

MARCH 2021

THE RELATIVE RETURNS TO CREDIT- AND NON-CREDIT- BEARING ATTAINMENT

Research Funded by the ECMC Foundation

Work by Candace Hester, PhD | Sami Kitmitto, PhD
Panel discussion by Irma Perez-Johnson, PhD | Scott Cheney, MPP

MAKING
RESEARCH
RELEVANT

Agenda

1. Background
2. Data and Methods
3. Findings
4. Conclusion
5. Contact



Background

- The labor market increasing demands postsecondary education but not a 4-year degree.
- Non-credit-bearing skill-based training programs have become a more popular strategy for attaining these credentials.
- There is little evidence on the relative utility of these programs.



Source: Placeholder for sources and permissions (if needed).

Study Question

What are the relative returns to credit- and non-credit-bearing programs?

- Primary study outcomes include,
 - » employment
 - » earnings



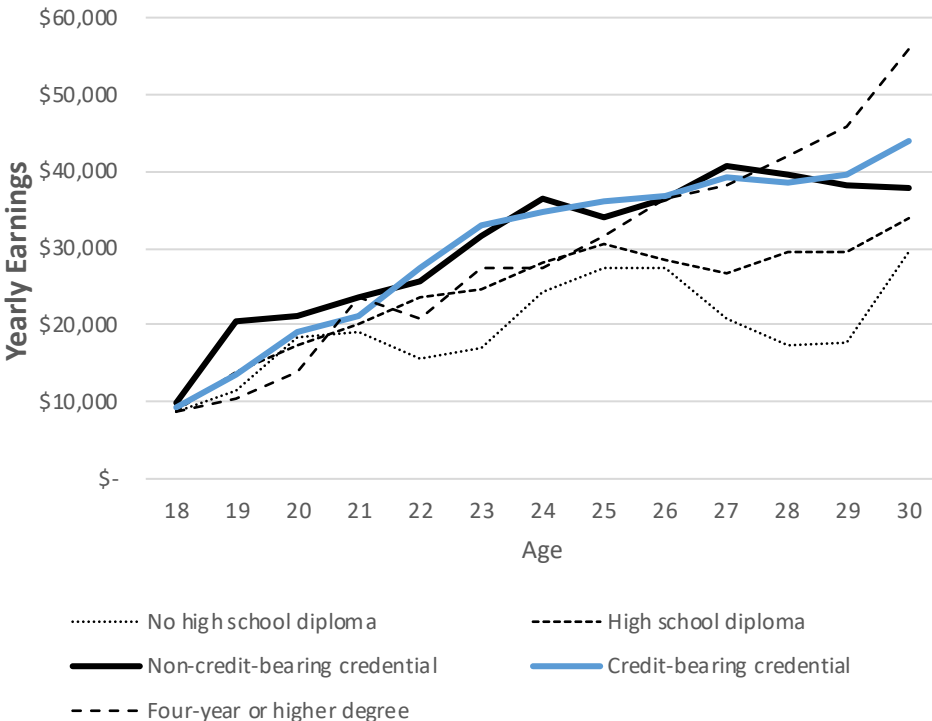
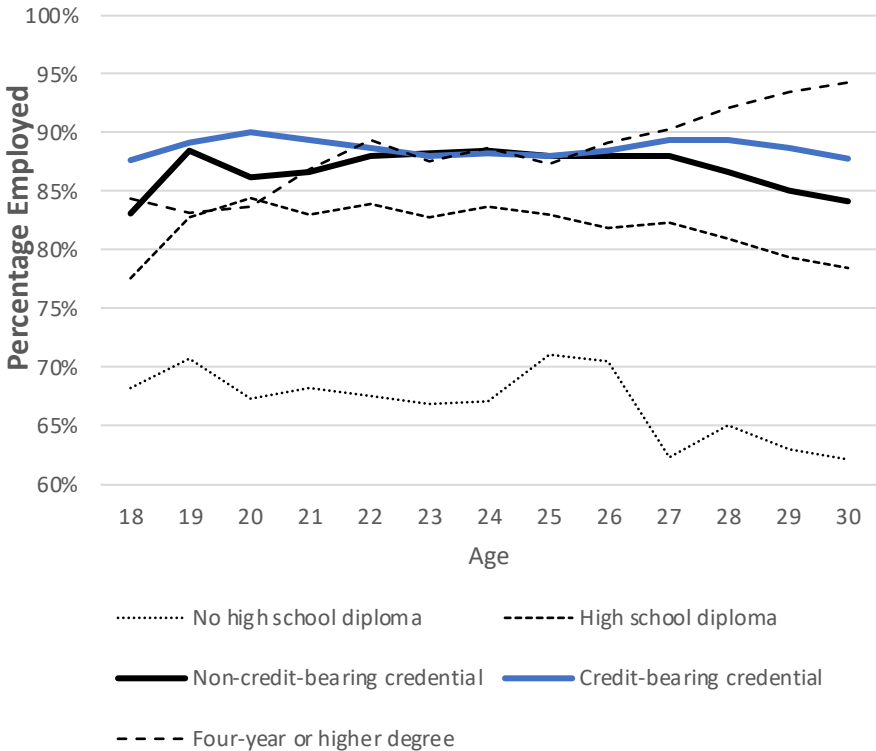
Data and Methods

- 20 years of National Longitudinal Survey of Youth 1997.
- Used individual fixed-effects regression model.
 - Also included controls for
 - » Employment and earnings during periods that an individual was enrolled in school
 - » Marital status, Child rearing status, and Age*Race and Gender Effects
 - Constrained sample to individuals who did not attain a 4-year degree within 6 years of graduating high school.

Source: Placeholder for sources and permissions (if needed).

Descriptive Findings

Employment and earnings likelihood were similar through the mid-20s and diverse by the early 30s



Note. The sample excludes individuals who attain a 4-year degree within 6 years of graduating high school or attaining a General Educational Development certificate.

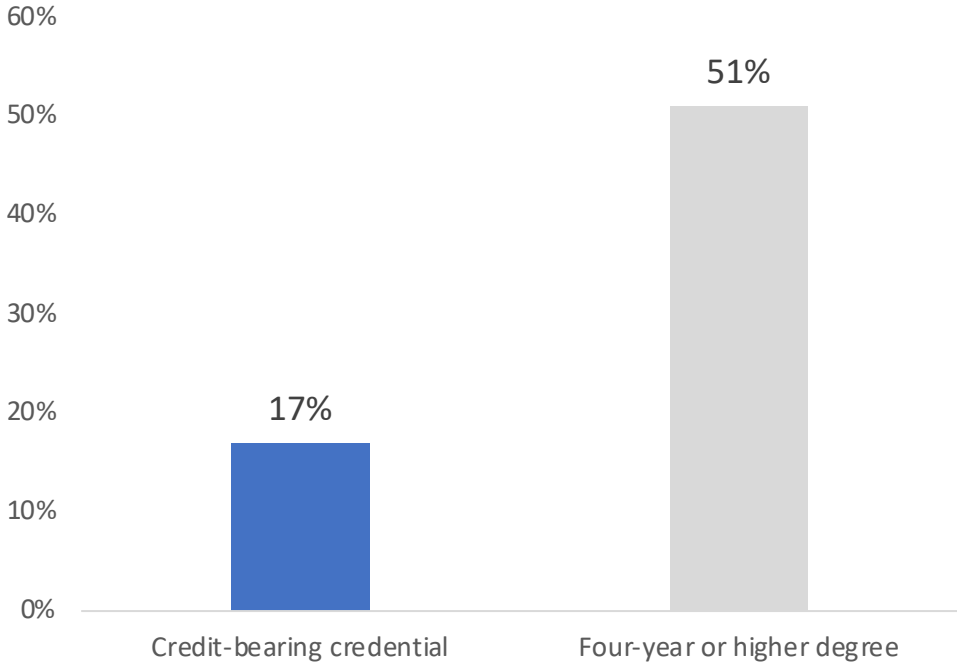
Impact Findings

	(1) Employed	(2) Natural log yearly earnings
No high school diploma or GED	-0.082*** (0.014)	-0.313*** (0.046)
High school diploma or GED attainment	-0.026*** (0.008)	-0.135*** (0.027)
Non-credit-bearing certificates/licenses	(reference category)	
Credit-bearing certificate/associate degree	0.017 (0.012)	0.153*** (0.044)
4-year or higher degree	0.083*** (0.017)	0.411*** (0.064)
Marital status	-0.012** (0.006)	0.028 (0.018)
Number of children	-0.037*** (0.005)	-0.104*** (0.009)
Enrolled in School	-0.037*** (0.006)	-0.259*** (0.013)
Enrolled in Training	0.011** (0.006)	-0.035* (0.020)
Constant	0.754*** (0.043)	8.480*** (0.319)
Observations	79,134	59,313
Number of individuals	6,093	6,015
R-squared	0.070	0.264

Note. The sample excludes individuals who attain a 4-year degree within 6 years of graduating high school or attaining a General Educational Development certificate.

Impact Findings

Individuals who attain credit-bearing credentials earn about 17% more (or \$5,500) each year relative to non-credit-bearing credential completers



Note. The sample excludes individuals who attain a 4-year degree within 6 years of graduating high school or attaining a General Educational Development certificate.

Conclusion

- Findings indicate that credit-bearing training is likely associated with additional yearly earnings than non-credit-bearing training
 - Improvements are shown in both hours worked and hourly wages earned upon credential attainment
- Policymakers and educational institutions should consider ways to make credit-bearing credentials more accessible.



CANDACE HESTER

SENIOR RESEARCHER

216.408.0535

CHESTER@AIR.ORG

MAKING
RESEARCH
RELEVANT

THANK YOU

AMERICAN INSTITUTES FOR RESEARCH® | AIR.ORG

Notice of Trademark: "American Institutes for Research" and "AIR" are registered trademarks. All other brand, product, or company names are trademarks or registered trademarks of their respective owners.
Copyright © 20XX American Institutes for Research®. All rights reserved. No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, website display, or other electronic or mechanical methods, without the prior written permission of the American Institutes for Research. For permission requests, please use the Contact Us form on www.air.org.



XXXX_MO/YR