



CERTIFIED VALUE:

When do Adults without Degrees Benefit from Earning Certificates and Certifications?



GALLUP



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FOUNDATION

Education is the surest path to economic advancement in the United States today. While decades ago it was still possible to earn a middle-class income with just a high school diploma, today's labor market demands more.¹

However, this does not mean that a postsecondary degree is the only pathway to prosperity. As automation and technological advances transform the economy, policymakers, employers, educators, and learners themselves increasingly recognize the potential of non-degree certificates and professional certifications to help meet the demand for new skills. We have made this a national priority in the past decade with education policy that focuses on some postsecondary training for all Americans, but not necessarily a degree. At the same time, the number of non-degree providers, from "bootcamps" and tech academies to apprenticeships and on-ramp programs, has exploded.² Traditional higher education institutions, particularly community colleges, have followed suit and increased their non-degree offerings, from sub-baccalaureate certificates to micro-master's. Today's U.S. Department of Education and Congress, through the reauthorization of the Higher Education Act, are both exploring ways to encourage innovation at the sub-baccalaureate level and expand students' access to non-degree providers.

In short, the growth of non-degree credentials shows no signs of abating. However, thus far, relatively little is known about the value and impact of these credentials for those who attain them. To begin filling this gap, Strada Education Network and Lumina Foundation have



partnered to better understand adults without degrees by examining data from the Strada-Gallup *Education Consumer Survey*, a nationally representative survey of U.S. adults ages 18–65 that explores Americans’ educational experiences and attitudes. This report is the first in a series, supported by the Strada and Lumina partnership, that will explore questions about the educational and workforce experiences of adults without degrees. About 99 million American adults do not have a college degree, and 44 million of them are not earning a family-sustaining wage.³ This new partnership will enable us to better understand these adults’, educational and work experiences—and most importantly, how we might provide greater economic mobility for more of them and their families.

Among the more than 330,000 adults participating in the survey, this report examines a subset of nearly 50,000 individuals ages 25–64 in the labor force who do not have postsecondary degrees and are not currently enrolled in college. The survey was designed to hear directly from education consumers about the impact of certificates, awarded by educational institutions for completion of professionally oriented courses that typically represent a year or less of work, and certifications, awarded by independent bodies that verify specific skills and competencies through testing. This survey allows us to explore the impact

¹ Georgetown University Center on Education and the Workforce, *Three Educational Pathways to Good Jobs: High School, Middle Skills, and Bachelor’s Degree*, 2018.

² Strada Institute for the Future of Work, *On-ramps to Good Jobs: Fueling Innovation for the Learning Ecosystem of the Future*, 2019.

³ Strada Institute for the Future of Work, *On-ramps to Good Jobs: Fueling Innovation for the Learning Ecosystem of the Future*, 2019.

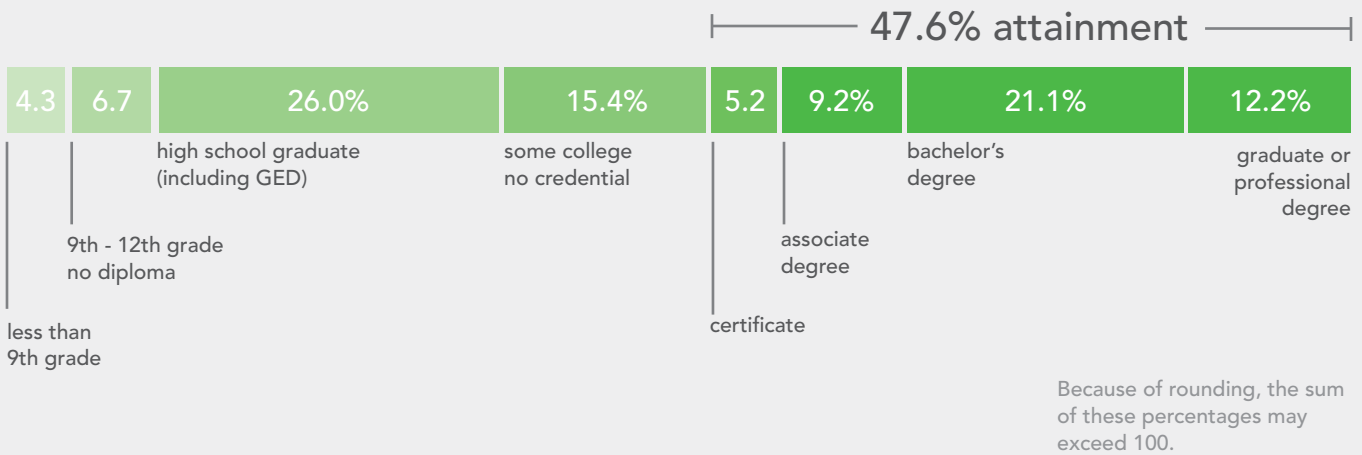


Figure 1: Educational attainment among adults ages 25-64. (Source: Lumina Foundation, *A Stronger Nation*.)

these credentials have in terms of marketability, employment, income, and satisfaction with their education—providing critical insight into the value people derive from postsecondary education.

While certificates and certifications⁴ are awarded in a wide variety of fields and can be stacked into degrees or on top of them, this report focuses on adults *without* degrees, for whom such credentials may be particularly valuable. According to Lumina Foundation’s *A Stronger Nation* report, 5 percent of Americans between the ages of 25 and 64 have a high-quality postsecondary certificate as their highest credential.⁵

While non-degree credentials do not offer the same income premiums as a college degree, many have real value in the market. Among American adults with no postsecondary degree, those with a certificate or certification report higher levels of marketability, employment, and income—though wage outcomes vary widely across occupational fields. Perhaps more importantly, individuals who hold non-degree credentials find them valuable. While research has long documented the economic value of education after high school, when we speak with individuals themselves, the value is much more multi-faceted. Those with non-degree credentials see themselves as more attractive job candidates, and they are more likely to recommend their path to their peers. Individuals are telling us that completion of certificates and certifications have personal and subjective benefits that go beyond those indicated by labor market data alone.

⁴ The exact question in the *Education Consumer Survey* is: “A professional certificate or certification is something colleges, universities, and other professional or trade organizations award to those who complete a formal instruction or training program to learn the skills needed to work in a specific industry. Have you obtained a professional certificate or certification?”

⁵ This 5 percent does not include those who have certifications.



Key findings of this report include:

Adults without a postsecondary degree who hold a certificate or certification:

- Perceive their education path as more valuable and are more likely to recommend it to others than are those with no credential.
- Have higher full-time employment rates than their peers with no credential (85 percent versus 78 percent).
- Have a median annual income of \$45,000, versus \$30,000 for those without a credential.

At the same time:

- Wage premiums depend on occupation. For some occupations, the income premium from a certificate or certification is as high as \$25,000 per year, while for other occupations there is little to no advantage in having earned a certificate or certification.
- Significant gender gaps exist. The income premium enjoyed by non-degree adults who hold a certificate or certification is considerably larger for men than it is for women, and this holds across all occupations.

Taken together, these findings indicate that certificates and certifications can serve as a beneficial stand-alone credential. However, there are important variations by occupation and gender, explored in greater depth throughout this report, that demand serious attention as we develop and deliver valuable education opportunities beyond high school.



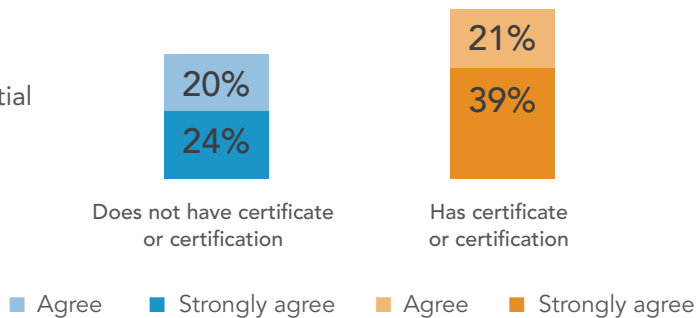
PERCEIVED VALUE OF CREDENTIALS

Certificate/certification holders are more likely to perceive themselves as marketable

Certificate/certification holders see increased job market value in their education. Among adults without a degree, 60 percent of those with a certificate or certification perceive their educational experience to be valuable to potential employers, compared to only 44 percent of those without a certificate or certification. This difference in perceived marketability holds across all demographic groups, including gender, age, race/ethnicity, and personal income level.

CERTIFICATE/CERTIFICATION HOLDERS HAVE HIGHER PERCEIVED MARKETABILITY

My educational experiences make me an attractive candidate to potential employers
(% agree or strongly agree)

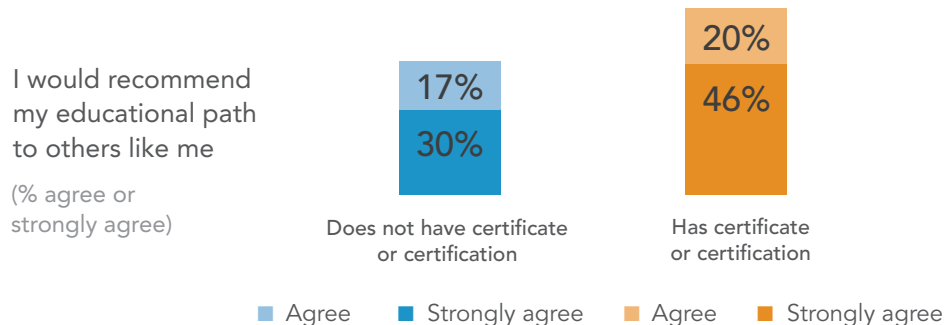


Source: Strada-Gallup Education Consumer Survey

Certificate/certification holders are more likely to recommend their education path

Non-degree adults who have a certificate or certification are also more inclined to recommend their education path to others. Two-thirds agree or strongly agree that they would recommend their education path to others like them, compared to only about half of those without a certificate or certification. In fact, certificate holders are more likely to recommend their path across all major demographic groups, including gender, age, race/ethnicity and income.

CERTIFICATE/CERTIFICATION HOLDERS ARE MORE LIKELY TO RECOMMEND THEIR PATH



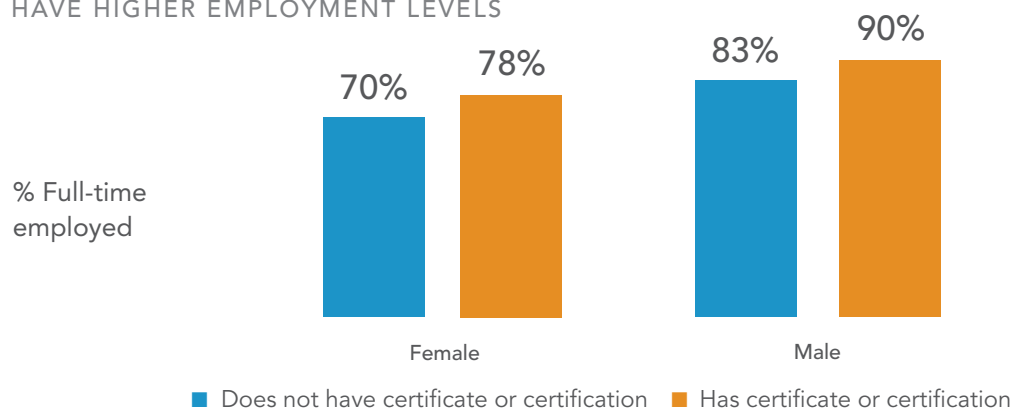
Source: Strada-Gallup Education Consumer Survey

LABOR MARKET OUTCOMES

Certificate/certification holders have a higher rate of full-time employment

The perceived labor market value of certificates/certifications is well-founded. Among adults without a postsecondary degree, the full-time employment rate for certificate/certification holders is 7 percentage points higher than for those without a certificate or certification (85 percent versus 78 percent).⁵ While men have higher employment rates than women overall, the employment boost from certificates/certifications holds for both men and women. Men with certificates/certifications are 7 percentage points more likely to be employed than those without, while for women, the difference is 8 percentage points.

CERTIFICATE/CERTIFICATION HOLDERS HAVE HIGHER EMPLOYMENT LEVELS



Source: Strada-Gallup Education Consumer Survey

⁵ Full-time employment is self-reported and includes self-employed.

Certificate/certification holders earn higher incomes

Among adults without a postsecondary degree, certificate/certification holders enjoy an income premium compared to those who do not hold a certificate or certification (\$45,000 median annual income versus \$30,000).⁶ This income advantage exists at the top and bottom of the income distribution as well. For those in the lowest income quartile, certificate/certification holders earn \$9,000 more annually, while for those in the highest income quartile, certificate/certification holders earn \$21,000 more per year.

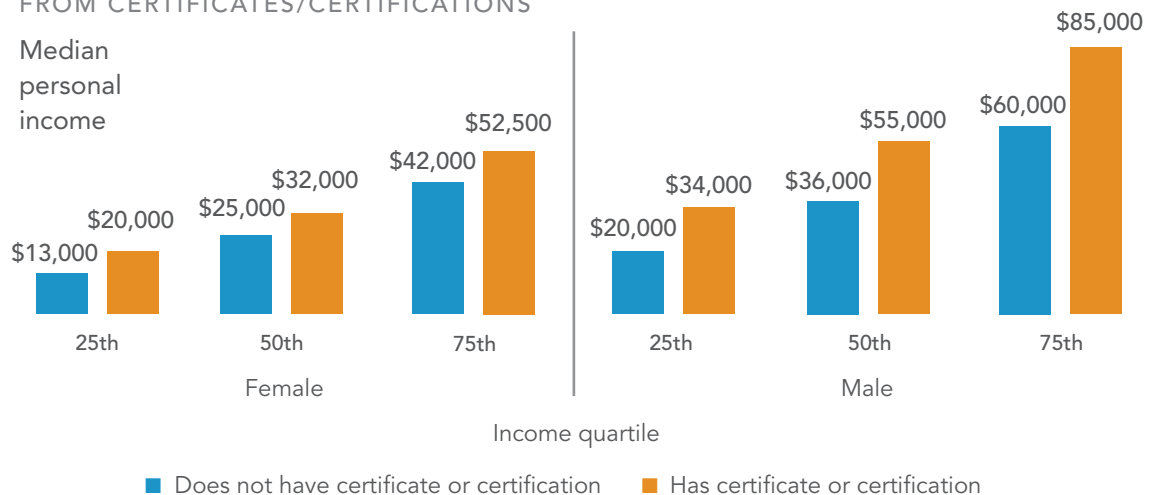
CERTIFICATE/CERTIFICATION HOLDERS HAVE HIGHER PERSONAL INCOME



Source: Strada-Gallup Education Consumer Survey

The income premium enjoyed by non-degree adults who hold a certificate or certification is considerably larger for men than it is for women. While overall men earn higher salaries than women among this non-degree population, on average the income premium for men with a certificate or certification is over twice as large as it is for women. At the top of the income distribution, men with a certificate or certification earn \$25,000 more than those without, while that same premium for women is \$10,500.

MEN GAIN A LARGER INCOME PREMIUM THAN WOMEN FROM CERTIFICATES/CERTIFICATIONS



Source: Strada-Gallup Education Consumer Survey

⁶ Personal income amounts are self-reported.



The income advantage for certificate/certification holders varies by occupation

The income premium experienced by non-degree adults who hold a certificate or certification varies across occupations. For some occupations, the premium is as high as \$25,000, but for other occupations there is little to no apparent economic advantage to having a certificate or certification.

Certificates and certifications appear particularly valuable to non-degree adults in traditionally male-dominated fields, such as security and protective service, construction, mining, architecture, and engineering. Individuals in these occupations who hold a certificate or certification earn \$19,000 more, on average, than those who do not. Some of these jobs are also among the top-paying in the country. Non-degree adults with a certificate or certification in architecture or engineering occupations have a median personal income of \$85,000, which would place them in the 84th income percentile among all U.S. adults in 2017.

A few occupations—such as those in office and administrative support, education, training, and library services fields—have a very small or nonexistent premium for certificate/certification holders. These tend to be fields with a higher share of female employees.

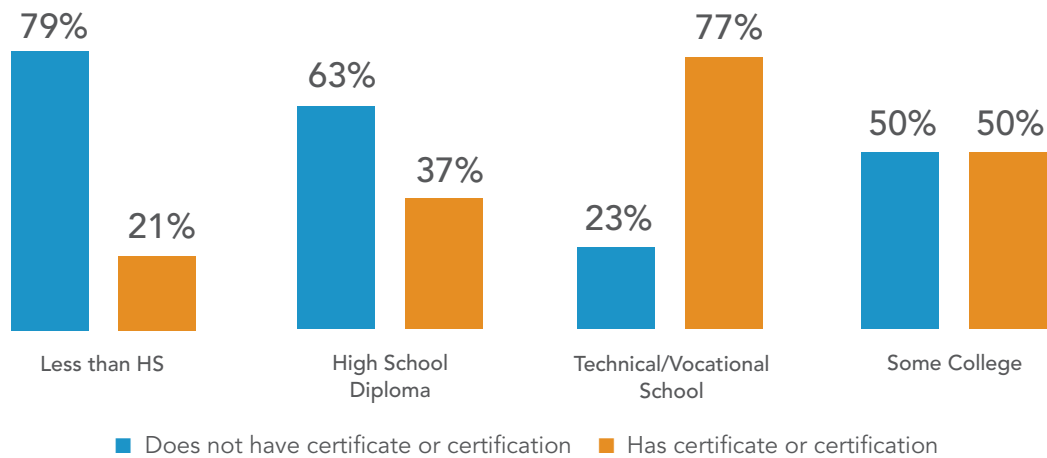
As can be seen in Tables 1 and 2 in the appendix, women and men who hold certificates/certifications do enjoy an income premium over those who do not for most fields. However, these premiums differ by gender and occupation. The highest premiums are seen for those employed in security/protective services, architecture or engineering, computer and mathematical, and construction or mining occupations. The lowest income premiums for certificates are for those employed in education, training, and library, and office/administrative occupations.

Who earns certificates and certifications?

Certificates and certifications put non-degree adults at an advantage in terms of both economic outcomes and well-being. But what does this population of adults without degrees look like in terms of key demographic features?

Those who have attended vocational or technical school are most likely to have a certificate or certification (77 percent). The next most likely are those who have completed some college but do not have a degree (50 percent), followed by those with only a high school diploma (37 percent) and those with less than a high school degree (21 percent).

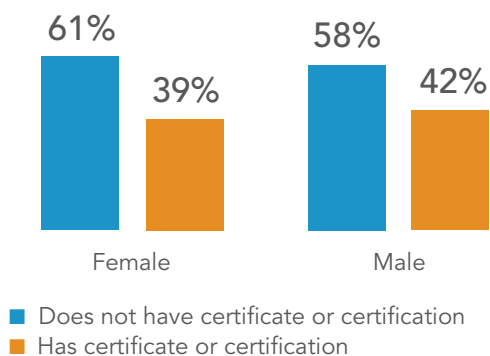
THOSE WHO ATTENDED VOCATIONAL/TECHNICAL SCHOOL ARE MOST LIKELY TO HOLD A CERTIFICATE/CERTIFICATION



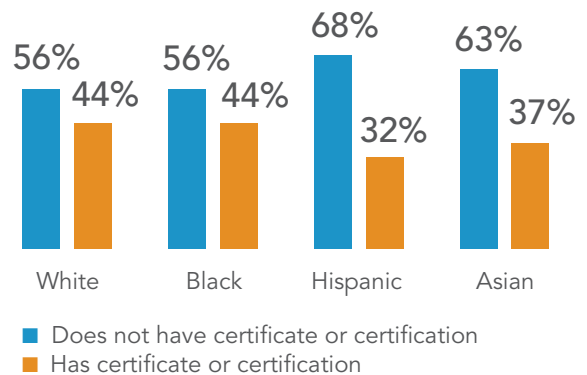
Source: Strada-Gallup Education Consumer Survey

Among adults without a college degree, men and women are about equally likely to hold a certificate or certification (42 percent of men and 39 percent of women). Across racial/ethnic groups, Hispanics are least likely to have a certificate/certification (32 percent), compared with nearly half of white and black adults and 37 percent of Asians.

WOMEN ARE SLIGHTLY LESS LIKELY TO HOLD CERTIFICATES/CERTIFICATIONS



HISPANICS AND ASIANS ARE LESS LIKELY TO HOLD CERTIFICATES/CERTIFICATIONS



Source: Strada-Gallup Education Consumer Survey

CONCLUSION

Across a variety of dimensions, certificates and certifications provide value for adults without a postsecondary degree. Non-degree holders with a certificate or certification report a higher rate of full-time employment and higher incomes. And when we speak with individuals themselves, we hear that they are more confident about their marketability and more satisfied with their educational path than those without a credential. They believe that pursuing a non-degree credential is a worthwhile endeavor and are highly likely to recommend their educational path to others like them.

The economic and social benefits of pursuing education beyond high school are widely recognized. What has been less well understood, however, is that multiple postsecondary pathways—not just those that pass through a two- or four-year campus—can provide value. While research has long demonstrated the economic value of two-year, four-year, and postgraduate degrees, these pathways are not the only on-ramps available to individuals considering postsecondary education. This is especially true for working adults who may not have the time or resources required to pursue a degree, or who need to quickly reskill and move up in the workforce. As this study demonstrates, non-degree credentials, which typically can be completed in less than a year, can be highly beneficial for those without degrees. Expanding the reach of non-degree credentials presents a tremendous opportunity to raise the income and well-being of millions of adults and their families.

FUTURE RESEARCH

To further explore the value adults without postsecondary degrees find in educational pathways, Strada Education Network and Lumina Foundation are partnering in a series of reports analyzing data from the Strada-Gallup *Education Consumer Survey*. Future research on the educational experiences of American adults without college degrees is forthcoming as we examine attitudes about future enrollment, perceived value and the role of certificates and certifications in the lives of our nation's veterans.

METHODOLOGY

The Strada-Gallup *Education Consumer Survey* is a nationally representative telephone survey of U.S. adults aged 18–65 that explores Americans' educational experiences and attitudes. Findings in this report represent responses from interviews conducted between June 2016 and November 2018 with 50,000 adults aged 25–64 without a postsecondary degree, who were in the labor force and are not enrolled in college.

The exact question about certificates in the *Education Consumer Survey* is: "A professional certificate or certification is something colleges, universities, and other professional or trade organizations award to those who complete a formal instruction or training program to learn the skills needed to work in a specific industry. Have you obtained a professional certificate or certification?" Certificates and certifications are different types of credentials but could not be analyzed separately in this study due to the phrasing of the original survey question.

All information about employment and income is self-reported.

APPENDIX

Table 1: Median Personal Income for Non-degree Adults by Occupation and Credential Status

JOB CATEGORY OF WORK	WITHOUT CERTIFICATE OR CERTIFICATION	WITH CERTIFICATE OR CERTIFICATION	CERTIFICATE/ CERTIFICATION PREMIUM
Security and Protective Services	\$ 35,000.00	\$ 60,000.00	\$ 25,000.00
Architecture or Engineering	\$ 65,000.00	\$ 85,000.00	\$ 20,000.00
Computer and Mathematical	\$ 55,000.00	\$ 74,000.00	\$ 19,000.00
Construction or Mining Worker	\$ 36,000.00	\$ 55,000.00	\$ 19,000.00
Community and Social Services	\$ 30,000.00	\$ 45,000.00	\$ 15,000.00
Installation, Maintenance, or Repair Worker	\$ 40,000.00	\$ 55,000.00	\$ 15,000.00
Farming, Fishing, or Forestry Worker	\$ 25,000.00	\$ 38,000.00	\$ 13,000.00
Manager, Executive, or Official	\$ 54,000.00	\$ 65,000.00	\$ 11,000.00
Manufacturing or Production Worker	\$ 34,000.00	\$ 45,000.00	\$ 11,000.00
Sales Worker	\$ 30,000.00	\$ 41,000.00	\$ 11,000.00
Arts, Design, Entertainment and Media	\$ 35,000.00	\$ 45,000.00	\$ 10,000.00
Business, Financial, Insurance, Real Estate	\$ 50,000.00	\$ 60,000.00	\$ 10,000.00
Military	\$ 35,000.00	\$ 45,000.00	\$ 10,000.00
Personal Care and Service Worker	\$ 20,000.00	\$ 30,000.00	\$ 10,000.00
Small Business Owner	\$ 60,000.00	\$ 70,000.00	\$ 10,000.00
Transportation Worker	\$ 45,000.00	\$ 54,000.00	\$ 9,000.00
Building and Grounds Cleaning and Maintenance	\$ 22,000.00	\$ 30,000.00	\$ 8,000.00
Legal	\$ 53,000.00	\$ 60,000.00	\$ 7,000.00
Food Preparation or Service	\$ 18,000.00	\$ 25,000.00	\$ 7,000.00
Life, Physical and Social Sciences	\$ 34,000.00	\$ 40,000.00	\$ 6,000.00
Healthcare	\$ 30,000.00	\$ 35,000.00	\$ 5,000.00
Office and Administrative Support Worker	\$ 36,000.00	\$ 40,000.00	\$ 4,000.00
Education, Training, and Library	\$ 25,000.00	\$ 27,000.00	\$ 2,000.00

Source: Strada-Gallup Education Consumer Survey

Table 2: Median Personal Income for Non-degree Adults by Occupation, Credential Status and Gender

JOB CATEGORY OF WORK	WOMEN			MEN		
	WITHOUT Certificate or Certification	WITH Certificate or Certification	Certificate/ Certification Premium	WITHOUT Certificate or Certification	WITH Certificate or Certification	Certificate/ Certification Premium
Architecture or Engineering	\$ 30,000.00	\$ 50,000.00	\$ 20,000.00	\$ 34,000	\$ 60,000	\$ 26,000
Arts, Design, Entertainment and Media	\$ 41,000.00	\$ 61,000.00	\$ 20,000.00	\$ 35,000	\$ 60,000	\$ 25,000
Office and Administrative Support Worker	\$ 25,000.00	\$ 40,000.00	\$ 15,000.00	\$ 68,000	\$ 90,000	\$ 22,000
Community and Social Services	\$ 35,000.00	\$ 47,000.00	\$ 12,000.00	\$ 39,000	\$ 60,000	\$ 21,000
Computer and Mathematical	\$ 30,000.00	\$ 40,000.00	\$ 10,000.00	\$ 56,000	\$ 75,000	\$ 19,000
Construction or Mining Worker	\$ 30,000.00	\$ 40,000.00	\$ 10,000.00	\$ 36,800	\$ 55,000	\$ 18,200
Education, Training, and Library	\$ 22,000.00	\$ 30,000.00	\$ 8,000.00	\$ 32,000	\$ 48,000	\$ 16,000
Farming, Fishing, or Forestry Worker	\$ 35,000.00	\$ 42,000.00	\$ 7,000.00	\$ 60,000	\$ 75,000	\$ 15,000
Business, Financial, Insurance, Real Estate	\$ 45,000.00	\$ 51,000.00	\$ 6,000.00	\$ 40,000	\$ 55,000	\$ 15,000
Healthcare	\$ 42,000.00	\$ 48,000.00	\$ 6,000.00	\$ 60,000	\$ 75,000	\$ 15,000
Installation, Maintenance, or Repair Worker	\$ 30,000.00	\$ 35,000.00	\$ 5,000.00	\$ 25,000	\$ 40,000	\$ 15,000
Legal	\$ 25,000.00	\$ 30,000.00	\$ 5,000.00	\$ 30,000	\$ 43,000	\$ 13,000
Life, Physical and Social Sciences	\$ 20,000.00	\$ 25,000.00	\$ 5,000.00	\$ 38,000	\$ 50,000	\$ 12,000
Manager, Executive, or Official	\$ 50,000.00	\$ 55,000.00	\$ 5,000.00	\$ 40,000	\$ 50,000	\$ 10,000
Manufacturing or Production Worker	\$ 32,000.00	\$ 36,000.00	\$ 4,000.00	\$ 40,000	\$ 50,000	\$ 10,000
Military	\$ 17,000.00	\$ 21,000.00	\$ 4,000.00	\$ 40,000	\$ 50,000	\$ 10,000
Sales Worker	\$ 30,000.00	\$ 33,000.00	\$ 3,000.00	\$ 65,000	\$ 75,000	\$ 10,000
Personal Care and Service Worker	\$ 15,000.00	\$ 18,000.00	\$ 3,000.00	\$ 35,000	\$ 45,000	\$ 10,000
Security and Protective Services	\$ 18,000.00	\$ 20,000.00	\$ 2,000.00	\$ 20,000	\$ 30,000	\$ 10,000
Building and Grounds Cleaning and Maintenance	\$ 35,000.00	\$ 36,000.00	\$ 1,000.00	\$ 30,000	\$ 37,000	\$ 7,000
Food Preparation or Service	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 37,000	\$ 42,000	\$ 5,000
Small Business Owner	\$ 52,000.00	\$ 50,000.00	\$ (2,000.00)	\$ 50,000	\$ 55,000	\$ 5,000
Transportation Worker	\$ 38,000.00	\$ 35,000.00	\$ (3,000.00)	\$ 78,000	\$ 80,000	\$ 2,000

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