of a private educational experience such as the one Carnegie Mellon offers, the following information provides context for these decisions. See if you agree that a **CMU education is worth the cost** and that our graduates manage their debt capably – **we have the data to show it.**



Earning Potential for CMU Graduates - External Sources

In recent years, several US publications have used existing, publicly-available data to develop mechanisms to provide insight regarding return on investment and to address the question about whether the cost of an institution is a good value given the earning potential of its graduates.

CMU vs. Peer Institutions Early Career Salary*

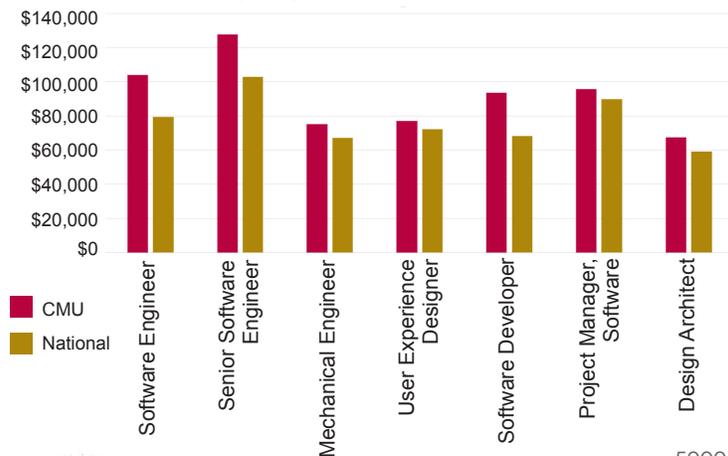


*Early career is five years of experience or less in the career/field.

Source:
2016 PayScale College ROI Report,
www.payscale.com/college-roi

PayScale releases an annual College ROI Report (based on its annual salary survey) to provide an understanding of the value of college education in the job market. The graph above gives us a good idea about earning potential for graduates of CMU as compared to peer institutions. In engineering jobs specifically, CMU graduates reported higher median salaries than the national median. While fields such as engineering and computer science typically offer a higher salary, CMU fares well in the overall ranks, too.

Median Salary by Job - CMU vs. National



#10/1343
Overall ROI Rank

#6/498
Private Not-for-Profit
ROI Rank

Carnegie Mellon University

5000 Forbes Avenue, Warner Hall A19, Pittsburgh, PA 15213
p: 412.268.8186 • e: thehub@andrew.cmu.edu • www.cmu.edu/hub



Photo by Mike Albrecht, Tepper School of Business, 2009

Earning Potential for CMU Graduates - Career & Professional Development Center

Annually, CMU's Career & Professional Development Center (CPDC) collects data from graduating students regarding their plans following graduation. About 22% of our Class of 2015 graduating seniors were admitted to graduate school and planned to attend. In 2015, the median reported entry-level salary for CMU was more than 62% higher than the national median as reported by the National Association of Colleges and Employers. Since 2006, starting salary of CMU graduates has increased an average of 4.5% annually. As salaries in each field vary, access the more specific data for each CMU college at: www.cmu.edu/career/salaries-and-destinations.

2015 CMU Median
Starting Salary
\$82,275

2015 National Median
Starting Salary
\$50,651

Making the Personal ROI Decision - Student Loans & Repayment

Students and families often look at cost factors in making the college decision. Increasingly, students and families want to understand, "Will the financial commitment to CMU be worth it?" The return on investment decision - it is YOURS.

CMU Average Loan Debt
Class of 2015

\$31,444

Source: Common Data Set, 2015-16

The 54% of undergraduates who borrow money while attending CMU can determine their estimated monthly repayment amount by using the US Department of Education's repayment estimator at <http://studentaid.ed.gov/repay-loans/understand/plans>.

After graduation, it is not unusual for students to pay several hundred dollars a month toward their student loans for a period of approximately ten years. That said, CMU's federal loan default rate is extremely low; in fiscal year 2012 (most recent information available), the **default rate was 0.7%**.

Our graduates experience long-term benefits - including the ability to pay off their student loans in resounding numbers AND in earning potential. That pays dividends on the financial commitment to obtaining a CMU degree.

What We Know...

- 1. A CMU education is a significant financial commitment for students and families.**
- 2. At the same time, 46% of our undergraduates receive some kind of financial aid, including more than \$85 million in grant aid annually.**
- 3. Our graduates have demonstrated that their earning potential is high.**
- 4. As a result, our graduates pay back their loans in remarkably strong numbers; our graduates' default rate on student loans is less than 1%.**

We encourage students and families to use reputable financial advising resources such as:

- www.whitehouse.gov/issues/education/higher-education/college-score-card
- www.payscale.com/college-roi