



This is almost as controversial a topic as “Are medical doctors well-paid?” For all the intellectual wealth and benefits that research brings to society, what is the financial value to one’s career of having a PhD?

A PhD course can be a major undertaking, which involves a large opportunity cost in the form of loss earnings for the duration of the programme. Unlike an MBA, it is difficult, if not impossible, to measure the return on investment (ROI) for a PhD education.

A well-balanced and keenly-debated discussion in a local forum talks about the financial merits of having an advance degree such as a PhD. The general consensus seems to be that pursuing a PhD is far from financially rewarding and its value diminishes outside of the academia and research.

For reference, the salary scales for jobs which require a PhD in Singapore are as follows

- S\$150 per hour as a private school lecturer

- S\$4,000 monthly (starting) as a polytechnic lecturer
- S\$4,500 monthly (starting) as a research scientist at a local research institute
- S\$6500 monthly (median) for a university lecturer
- S\$7000 to \$8000 monthly as a university assistant professor
- Up to S\$20,000 monthly as an options/warrants analyst at a financial institution
- Up to S\$25,000 monthly as a university professor or principal investigator

Yet, there have also been many cases where a PhD can be useful in the world of business, especially in the chemical and bio-technology industries. For instance, three of the 4 people in the top management at Lanxess (a €5 billion German chemical company) have PhD degrees.

Arguably the process of working on a PhD trains skills related to independent research and thinking. These foster technological innovations and breakthroughs, which can be financially rewarding. The best example is that of Sergey Brin and Larry Page, who founded Google based on the results of their PhD research (though they did not complete their PhDs). Google is today worth some US\$160 bil as of May 2010.

In conclusion, a PhD probably doesn't add much value financially outside of a career in education and research, nor can its returns be measured purely in the financial sense. If one's ultimate aim is financial reward, a PhD degree is not a perquisite.