

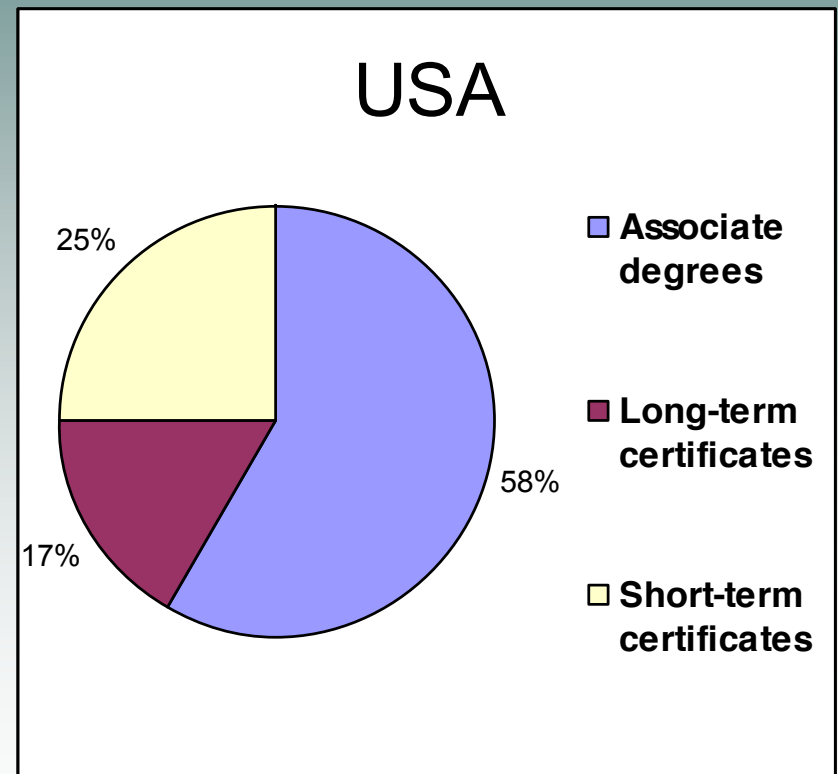
What is the Labor Market Value of Community College Credentials?

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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:

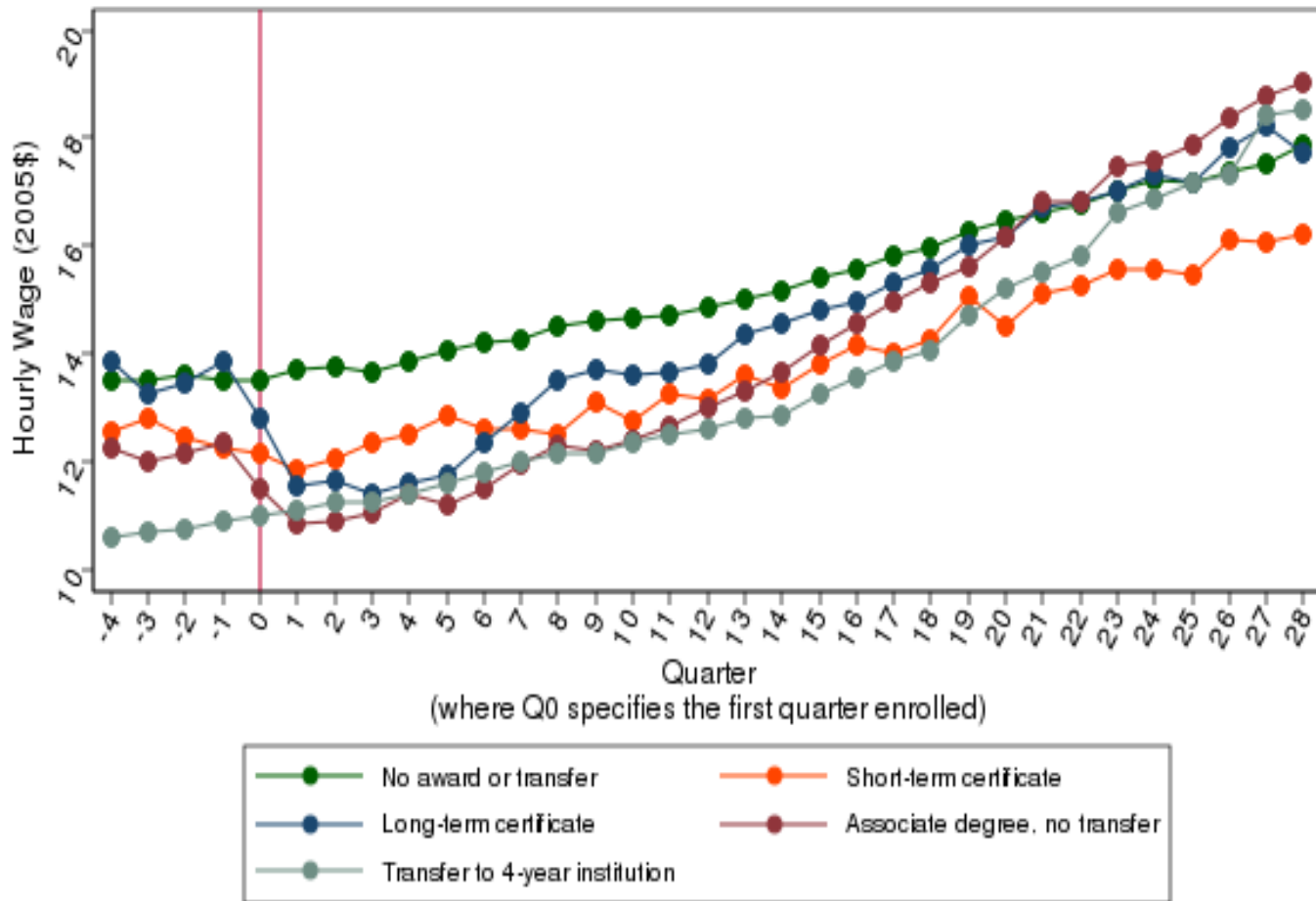
State Longitudinal (transcript and UI data)

from

- Kentucky (Jepsen et al. 2013)
- Washington (Dadgar & Weiss 2014)
- North Carolina (Liu, Belfied & Trimble 2015)



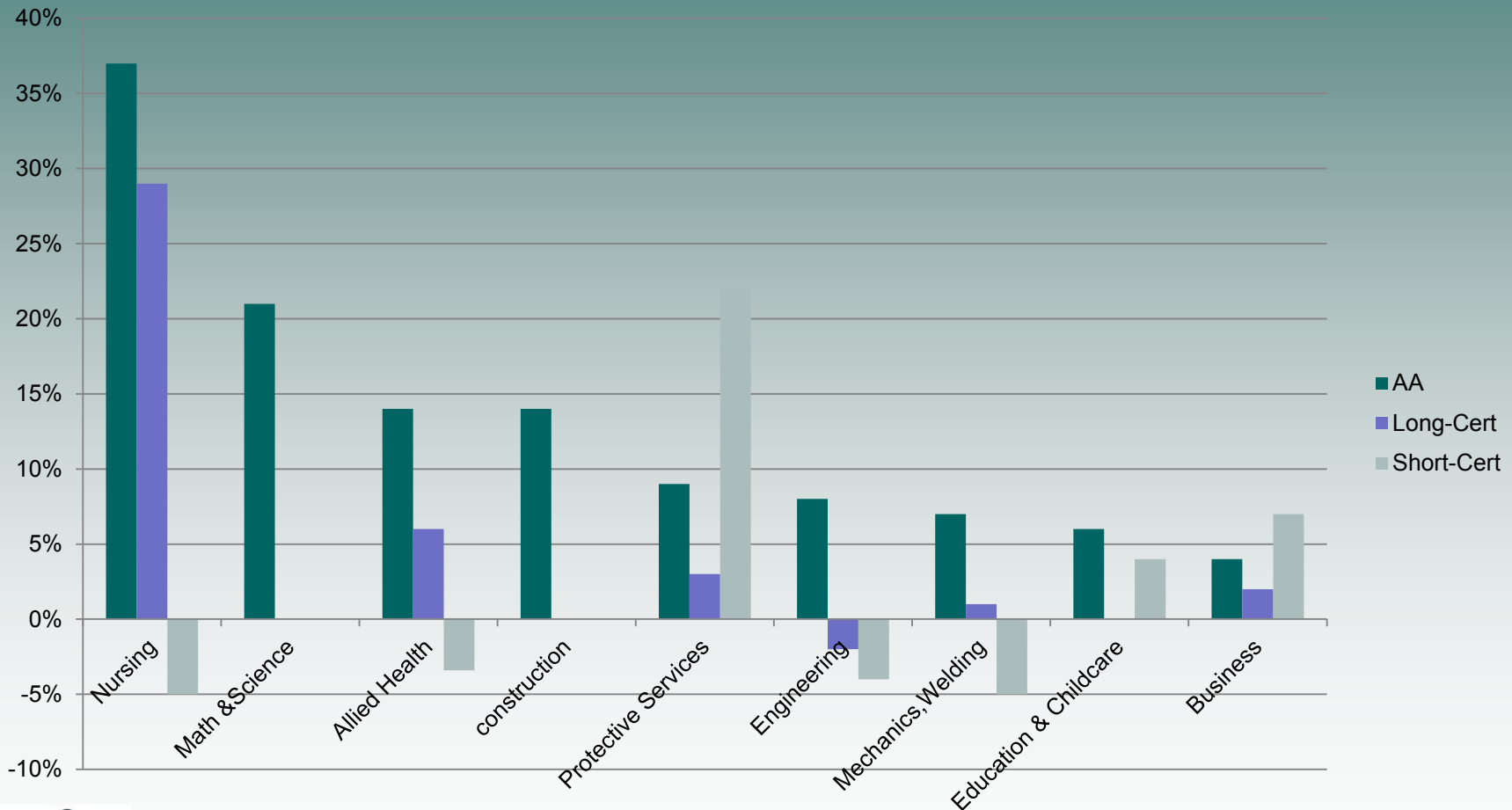
Washington State Wage Trajectory by Educational Outcome



Source: Dadgar & Weiss 2014

Washington State- Wage Gains

(Dadgar & Weiss 2014)

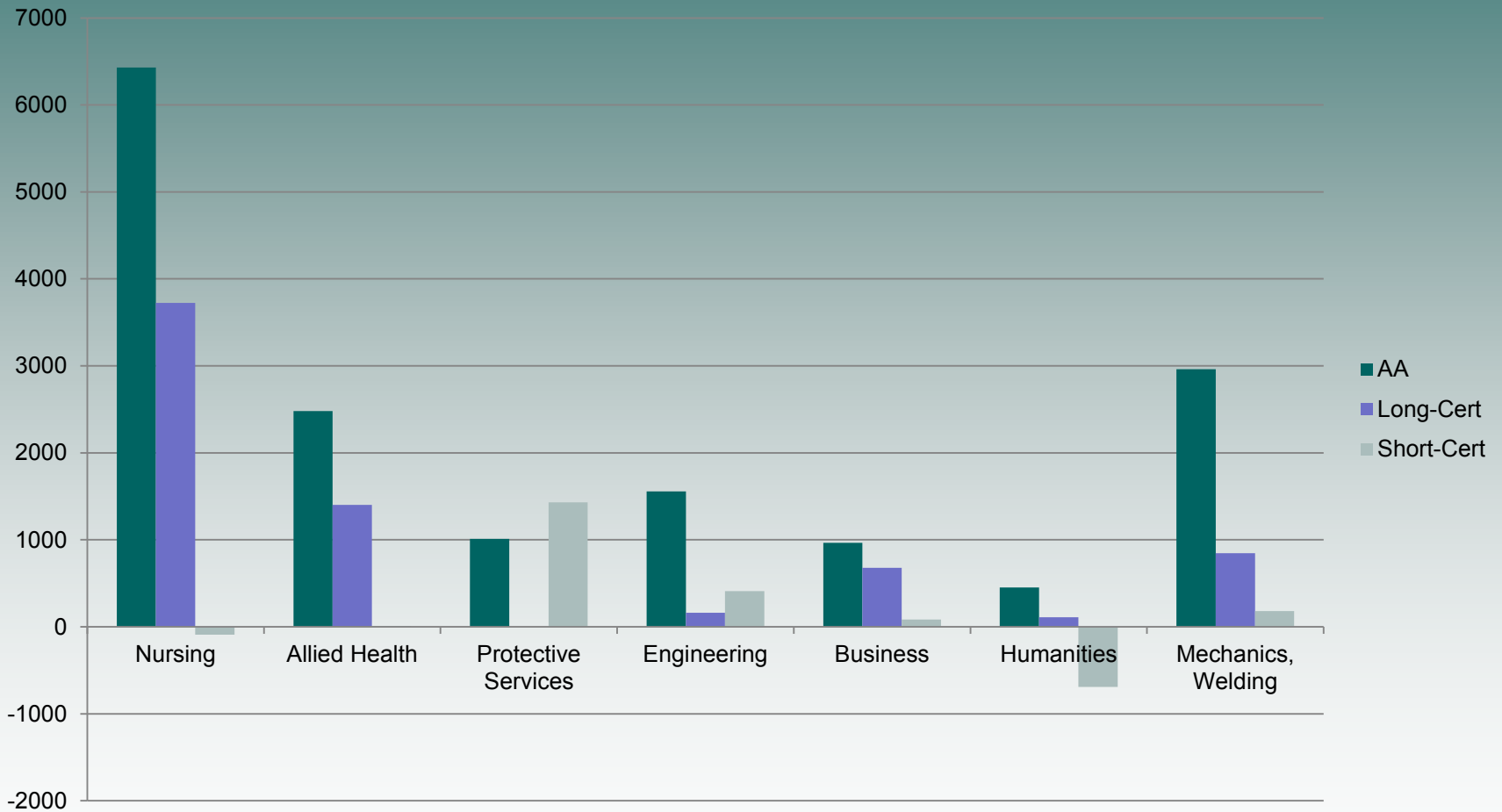


Source: Dadgar & Weiss 2012; Based on Washington transcript and US data for students enrolled in 2000-2001 (followed for 7 years)

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

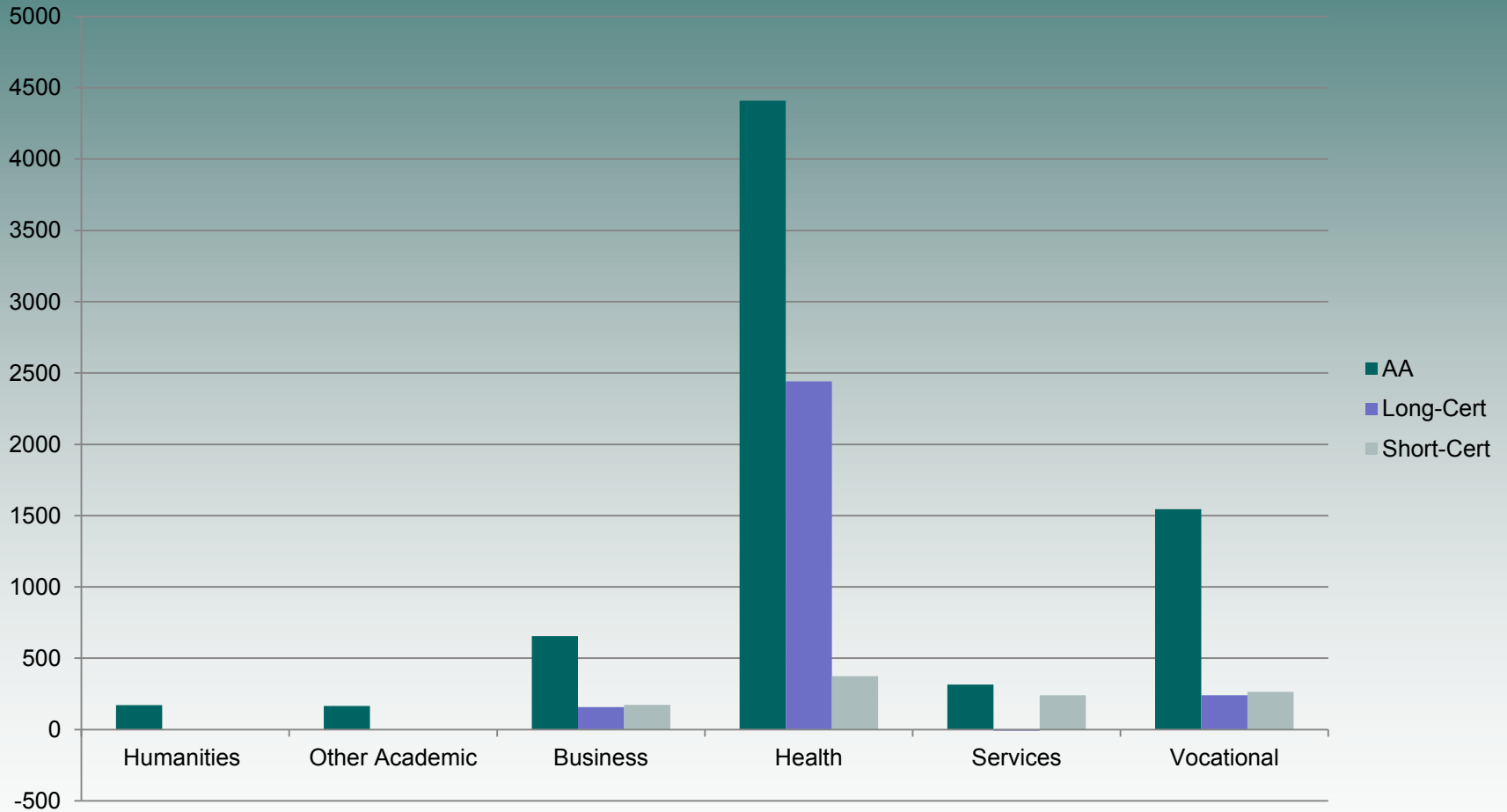
(Liu, Belfied & Trimble 2015)



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

