

Valuing Certificates:

Defining the Value of Certificates

March 20, 2009

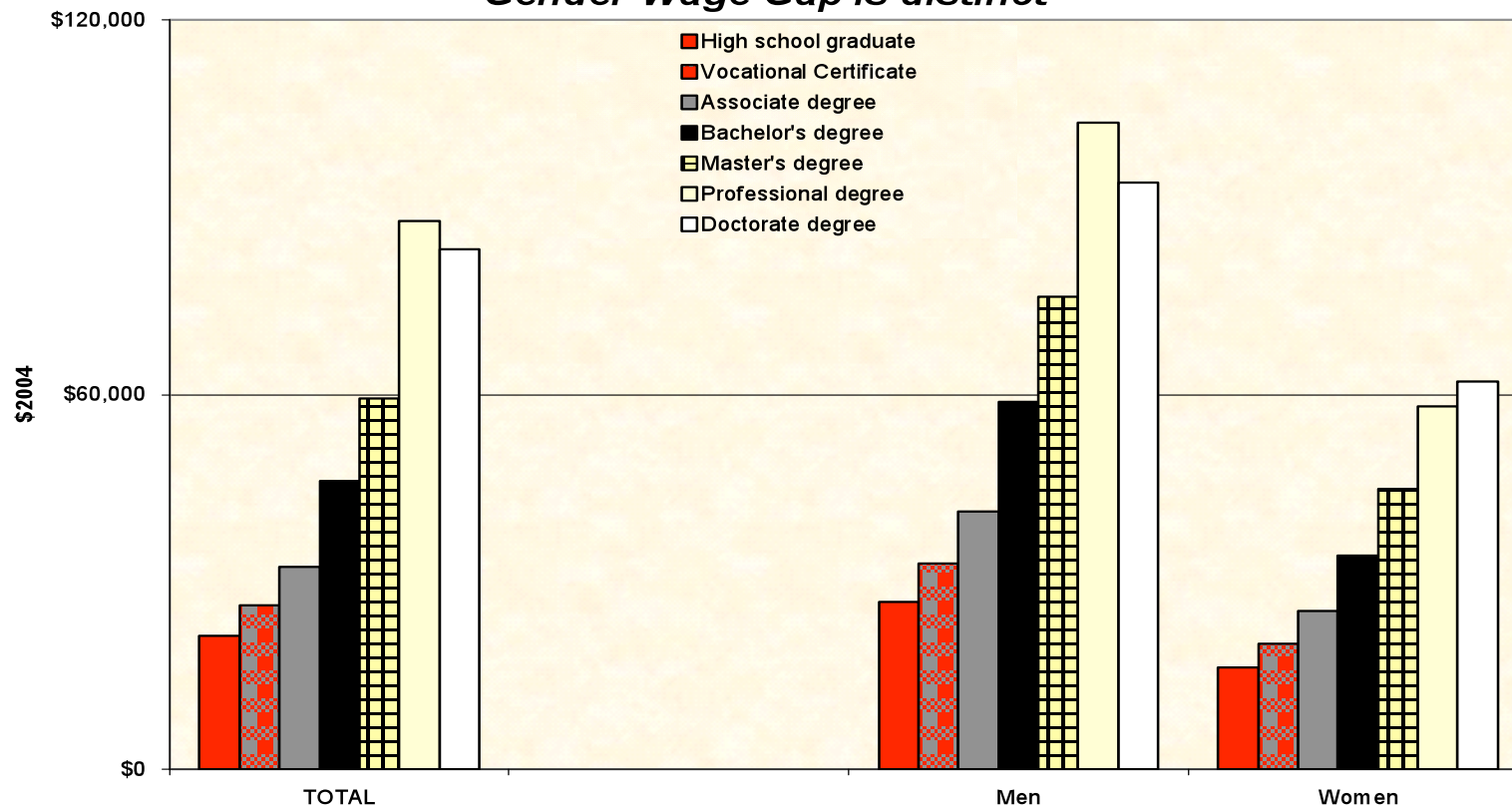


GEORGETOWN UNIVERSITY

Center on Education and the Workforce

Conventional wisdom

Income Increases with Certificates and Degrees *Gender Wage Gap is distinct*

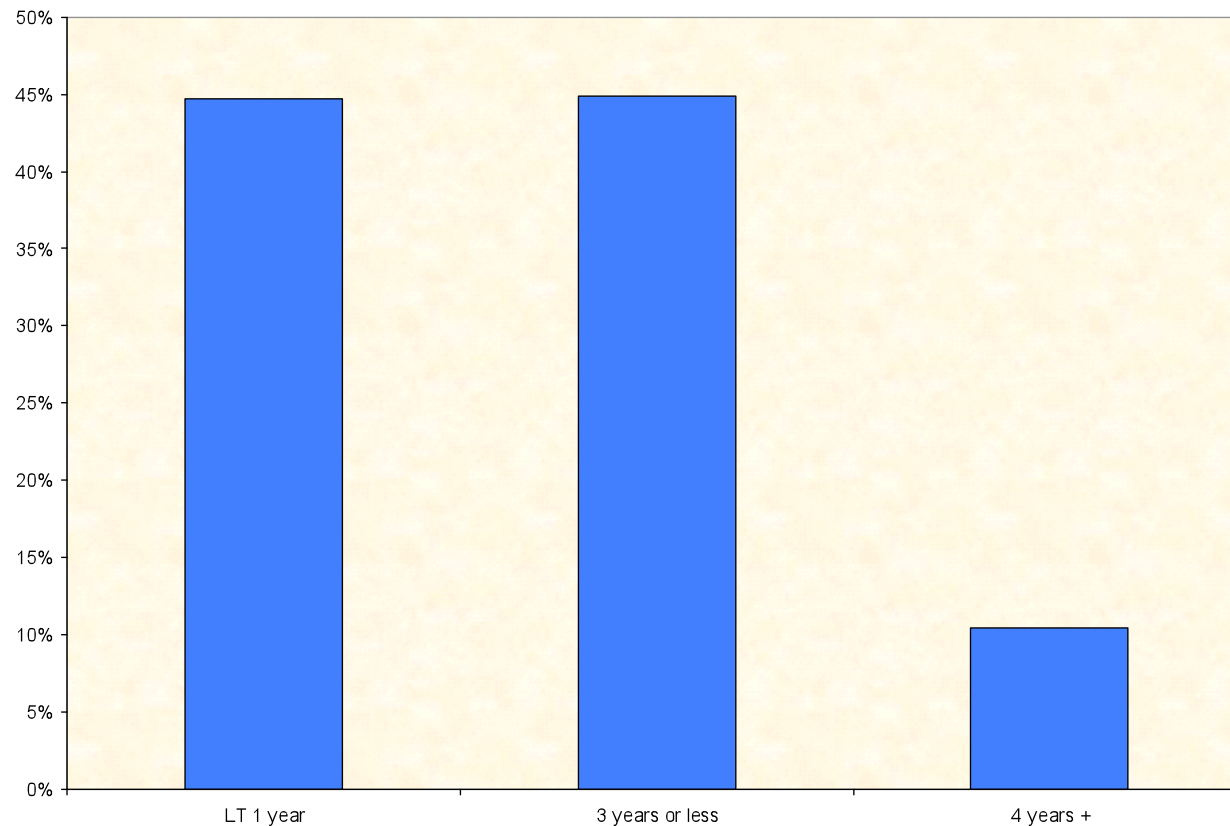


We conclude that certificates:

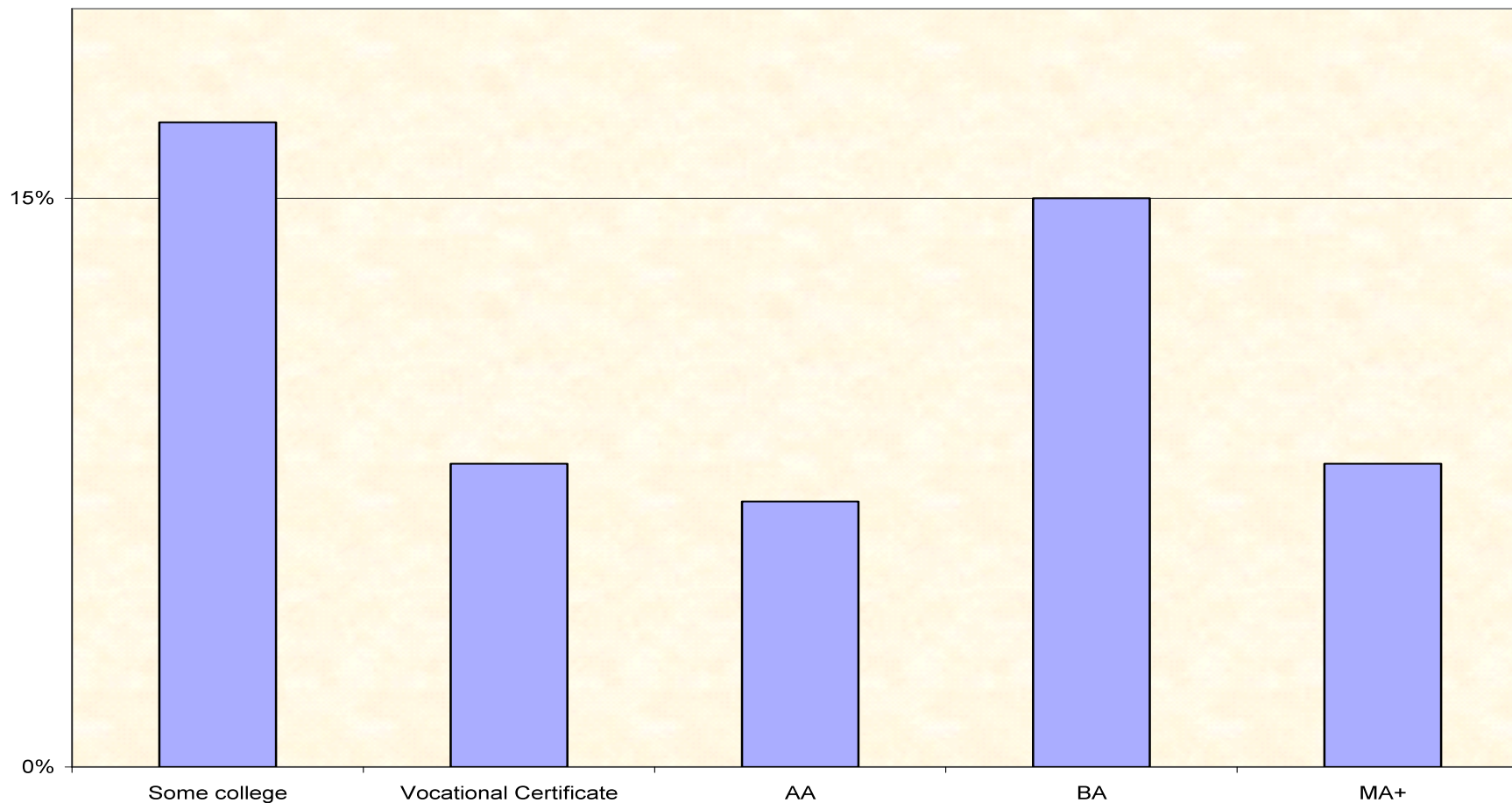
- are a significant part of the labor stock
- are a large part of current postsecondary enrollments
- give many people access to growth and opportunities in incremental steps
- provide access to the earnings power commonly associated with traditional degrees
- can add value well above a high school diploma
- can lead to family-sustaining earnings



The average certificate takes 1.7 years to complete



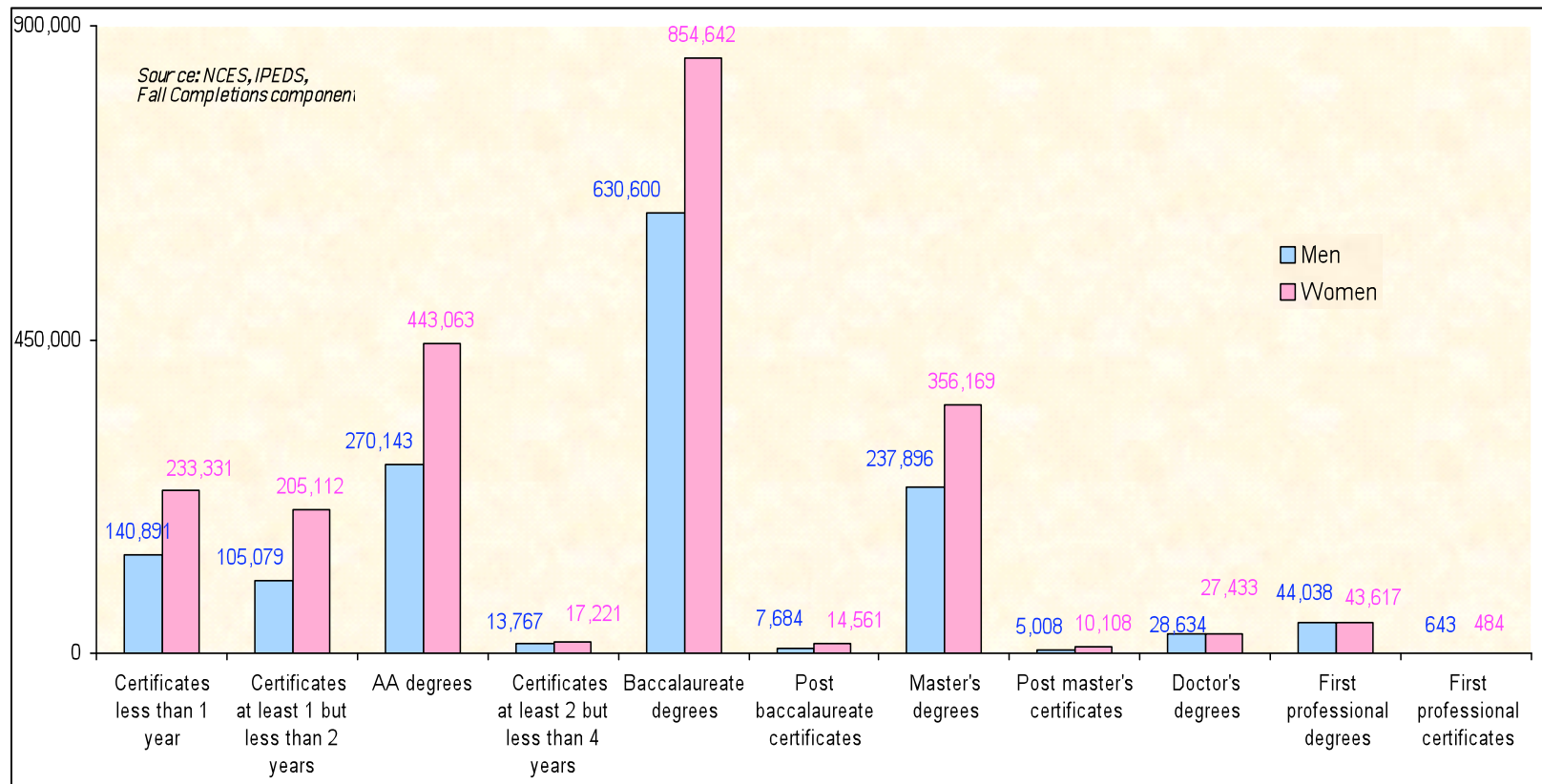
Certificates are a larger share of postsecondary awards than AAs



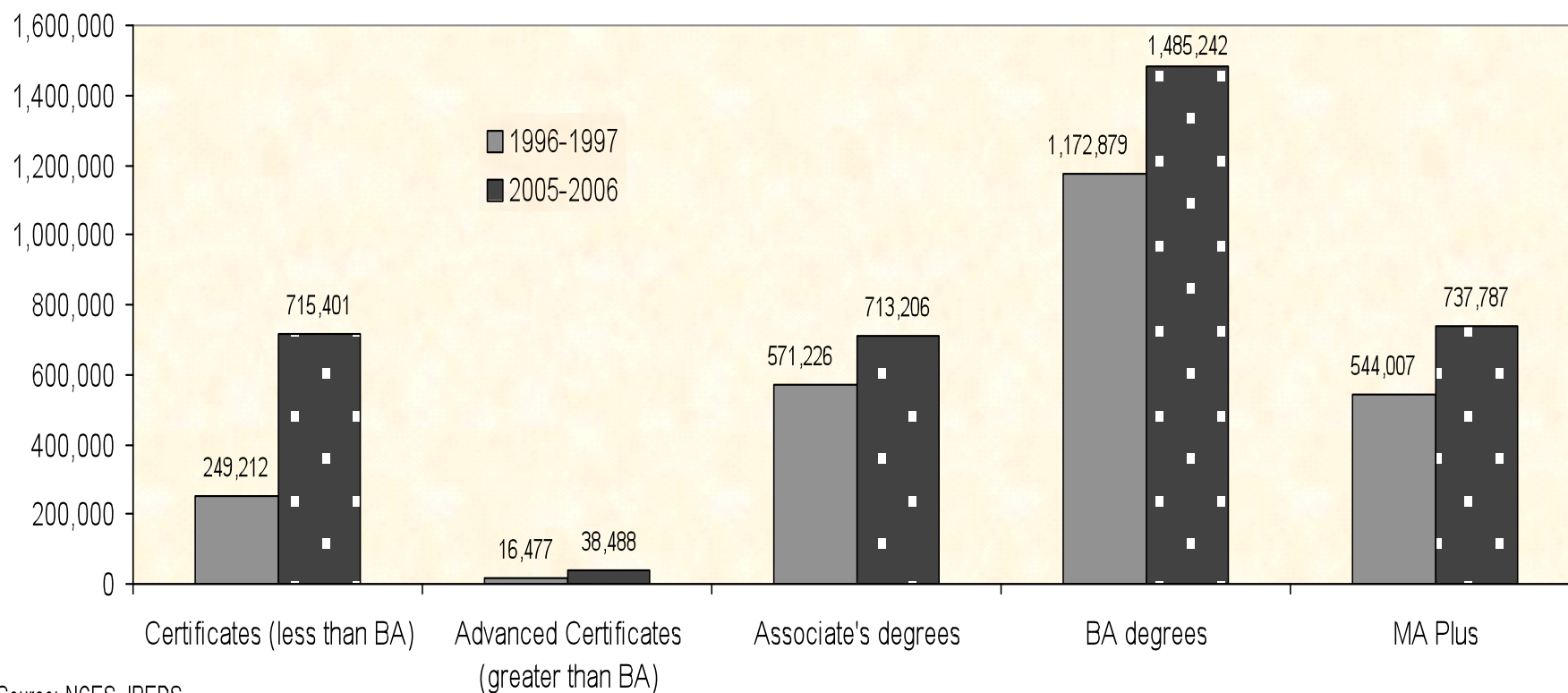
Source: SIPP 2004



Awards conferred by Title IV institutions by gender 2005-2006



Certificates are fastest growing awards in Title IV institutions

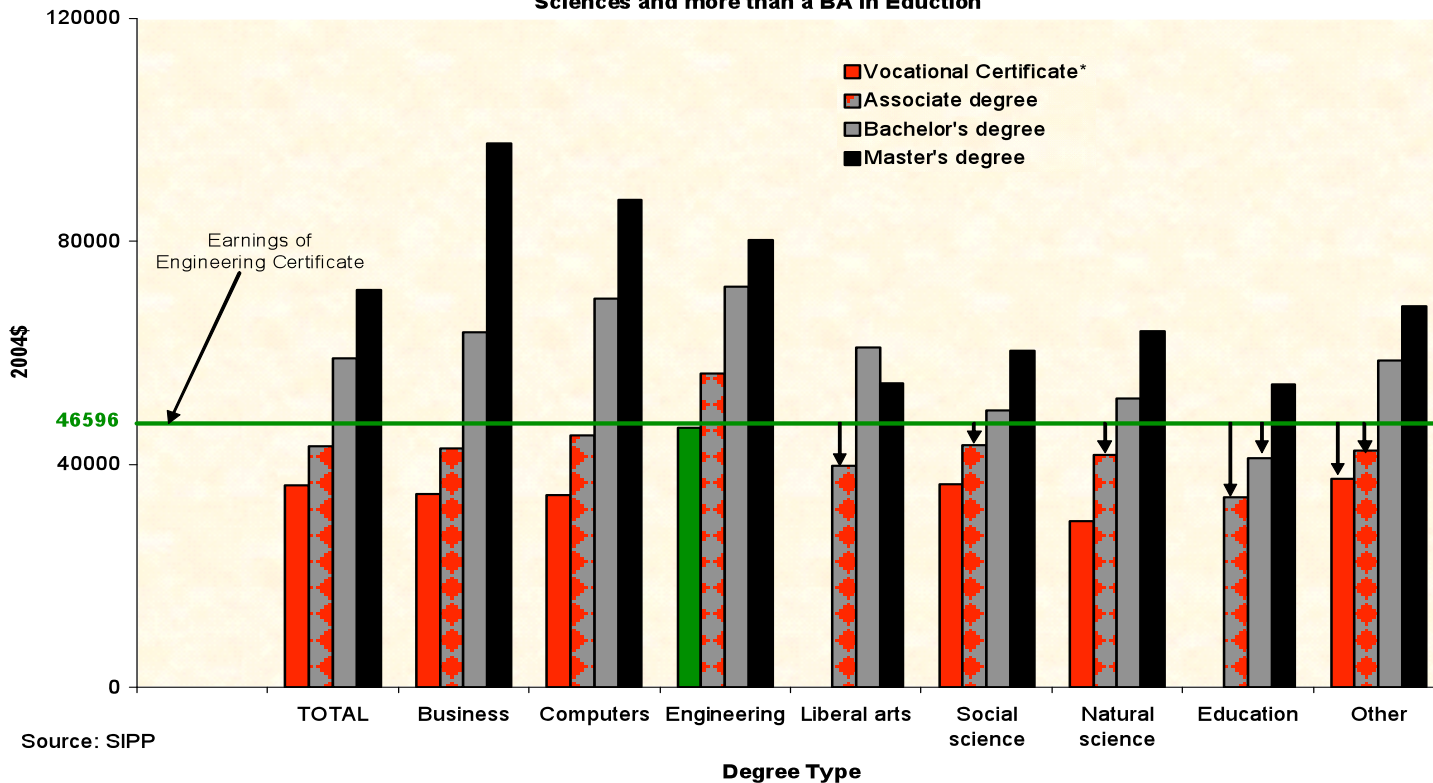


Source: NCES, IPEDS,
Fall Completions component



Certificates can lead to family-sustaining earnings

Sometimes Certificates are more valuable than AAs or even BAs
a Certificate in Engineering earns more than an AA in the Liberal Arts, Education and Social and Natural Sciences and more than a BA in Education

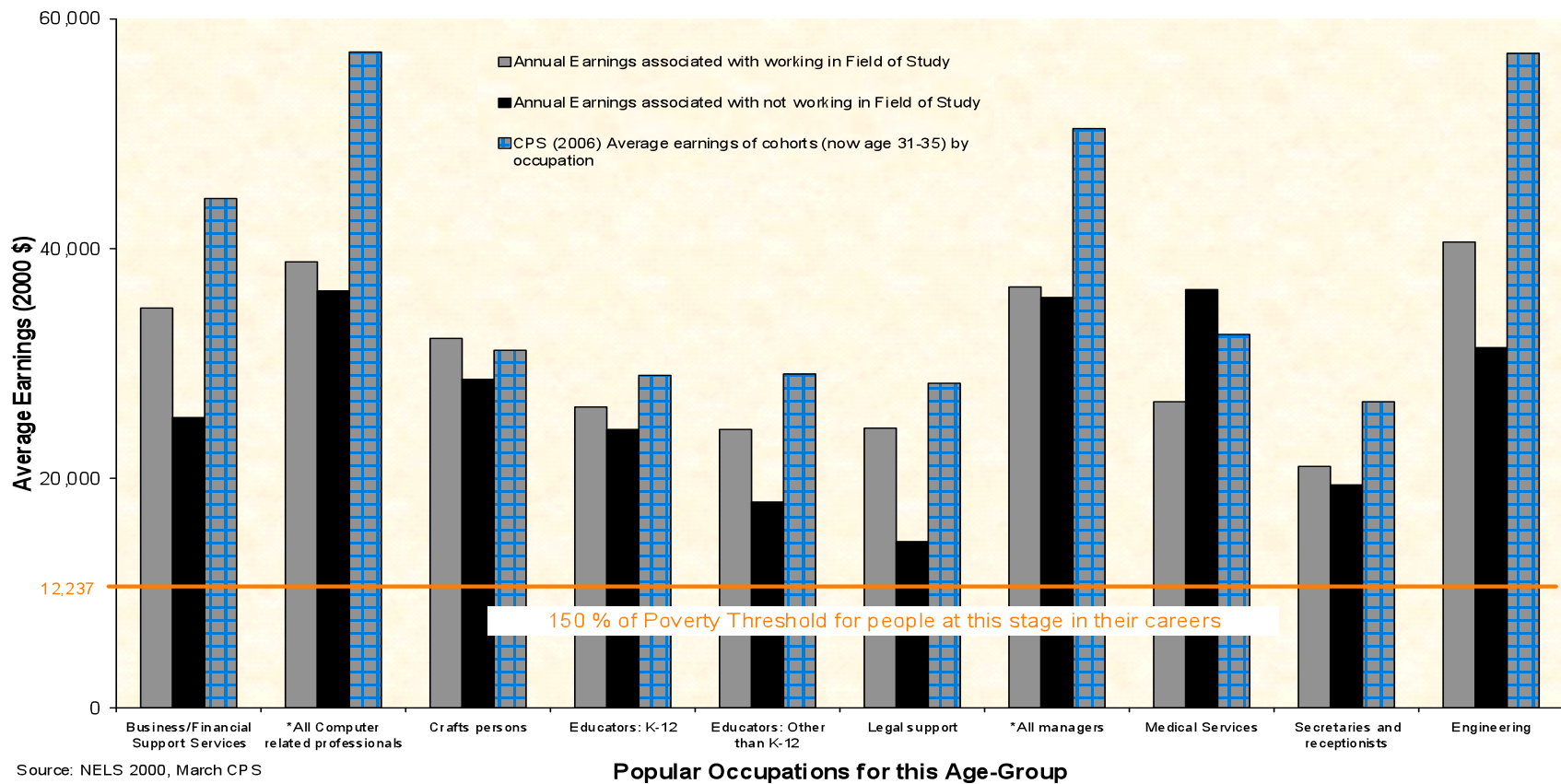


Conventional wisdom

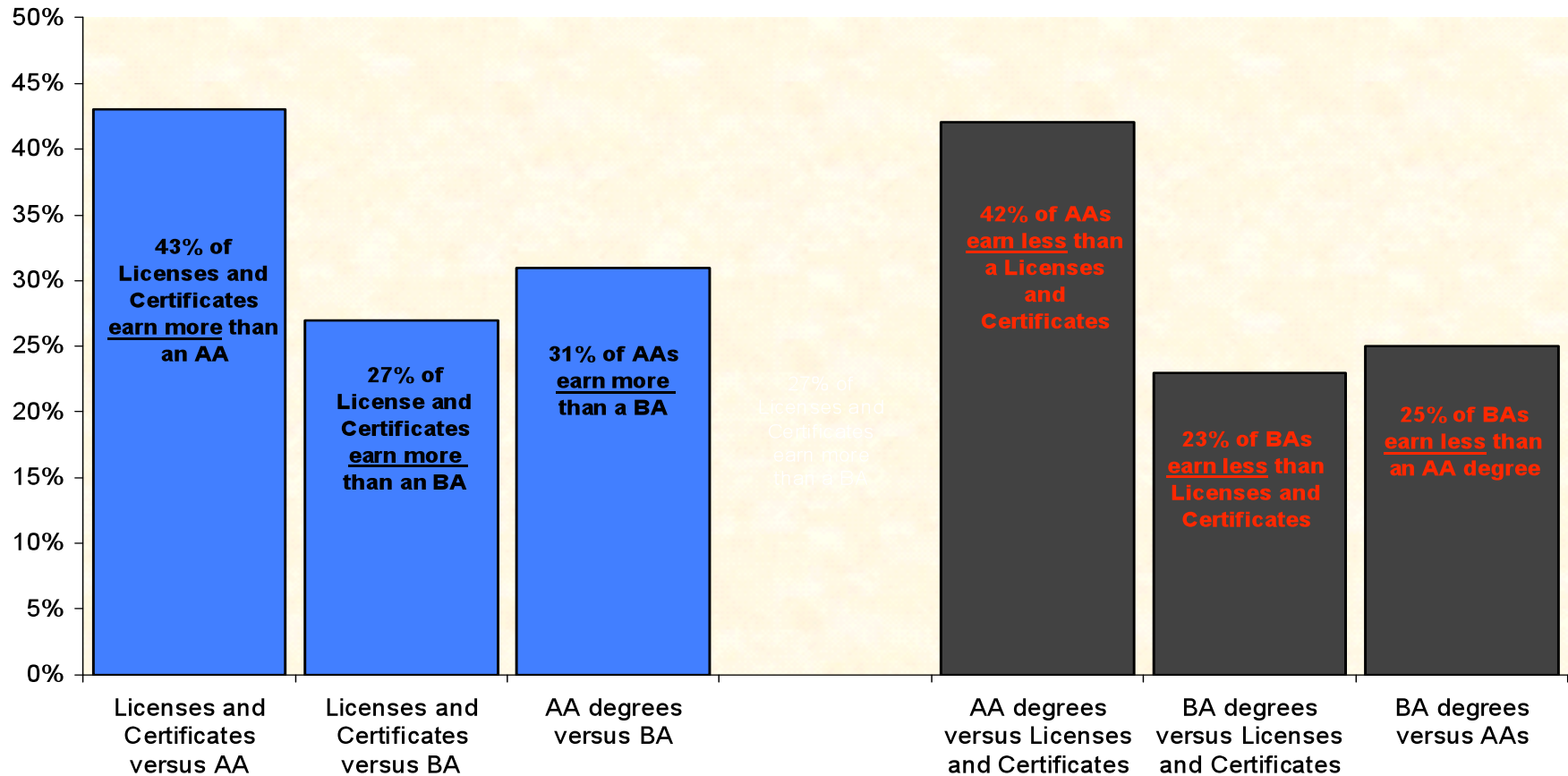
- Higher degrees always imply higher earnings potential
- Certificates are a poor substitute for AA and BA degrees in today's knowledge economy



In real life.....some out-of-field credentials are better than others



In real life...earnings are not just a function of postsecondary attainment

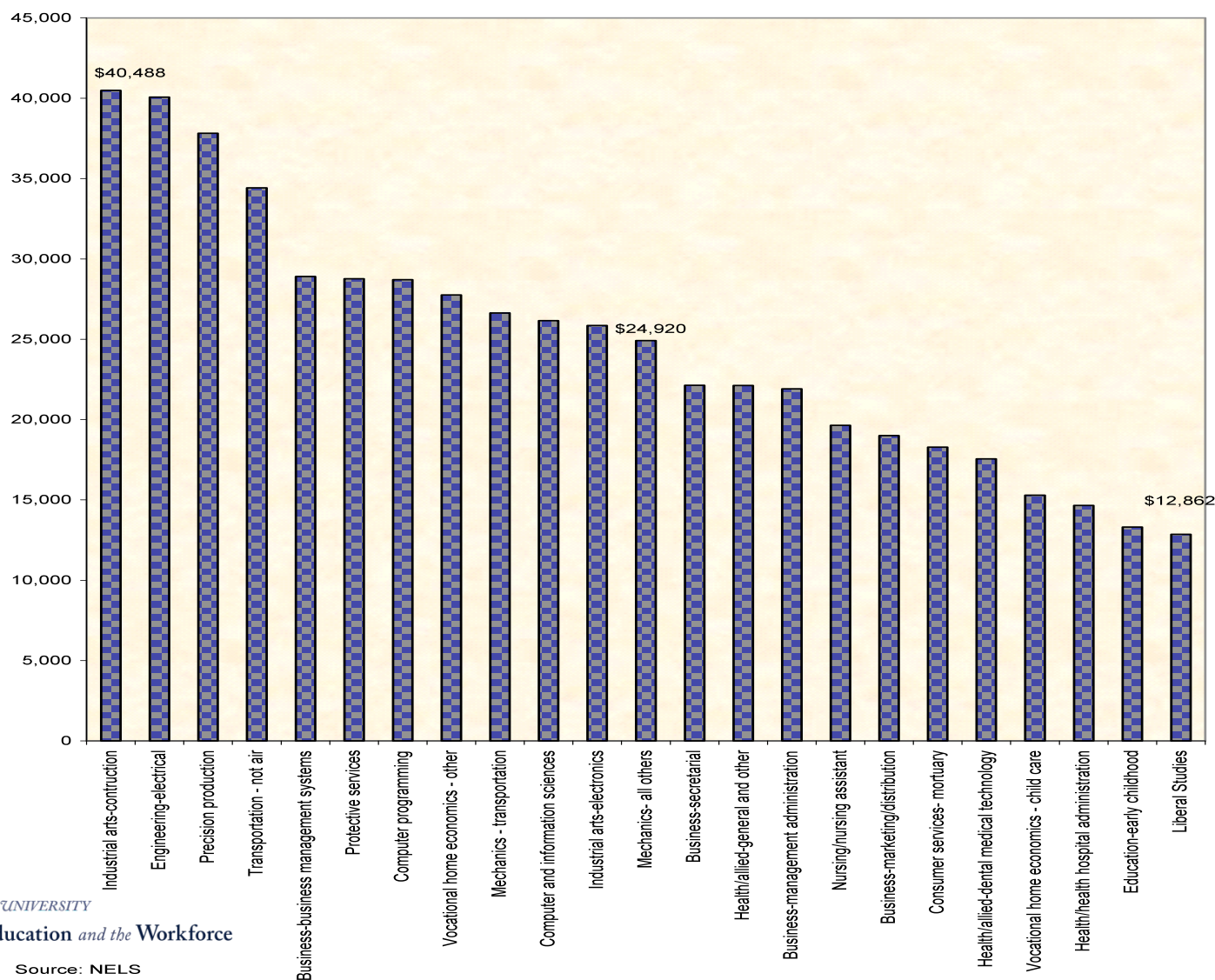


Source: NELS

GEORGETOWN UNIVERSITY

Center on Education and the Workforce

Average earnings of majors for entry level workers with certificates



Key points

- The standard for the value of postsecondary courses, certificates, certifications and degrees is ultimately a market test.
- Averages earnings measured by degree levels hide enormous differences within degrees and hide substantial overlaps in earnings between degree levels.

