Between a Diploma and a Bachelor’s Degree: The Effects of Sub-Baccalaureate Postsecondary Educational Attainment and Field of Training on Earnings

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Introduction

Background
- Educational attainment is an important gateway to higher earnings.
- General human capital benefits.
- Comparing the specialized jobs with higher pay.
- Increase in postsecondary schooling below bachelor’s degrees.
- Vocational certificates and degrees.
- Associate’s degrees.
- Earnings higher for sub-baccalaureate degrees compared to high school graduates.
- Computer and information tech.
- Major earnings can vary highly.
- Individual characteristics.
- Level of degree.
- Field of training.
- Job related to field of training.

Sample and Methods
- Analytical sample selection: contains information on educational attainment, field of highest degree, occupation and earnings.
- Effective sample size of 37,513 adults.
- Reported earnings in the 4-month reference period.
- 2004 and 2001 Panels.
- Education and Training History Topical Module.
- Survey of Income and Program Participation (SIPP).
- Field of training matters.
- Earnings, but doesn’t explain all the effects of degree.
- Degree with higher earnings than high school at both levels and in related and unrelated occupations.
- Degree in health and protective pay jobs when employed in a related occupation.
- Vocational degrees in service and associate’s degrees in education were not associated with higher earnings than high school diploma, even when employed in a related occupation.
- With increase in popularity and support for subbaccalaureate degrees, need to better understand the economic returns.

Conclusions

Findings
- Educational attainment, field of training, and employment in a related occupation are all associated with earnings net of controls for demographic and work force characteristics.
- While there are productivity effects between these occupations.
- Persons with subbaccalaureate degrees on average earn more than high school graduates, but not across level, field, and related occupation.
- Comparing vocational degrees associated with higher earnings than high school at both levels and in related and unrelated occupations.
- Differences in the effect of field of training on earnings by educational level and related occupation.

Field of Sub-baccalaureate Training

1. Overview of Pathway into Sub-Baccalaureate Training
- Vocational:
  - Business, computer/technical, health, service, medical.
  - Field of training matters.
- Associate’s:
  - Business, computer/technical, health, service, medical.
  - Field of training matters.
- High School Graduate REF

Educational Level, Field, and Occupation

GLS Estimates of Log Monthly Earnings

Field of Sub-baccalaureate Training

- Business - Unrelated Occupation -0.004
- Police/Protective Services - Related Occupation 0.451 *
- Health - Related Occupation 0.292 *
- Service - Related Occupation -0.119
- Vocational
  - Computer/Technical - Related Occupation 0.564 *
  - Business - Related Occupation 0.380 *
- Associate’s
  - Service - Unrelated Occupation 0.044
  - Mechanical - Related Occupation 0.209 *
  - Police/Protective Services - Unrelated Occupation -0.010
- High School Graduate REF

Differences in the Effect of Field of Training on Earnings by Educational Level and Related Occupation

Findings
- Effect of attainment level and field of training vary in related employment.
- Fields with higher earnings than high school: vocational field employed in related occupation.
- Vocational computer/technical, medical, and other.
- Associate’s: business, computer/technical, police/protective.
- Fields with higher earnings than high school only: Service employed in related occupation.
- Associate’s: business, health, police/protective services.
- Associate’s: health, police/protective services.
- Earnings for new skills are never higher than high school.
- Associate’s: service.
- Associate’s: education.