

Short-term community college certificate programs offer limited labor-market returns

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Short-term certificate programs at community colleges offer limited labor-market returns, on average, in most fields of study, according to new research published today in *Educational Evaluation and Policy Analysis (EEPA)*, a peer-reviewed journal of the American Educational Research Association. The results of the study, which focused on community college programs in Washington State, are in line with recent research in other states (Kentucky, North Carolina, and Virginia) that found only small economic returns from short-term programs.

Between 2000 and 2010, the number of students receiving short-term certificates—which are designed to be completed in less than one year—grew by 151 percent nationally, increasing the share of sub-baccalaureate credentials that are short-term certificates from 16 percent to 24 percent.

"Labor Market Returns to Sub-Baccalaureate Credentials: How Much Does a Community College Degree or Certificate Pay?" by Mina Dadgar of the Career Ladders Project and Madeline Trimble of Community College Research Center at Teachers College, Columbia University, used a Washington State dataset containing academic, wage, and employment records for students who had attended any of the 34 community and technical colleges in Washington during the 2001-2002 academic year. The dataset allowed for seven years of follow-up after initial enrollment in [community college](#). This is the longest time period examined in any similar study. The study also is the first of its kind to examine increases in both wages and employment.

"While we find that earning associate degrees or long-term certificates is associated with increased wages, an increased likelihood of being employed, and increased hours worked, we find minimal or no positive effects for short-term certificates," wrote the authors. Long-term certificates are designed to be completed in one year or longer.

"The bulk of the evidence suggests that short-term certificates lead to lower returns, on average, than longer-term credentials," said Trimble. "Even in those states where their returns are positive, the average increase in earnings is unlikely to be greater than \$300 per quarter."

Co-author Mina Dadgar discusses key findings:

"That's not necessarily a problem if short-term certificates are transferable or stackable, meaning that students can earn the credential on their way to earning an associate degree," said Dadgar. "However, substituting short-term credentials for longer-term credentials may have unintended consequences."

Dadgar and Trimble call for a careful and critical examination of short-term certificates by state policymakers, noting that states should be concerned with the recent dramatic increases in short-term certificates.

Researchers found that students who earned associate degrees or long-term certificates in Washington generally experienced significant economic returns, with associate degrees offering the highest return in almost every field. Some certificates were found to lead to high wage returns, but this varied by field.

Dadgar and Trimble warned, "Simply comparing average returns to associate degrees versus long-term certificates without regard to field is misleading because associate degrees yield higher returns to wages within any given field."

Especially for women, credentials with the length of a year (of full-time study) or more have high returns. Findings include:

-Compared to women who attended college but did not obtain a credential, women who earned a long-term certificate saw 15 percent higher quarterly wages.

-Compared to women who attended college but did not obtain a credential, women who earned an associate degree saw 6.3 percent higher quarterly wages.

Long-term certificates are more likely to be earned in high-return fields, such as nursing, which contributes to the findings of higher average overall returns to long-term certificates. While earning an associate degree in nursing was associated with a 37.7 percent increase in women's wages, earning an associate degree in humanities, social sciences, information science, communication, or design was not associated with large wage gains.

For both men and women, [associate degrees](#) and long-term certificates were shown to increase the likelihood of employment and hours worked. Among these findings:

-Earning a long-term certificate was associated with a 9 percent increase in likelihood of being employed for women and an 11 percent increase for men.

-Earning an associate degree was associated with an 11 percent increase in likelihood of being employed for women and an 8 percent increase for men.

Provided by American Educational Research Association

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