

WASHINGTON STATE POPULATION SURVEY

Research Brief No. 3
May 1999

Educational Attainment and Income for Persons and Households

By Donald B. Pittenger

THE 1998 WASHINGTON STATE POPULATION SURVEY asked respondents for their educational attainment and their personal earnings during the previous year. The individual earnings results were tabulated so that household incomes could also be reported. This research brief examines the relationship between education attainment and income for persons and householders age 25 through 64. Persons in this age group are considered to be of prime incoming-earning age, since many individuals over age 65 are retired and some people under age 25 are still completing their education. The household data relate the educational attainment of the respondent identified as the householder to the income for the entire household.

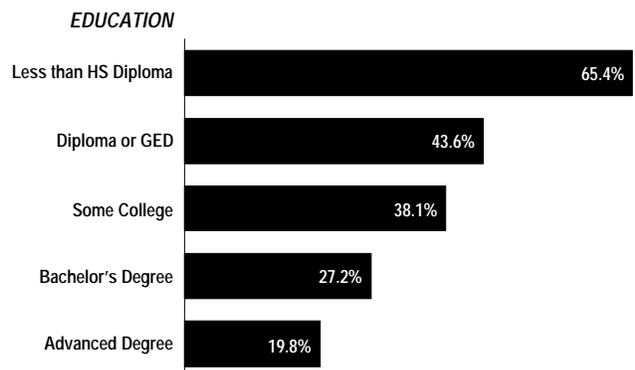
For the analysis, detailed survey income data were grouped into four broad categories, ranging from income levels under \$25,000 per year to those over \$75,000 per year. The discussion below focuses on the relationship between levels of education and earnings in those two categories. While the relationship is present at all earnings levels, it is most pronounced in the lowest and highest income ranges.

Findings

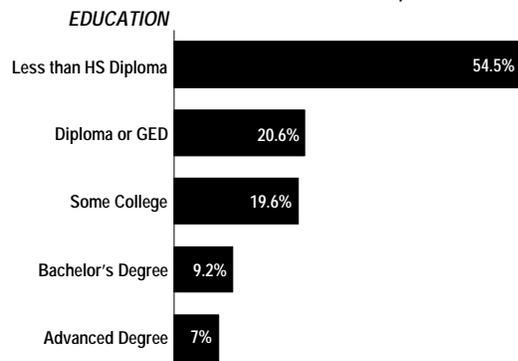
The lower the education attainment, the more likely the person or household will fall into a lower income level. The pattern for individuals appears slightly more consistent than that for households.

- Lack of a high school diploma has considerable influence on being in a low-income group. More than half of the households and nearly two-thirds of individuals without a high school diploma or GED earn less than \$25,000.
- As with the high school diploma, the lack of a bachelor's degree appears to present a major barrier to higher earnings. This pattern is stronger for households than individuals.
- Income differences between those with a diploma and those with some college are not large. About 20 percent of the householders with a diploma or GED and those with some college have incomes of less than \$25,000. The percent of low-income householders with bachelor's or advanced degrees is also comparable, 9.2 and 7.0, respectively.

Percent Persons with Earnings Under \$25,000



Percent Householders with Household Income Under \$25,000



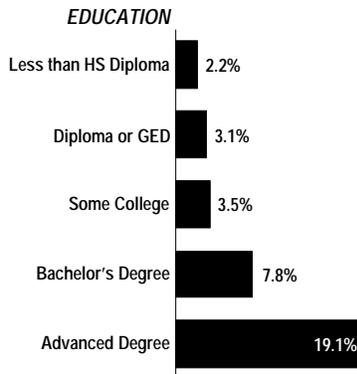
The **Washington State Population Survey** was conducted in the spring of 1998 to provide social, demographic, and economic information about Washington. Responses were obtained from telephone interviews of **7,279 households** that represented the state as a whole. The survey was designed by the Office of Financial Management (OFM) and conducted by the Washington State University Social and Economic Sciences Research Center. Data are subject to sampling variability and other sources of error. More information about the state survey is available under "Population/Data" at: <http://www.wa.gov/ofm/>.

Notably, some persons and some householders with four-year degrees have low incomes. These might include graduate students, housewives, and others not in the labor force or employed full-time.

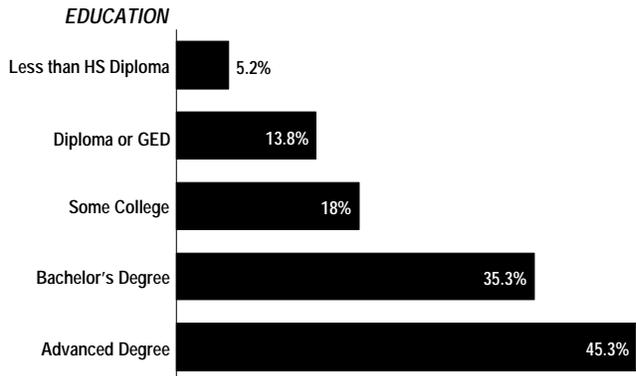
The higher the educational attainment the more likely the person or household will fall into a high-income group.

- For individuals, holding a bachelor’s degree appears to be a threshold to attaining high earnings. An advanced degree makes an even bigger difference. The portion respondents earning over \$75,000 increases from 7.8 percent for persons with a bachelor’s degree to 19.1 percent for those with advanced degrees.
- Households follow a similar pattern. Eighteen percent of the householders with some college fall into the highest household income range, compared to 35.3 percent of those with a bachelor’s degree and 45.3 percent with an advanced degree.
- Compared to individual earnings, considerably larger proportions of households fall into the high-income category. A likely reason is that households can have more than one wage earner, which pushes many households over the \$75,000 mark.

Percent Persons with Earnings \$75,000 and Over



Percent Householders with Household Income \$75,000 and Over



Percent of Persons and Householders Age 25 through 64 by Income and Educational Attainment

	Persons by Earnings				
	Total	Less than \$25,000	\$25,000-\$49,999	\$50,000-\$74,999	\$75,000+
Less than HS Diploma	100.0	65.4	23.9	8.5	2.2
Diploma or GED	100.0	43.6	41.9	11.4	3.1
Some College	100.0	38.1	44.0	14.4	3.5
Bachelor's Degree	100.0	27.2	43.0	22.0	7.8
Advanced Degree	100.0	19.8	35.2	25.9	19.1

	Householders by Household Income				
	Total	Less than \$25,000	\$25,000-\$49,999	\$50,000-\$74,999	\$75,000+
Less than HS Diploma	100.0	54.5	29.9	10.4	5.2
Diploma or GED	100.0	20.6	41.0	24.6	13.8
Some College	100.0	19.6	37.3	25.0	18.0
Bachelor's Degree	100.0	9.2	26.6	28.9	35.3
Advanced Degree	100.0	7.0	20.7	27.0	45.3

NOTES:

Householder is defined as the person in each household most knowledgeable about the household finances. This is generally similar to the federal Census Bureau's definition of householder.

Some College includes persons with vocational training, person with some college course work, and those with Associate's degrees.

Advanced Degree includes Master's, Professional, and Doctorate degrees.

To obtain this publication in an alternative format, contact the Washington State Office of Financial Management at (360) 902-0599.