

Is the Cost of a Top College Worth It? It Depends

A degree from a top institution can open doors to entry- and executive-level jobs, but top school grads don't outperform their peers in the workplace

Summary

In the U.S., only about 30% of adults have a bachelor's degree, according to the most recent [census data](#). With less than half of the population holding a degree, is going to a top school all that important? The rationale is the edge that graduates can gain in the workforce. The implication is a degree from a top institution will not only get you an interview, it will also groom you to be a top performer.

We sought to find out if a degree from a top college plays a significant role in the hiring process. We also took a look to see if we could verify a true correlation between top performers in the workplace and those who graduated from top schools. We surveyed 500 senior level and executive managers with at least four direct reports who have managed their team for a minimum of one year. We only spoke with managers who required a college degree for their teams.

Here's what we found:



A degree from a top institution opens doors for job opportunities.



When it comes to hiring, an unconscious bias towards graduates from top colleges can come into play, particularly if the manager attended a top college.



However, managers attribute top employee performance more to working well with others, thinking strategically and being self-directed than to a top-college pedigree.

The "opens doors" theory is true

Indeed's survey validates the theory that a degree from a top institution helps open the door for job opportunities.

When asked about the role of education in hiring, 29% prefer to only hire candidates from top institutions, while almost half (48%) of respondents believe the institution a candidate graduated from plays a somewhat important role in hiring. Only 4% don't care about the name on an employee's degree as long as educational requirements for the role are met.

Our survey also revealed that a top college on a resume matters more to managers looking to hire entry-level positions or executive roles. We found that managers who hire for executive roles are more likely to have graduated from a top educational institution themselves. A job candidate's educational pedigree is least important for middle management jobs.

Where did your boss go to school?

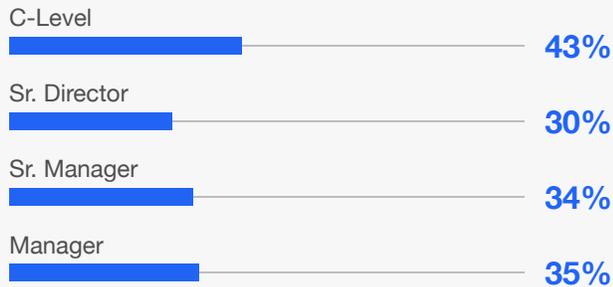
Our research shows that unconscious bias comes into play in the hiring process, depending on where the manager went to college. Thirty-seven percent of managers who self-identified coming from a top school said they like to hire candidates from top institutions only, versus just

6% of managers who did not go to a top school. On the flipside, 41% of managers who did not self-identify as a top school grad said they look at education but find experience more important, compared to 11% of managers who said they went to a top school.

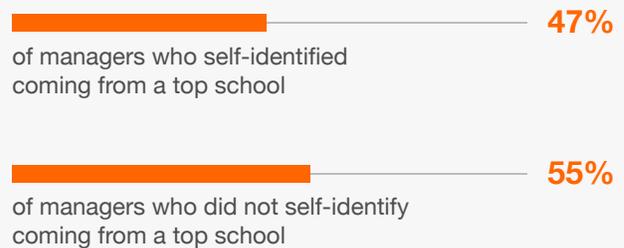
Top degrees are the least important attribute of top performers

When asked about the attributes of top performers, managers said the college name on a degree is the least important. Only 35% agreed that top performers generally come from top schools. What matters most is working well with others (72%), being a strategic thinker (71%) and being self-directed (66%). However, C-Suite managers are more likely to believe that top performers come from top institutions as compared to other managers.

I believe that top performers generally come from highly reputable/top institutions:



I believe that employees from top education institutions are on par with the rest of the top performers:



Is paying top dollar for college worth it?

Despite the rising cost of college tuition, Indeed's survey makes it clear that having a college degree is still very important. But is the extra cost of a top school worth the investment? It depends.

There is a clear bias towards graduates of top colleges when it comes to hiring. However, it is difficult to predict how that will impact an individual's career. Top school degrees have the highest impact at the entry and executive levels, often the most competitive times in a career.

Last year, the [U.S. Department of Education](#) found that graduates of Ivy League schools had a median salary of \$70,000 ten years after graduation, compared to \$34,000 for all other school graduates. So if having a top degree helps you get that initial job after college, it can set the pace for a larger income the rest of your career.

Conclusion

If you are accepted and can swing the cost of a top college, even with some loans, it could be worth it. There is a good chance that it can set you up for success in the job market. However, a college degree is only the first step to becoming a top performer in the workplace. Those with degrees from lower tier universities can get ahead by exhibiting skills such as self-direction, strategic thinking, and being a good team player. A top degree may get you in the door, but it won't make a difference when managers evaluate your performance.

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