

# Higher Education Pays: But for Whom?

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*"I'm working part time, but I'm hoping that once I finish my master's they'll up my hours to full time."*



# Purpose v. Value?

- Is it about money or broader outcomes?
- How to measure value (even if we restrict ourselves to labor market outcomes):
  - Institution vs. Program Level
  - Time frame:
    - Wage data: first year? 5 years? 10?
    - Other data? Rolling averages?
- Comparisons
  - Criterion based
  - Norm based
  - Individually driven
- Who should assess value?
  - Government?
  - Others (not for profits vs. for profit companies)?

# Sub-Baccalaureate Credentials: The Growth Area in Postsecondary Education

# Numbers of Credentials Awarded in US, 2008 and 2013

	Associate's degree	Bachelor's degree	Certificates of less-than 1-year	Certificates of 1 but less than 2-years	Total Sub-bac
2008	727,000	1,543,000	239,000	162,000	1,128,000
2013	1,007,000	1,837,000	340,000	299,000	1,645,000
Percent growth	39%	19%	42%	85%	46%

## Highest and Lowest Paying Certificates in Texas

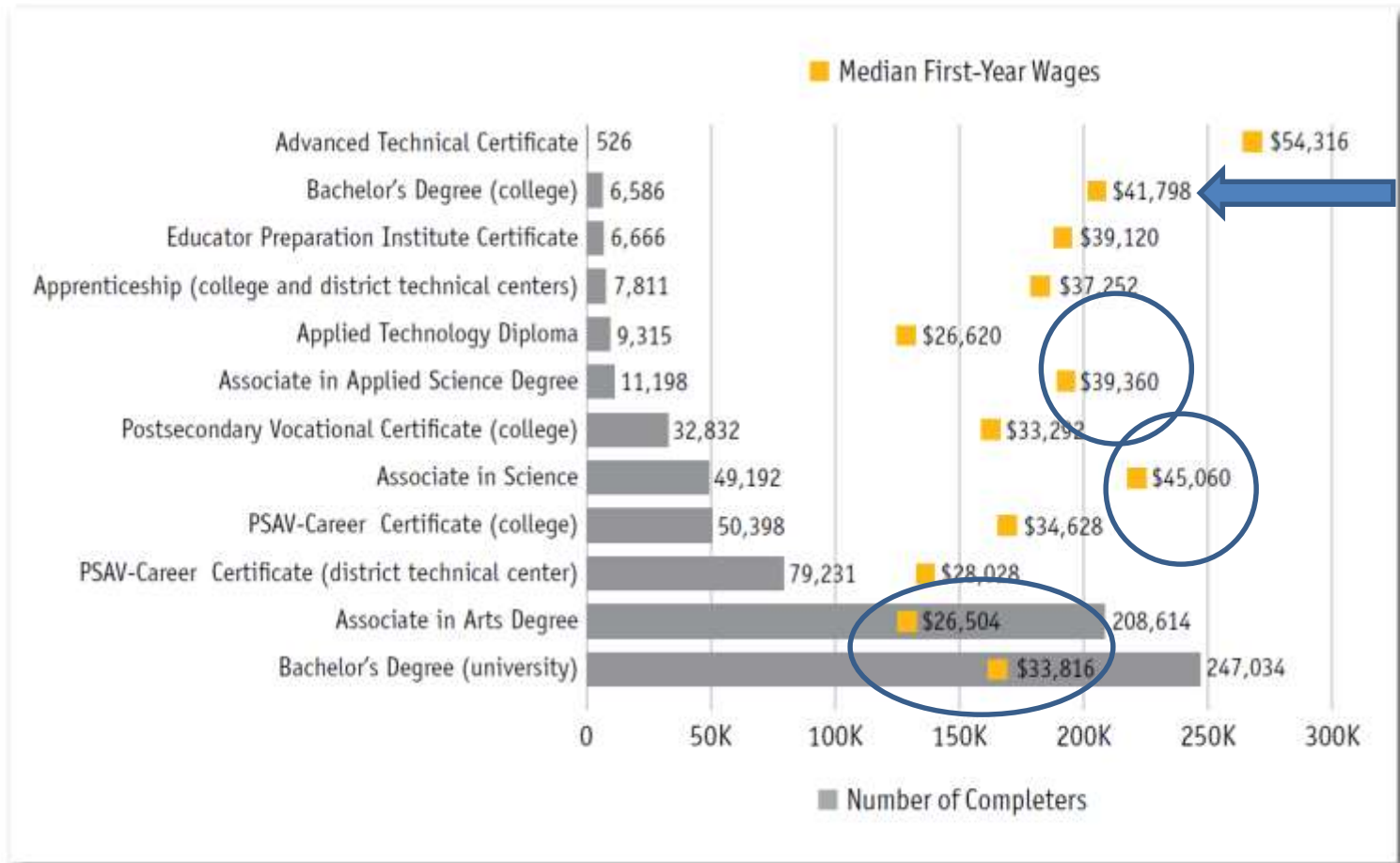
Program Name	Time To Degree	Loan	Wages Year 1	Wages Year 5	Wages Year 10
Communication Disorders Sciences and Services	3.6	\$13,000	\$22,000	\$20,000	\$22,000
Human Development, Family Studies, and Related Services	3.9	\$13,000	\$17,000	\$20,000	\$23,000
Teaching Assistants/Aides	3.0	\$16,000	\$16,000	\$18,000	\$24,000
Quality Control and Safety Technologies/Technicians	3.3	\$10,000	\$44,000	\$65,000	\$73,000
Industrial Production Technologies/Technicians	2.2	\$9,000	\$37,000	\$60,000	\$80,000
Physical Science Technologies/Technicians	3.9	\$5,000	\$33,000	\$61,000	\$81,000
Mechanical Engineering Related Technologies/Technicians	2.1	\$6,000	---	\$46,000	\$116,000
<b>Medians (58 certificate programs)</b>	<b>3.1</b>	<b>\$8,000</b>	<b>\$25,000</b>	<b>\$36,000</b>	<b>\$46,000</b>

Lessons:

Start low, end low.

Have technician or technology in training program

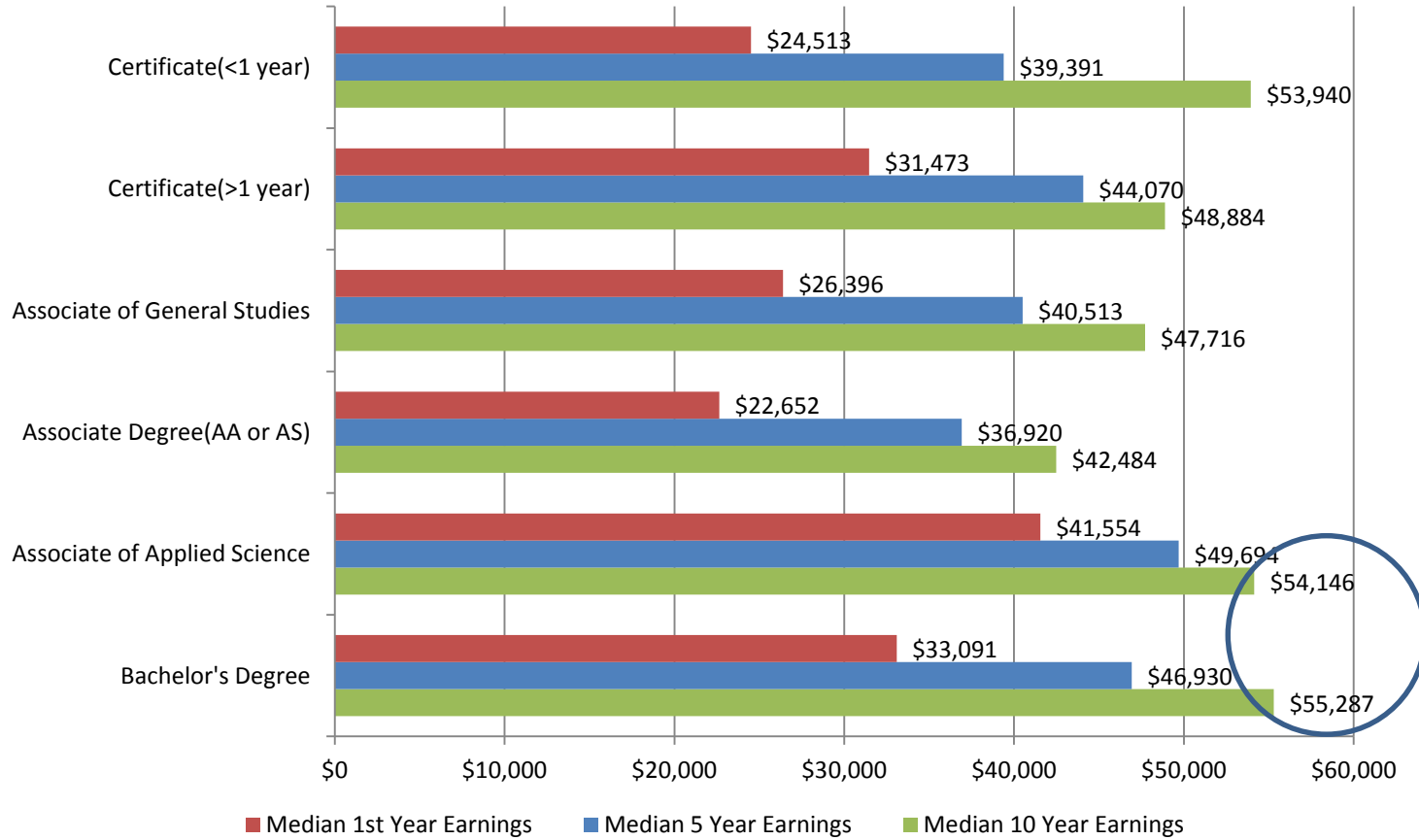
**Figure 1: Median First-Year Earnings and Number of Postsecondary Credentials Awarded, Academic Years 2006–07 Through 2010–11**



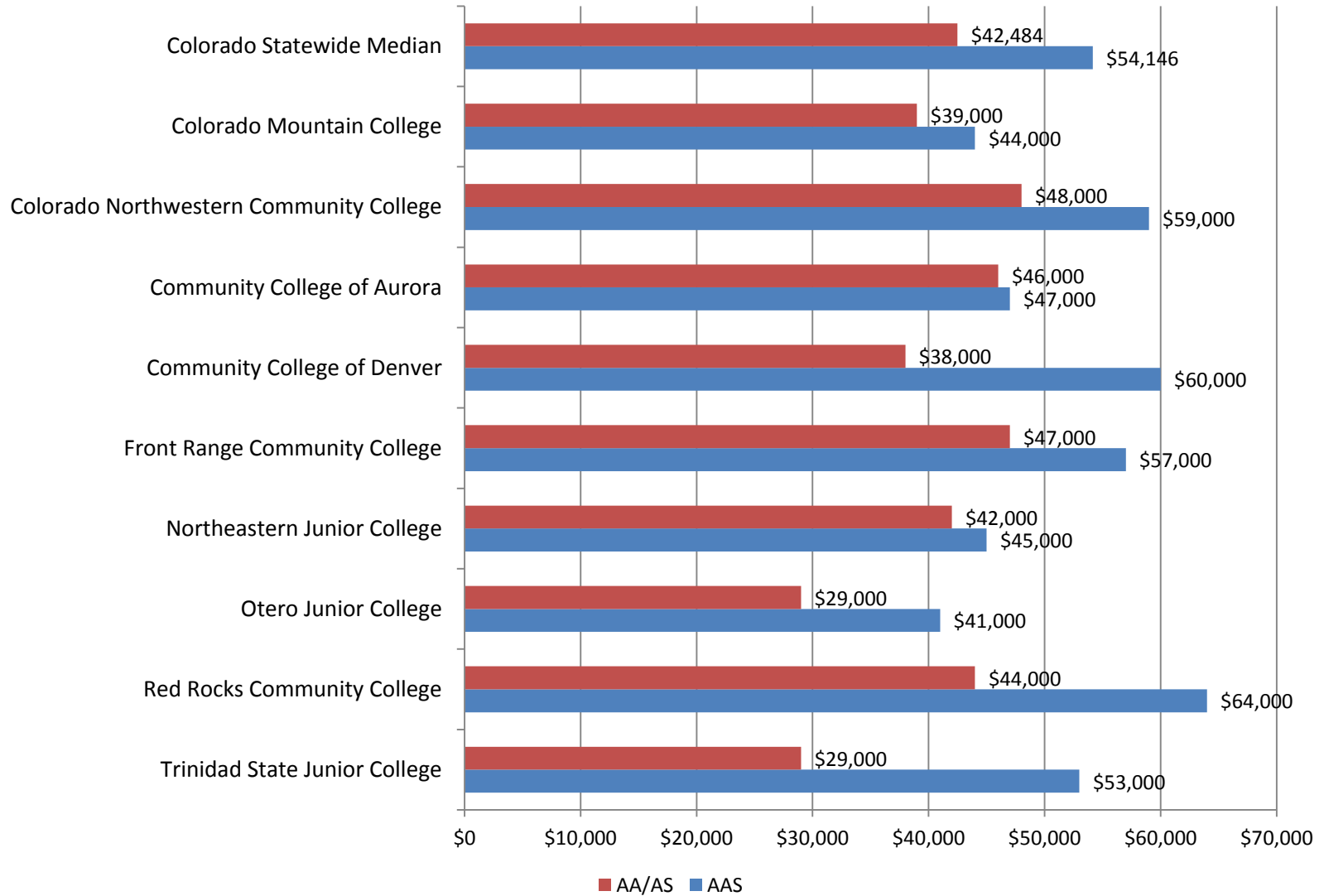


# Colorado Data

## Wages by Credential Level , 1, 5 and 10 years after completion, Colorado



# Wages 10 years after completion: AAS Degrees Vs. AA/AS Degrees, Colorado

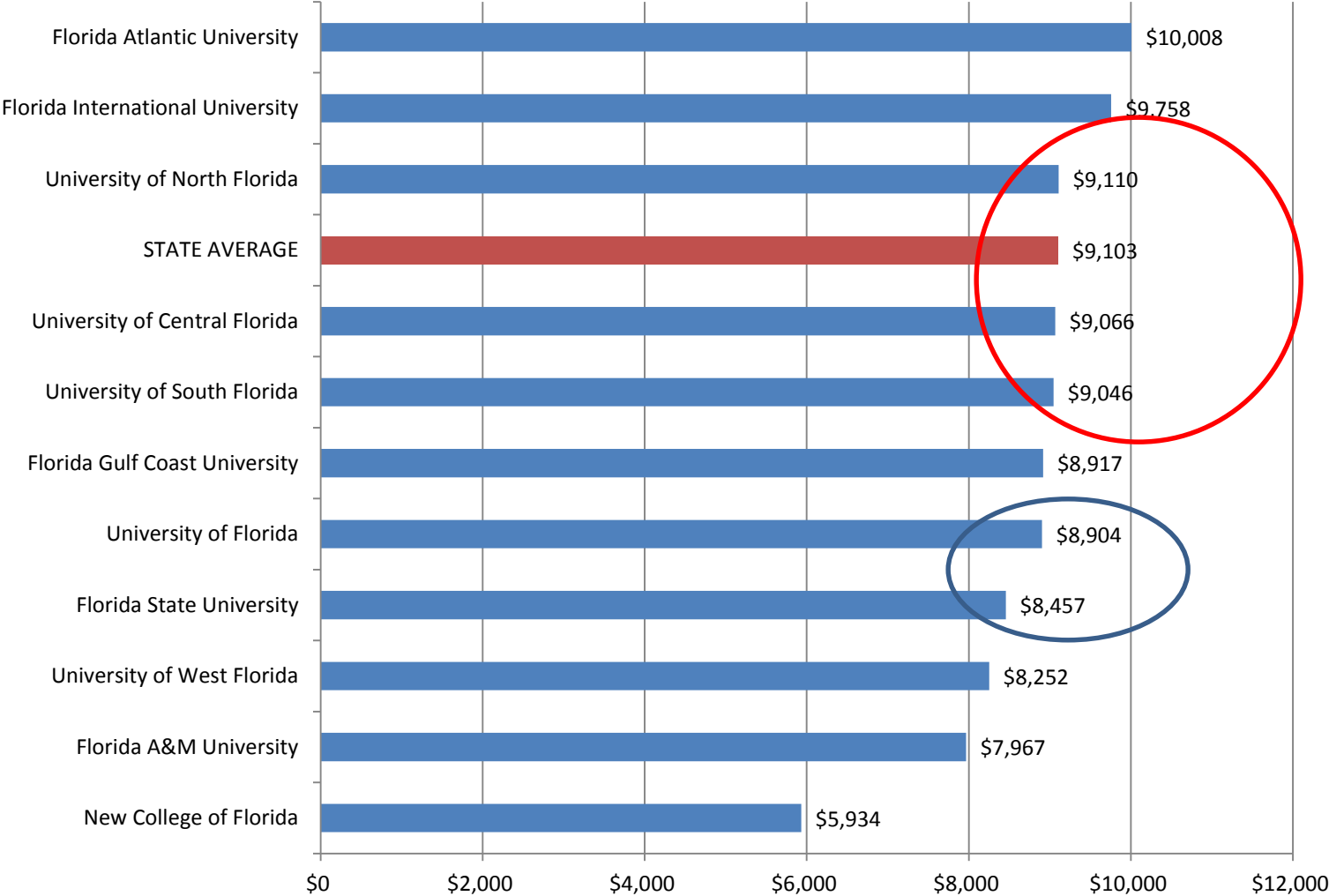


# Lessons

- There are subbaccalaureate credentials of high value.
- Technology/Technician training pays:
  - *Know how to fix things*
  - *Know how to fix people*
- *What you study is often more important than where you study it*

# Baccalaureate Degrees

# Quarterly Wages, by Florida University



# Long Term vs. Short Term Wages

Do Philosophy majors working as Baristas in Starbucks today become Barristers 10 years from now?

# Average Wages after Year 1 and after Year 10: Graduates from Popular Bachelor's Degree Programs in Texas

Area of Study	Time To Degree	Wages Year 1	Wages Year 10	Years 1-10 growth
Biology, General	5.30	\$23,243	\$81,484	251%
Psychology, General	5.24	\$23,729	\$54,128	128%
Criminal Justice and Corrections	5.56	\$28,184	\$55,025	95%
Health and Physical Education/Fitness	5.64	\$28,818	\$58,109	102%
Marketing	5.05	\$30,776	\$78,133	154%
<b>State wide university bachelors average</b>	<b>5.36</b>	<b>\$31,016</b>	<b>\$69,055</b>	<b>123%</b>
Business Administration, Management and Operations	5.48	\$31,816	\$70,911	123%
Multi-/Interdisciplinary Studies, Other	5.63	\$32,133	\$49,315	53%
Accounting and Related Services	5.70	\$34,331	\$76,236	122%
Finance and Financial Management Services	5.17	\$34,392	\$95,920	179%
Management Information Systems and Services	5.57	\$34,813	\$80,176	130%

For most majors: start low, end low; start high, end high

# Most important take away

- Forget about the institution-level “horse race”
- Program, program, program
  - That’s the level at which we need data



# Other Concluding Thoughts

- Labor markets vary across states, but there are some general lessons:
  - The Bachelor’s degree is a good investment *on average*—but there’s lots of variation in the payoff to that degree.
  - Subbaccalaureate credentials are growing in popularity—as they should
  - CTE can pay off and yield middle class wages (but we need to know what are the “hot jobs” and the “hot skills” in the state’s labor market).

# Data Needs to Improve

- Are current data good enough as consumer information?
- Are current data good enough for performance based budgeting/accountability?
  - Measurement issues
    - Risk adjusted metrics
    - Regional variation
    - Economic cycles
  - UI is more useful for consumers than regulators
  - Federal solutions may not be on the horizon although we need to push for them.