

Methodological summary

Referenced data and studies

- Source of initial data: Education Office DPR AAE career guidance module 2020 data on the average earnings of graduates in 2019. (<https://www.diplomantul.hu/dpr-aae-palyaorientaciot-tamogato-modul>)
- NFSZ (Public Employment Service) Wage survey age-earning profiles by education level, source: Fazekas, K; Köllő, J (ed.). (2017). Hungarian Labour Market, 2016. Hungarian Academy of Sciences Research Centre for Economic and Regional Studies, Institute of Economics, Budapest, Hungary. Available at: <https://kti.krtk.hu/wp-content/uploads/2017/12/MunkaeropiaciTukor2016.pdf>

*The data above refer only to earnings in Hungary, data for workers abroad are not included.

Background explanation, methodology

- According to the Education Office DPR AAE career guidance module 2020 data, the average gross monthly earnings of Corvinus graduates in the field of economics in the academic year 2011/2012 were HUF 738,088 in 2019. And the national average gross monthly average income of bachelor's degree graduates in the same field in 2019 was HUF 515,714. The earnings of Corvinus graduates in economics were therefore 43% higher than the national average for graduates in the same field.
- Thus, Corvinus graduates in economics earned approximately HUF 220,000 more gross per month than the national average for graduates in the same field 7 years after graduation. This translates into a net earnings surplus of approximately HUF 145,000 per month.
- This earnings surplus means that an average Corvinus graduate can earn a total of HUF 110 million (48%) more net (in present value) than the average for a graduate of the same field of study from graduation to the age of 65. To estimate the total career earnings surplus, we used earnings data for bachelor's degree graduates with less than 7 years of experience from the DPR AAE database to estimate the first 7 years of earnings and the growth rate of earnings for career graduates. Earnings of people between the ages of 31 and 65 were estimated from these data, based on the average change in earnings by age of tertiary graduates (using the age-earnings profile data from the NFSZ wage survey for tertiary graduates). Based on the NFSZ data, earnings are expected to grow dynamically until approximately age 37, after which earnings stagnate on average for the remaining years prior to retirement. In the estimation, we have assumed that the discount rate will be equal to the growth rate of wages. Thus, the total net income of an average Corvinus graduate with a bachelor's degree in economics over a full career, in present value terms, reaches HUF 340 million.