What is the Labor Market Value of Community College Credentials?

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Breakdown of Credentials by Type in 2010

Large variation in the composition of credential types by state
(e.g. Short-term certificates in NY less than 1% VS in Kentucky 60%)

IPEDS classifications (2010)
Old and New Sources of Data

OLD SOURCES:
Survey Data:
CPS, SIPP, NELS, NLSY
Unable to distinguish credentials of different length or field of study

NEW SOURCES:
State Longitudinal (transcript and UI data)
from

- Kentucky (Jepsen et al. 2013)
- Washington (Dadgar & Weiss 2014)
- North Carolina (Liu, Belfied & Trimble 2015)
Washington State
Wage Trajectory by Educational Outcome

Source: Dadgar & Weiss 2014
Source: Dadgar & Weiss 2012; Based on Washington transcript and US data for students enrolled in 2000-2001 (followed for 7 years)
Note: Credential attainment categories were either for either men or women depending on which group has higher participation in a specific field of study.
North Carolina- Annual Earnings
(Liu, Belfied & Trimble 2015)

Source: Lui, Belfield & Trimble.
Notes: Credential attainment categories were either for either men or women depending on
which group has higher participation in a specific field of study.
Kentucky- Quarterly Earnings
(Jepsen, Troske & Coomes 2013)

Source: Jepsen, Troske & Coomes
Notes: Credential attainment categories were either for either men or women depending on which group has higher participation in a specific field of study.
Findings

• Community College Credentials lead to large wage gains; as well as greater likelihood of employment

• Especially high returns for Associate degrees: they have higher returns than other credentials in most fields

• Yet majority of AA are in low in Liberal Arts and have low returns; we should make sure those are transfer pathways; low wage gains otherwise

• Short Term Certificates have minimal returns in most field; therefore, they should be designed to be stackable and used as building blocks for long term certificates
Findings (continued)

• States should work on similar analysis using UI wage data

• It is important to fund longer term credentials, especially in technical fields and health (although they cost more per student)

• Counseling in high school and in community college should focus on communicating specific community college credentials are of great value