

## Nondegree Credentials and Work Experience in the Labor Market

By Stephanie M. Cronen

The growing need for individuals to have a college degree in order to succeed in the labor market has become a common and fairly well-accepted topic of education and labor policy discussions. However, while it is true, on average, that degree holders have better employment outcomes than others, there are *other* - or *additional* - ways in which individuals can acquire valuable skills and qualifications.

Two approaches to "upskilling" at any level of educational attainment that have been underemphasized relative to getting a college degree are obtaining a nondegree credential, such as a certification or license, and participating in a formal work experience program - including such programs as apprenticeships and internships.

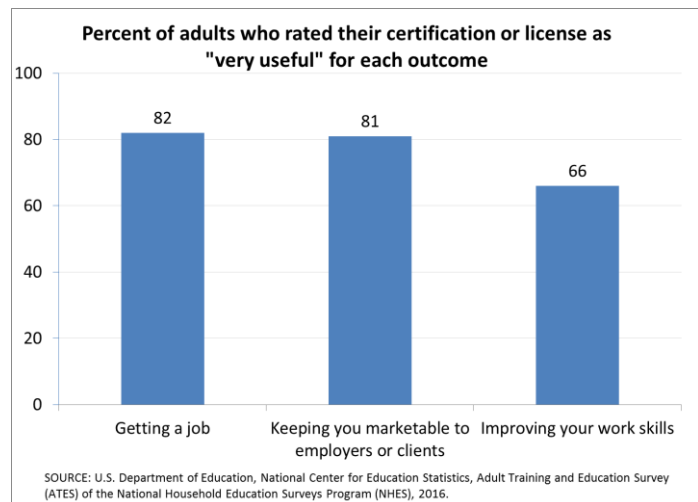
Non-degree credentials such as certifications and licenses garner little attention, but are in-demand qualifications and often critical requirements in many occupations (e.g., in many, if not most healthcare occupations). Certifications and licenses are also almost as prevalent as college degrees. They are held by 21 percent of U.S. adults, and that number jumps to 27 percent among the employed. Individuals of *all* educational levels hold these credentials; in fact, among adults who hold one or more of these types of credentials, over a third do not have a college degree.

Individuals who hold a certification or license have to meet a variety of criteria and go through a process to become credentialed, which usually includes taking some type of qualifying exam to demonstrate skill and knowledge. To help prepare for credentialing requirements, individuals often participate in education or training. Two-thirds of work credential-holders take classes from a college, technical school, or trade school, and over a third take classes or training from a company, association, or union to help prepare for the credentialing process.

Another way in which individuals can develop work skills and make themselves more competitive in the labor market is to participate in a formal work experience program. About 21 percent of U.S. adults have completed this type of program, which can include apprenticeships, internships, clerkships, student teaching, and residencies, among others. As is the case with work credentials, individuals at all levels of education participate in work experience programs, although degree-holders participate at higher rates than nondegree-holders.

Is the effort required by these two *other* or *additional* approaches to upskilling worth it? Certification and license holders as well as work experience program completers seem to believe so. The vast majority of these individuals, when asked, consider their credential or program to have been useful for improving their work skills and for getting a job.

While getting a job is a critical first step, we all really care about earnings as well; and here we have actual research on the relationship between work credentials and income. Based on recent analyses from the Bureau of Labor Statistics (BLS), certification- and license-holders do indeed earn more than non-credential holders (on average). The value of their credential varies by their level of education, however. Interestingly, certifications and licenses appear to be *more* valuable for those with *less* education.



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We do not yet have similar long-term earnings data for work experience programs, but we do know that the majority of program completers themselves consider their program to have been useful for increasing their pay - and that is something worth considering.

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*The statistics cited in this article are based on Adult Education and Training: Results from the National Household Education Surveys Program of 2016, which can be found at <https://nces.ed.gov/pubs2017/2017103.pdf>.*

*The analyses conducted by BLS are described at <https://www.bls.gov/cps/certifications-and-licenses.htm>.*