

For-profit and community college graduates earn same hiring interest from employers

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In the past decade, enrollment and graduation numbers have risen in forprofit colleges; however, little is known about how employers perceive potential employees with for-profit college degrees on their resumes. In a new study, researchers at the University of Missouri found that hiring managers show no preference for hiring people with for-profit college credentials compared to those holding comparable credentials from public community colleges.

Cory Koedel, an associate professor of economics and public policy in the MU College of Arts and Science and the Truman School of Public Affairs, says this finding is important for people deciding whether to pursue two-year college degrees.

"Tuition at for-profit colleges can be as much as five times higher than at two-year community colleges," Koedel said. "When people are weighing their higher-education options, tuition cost and the ability to gain employment after school should be considered heavily. This study shows that no significant difference exists with respect to generating employer interest between individuals with community college and for-profit degrees. For many people, community college may be the better option financially."

For their study, Koedel, Rajeev Darolia, an assistant professor in the MU Truman School of Public Affairs, and their coauthors, randomly generated thousands of resumes that included either a for-profit college credential, a two-year community college credential or only a high



school diploma. The researchers then sent the resumes to a number of job openings for open positions in fields including sales, customer service, information technology, medical assistance and office, and administrative assistance. They found that hiring managers called back to inquire about fake candidates at the same rate, regardless of whether the candidates held community college or for-profit credentials.

"It is clear that employers are not placing any kind of higher value on forprofit credentials relative to community college credentials," Koedel said. "While for-profit <u>colleges</u> may be a good solution for some <u>people</u>, they are expensive, and our study indicates that there are other, more cost-effective education options that are perceived similarly by employers."

This study was published in the *Journal of Policy Analysis and Management*.

Provided by University of Missouri-Columbia

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