May 2021

The Short-term Credentials Landscape

What We See and What Remains Unseen

Monique O. Ositelu, PhD, Clare McCann, & Amy Laitinen
Acknowledgments

New America would like to thank Lumina Foundation and The Joyce Foundation for their support of this project, and the Bill & Melinda Gates Foundation and Arnold Ventures for their generous support of our work. The views expressed in this report are those of its authors and do not necessarily represent the views of the foundations, their officers, or their employees.
About the Author(s)

**Monique O. Ositelu, PhD,** is a senior policy analyst for higher education with the Education Policy program at New America. She previously served as a legislative analyst for education policy with the Florida Legislature’s research unit, the Office of Program Policy Analysis and Government Accountability.

**Clare McCann** was deputy director for federal higher education policy at New America. She previously served as a senior policy advisor on higher education for the U.S. Department of Education.

**Amy Laitinen** is director for higher education with the Education Policy program at New America. She previously served as a policy advisor on higher education at both the U.S. Department of Education and the White House.

About New America

We are dedicated to renewing the promise of America by continuing the quest to realize our nation’s highest ideals, honestly confronting the challenges caused by rapid technological and social change, and seizing the opportunities those changes create.

About Education Policy

We use original research and policy analysis to help solve the nation’s critical education problems, crafting objective analyses and suggesting new ideas for policymakers, educators, and the public at large.

About Center on Education & Labor

The Center on Education & Labor is dedicated to restoring the link between education and economic mobility by advancing policies that strengthen the key social institutions necessary to connect them.

New America's higher education program works to make higher education more accessible, innovative, student-centered, outcomes-focused, and equitable.
Contents

Foreword by Kevin Carey 5

The Landscape of Short-Term Credentials 8

Labor-Market Outcomes 10

  Returns to Certificate Programs Are Mixed, and Do Not Last 10
  Workers See Significant Variation in the Value of Certificates across Occupations 11
  The Labor-Market Value of Certificate Programs Is Uneven Across Students 13

Academic Outcomes 14

Enrollment and Attainment Patterns 16

Gaps in Research 17

  What is the labor-market value of short-term programs? 17
  How do outcomes vary by providers? 18
  What are the implications of short-term certificates on racial equity? 19

Conclusion 20
Foreword by Kevin Carey

The modern labor market is a scary place. Even if you’re good at your job, international trade and automation can take it away. Companies demand more skills than they used to from workers up front, and provide less training on the job. Benefits, wages, and job security are increasingly vulnerable to the demands of the bottom line. Unforeseeable catastrophes like a global pandemic can wipe out millions of jobs that never return.

For many workers, credentials are the best employment assurance policy. Credentials allow entry into prized professions and enable people to move between locations and industries. In the United States, the vast majority of credentials are granted by colleges and universities. For most people, job training happens on campus.

While people will beg, borrow, and steal to enter the upper echelons of higher education, the universities that people want to bribe their way into are irrelevant to the vast majority of current and future workers. Most of the people who are highly vulnerable to job dislocation have full-time jobs, families, or both. They don’t have the time or money to spend four years working on a bachelor’s degree. They need a shorter, straighter path to higher wages and a better job.

Over the last two decades, the higher education system has responded to this demand with a surge of new job-focused programs. Even as the number of traditional-age students moving into dorms in autumn has declined, the number of work-oriented credentials has exploded. Nearly all of these programs last less than two years, and many take less than one year. While the media like to indulge straw-man arguments with wholly imaginary “college for all” advocates who believe 100 percent of people need a bachelor’s degree, anyone paying attention to the real world can see a profusion of less time-consuming programs built around specific occupations and careers.

Enthusiasm for these programs is running so high that some policymakers want to open the floodgates to the vast reservoir of federal Title IV grant and loan dollars, which already allows students to take job training programs as short as 15 weeks, and allow people to use those funds to take job training programs as short as eight weeks long. But the wisdom of this approach is less obvious than it might seem. America’s higher education and labor systems are shot through with economic disparities, structural racism, and gender-based inequality. As the research analyzed in this landscape analysis shows, those problems are particularly acute in the short-term training field.

Much of the value of a four-year degree in the labor market comes from a combination of durable institutional brand names and professional-class acculturation. Short-term training programs offer no such value. They are
worthwhile if and only if they immediately lead to job opportunities that pay enough to justify the cost of training. And one thing that’s clear from the research is that many existing programs don’t meet that benchmark, or even come close.

History teaches us that the free market for job training will not naturally correct for this problem. Organizational reputations are too pliable to marketing and consumers are too vulnerable to misinformation. Some programs leave students worse than if they had done nothing at all. Turbocharging an engine of exploitation with billions of dollars in federal subsidies will make matters worse.

Training programs have often reflected the deeply gendered and racialized nature of work. Women—particularly women of color—are frequently drawn to the promise of short-term training programs precisely because they have less and earn less than others in society. But too often they end up spending and borrowing for credentials that lead to low-paying jobs, or no jobs, and debt. Some of the credentials that colleges have created in response to the demand for job-oriented training are not actually valued by employers. By the time students find out, it’s too late.

As this report shows, there is great potential for expanding opportunities for high-quality training. People need a wide range of options for education after high school. Some will follow the traditional college track; many others will not. But the key word is “quality”—affordable, responsive, and built around actual jobs that employers are ready to provide. Education and training done well are hard work, and take time. Shortcuts to long-term prosperity are usually too good to be true.

And while the data and research findings are more than enough to guide us toward caution and a bias toward consumer protection when it comes to new programs and subsidies, they also underscore how much we don’t know, particularly when it comes to how programs affect people from different backgrounds. Short-term training programs and credentials have great promise, but only if they’re funded and regulated in the right way.

- Kevin Carey, vice president for education policy and knowledge management at New America

→ WHAT ARE SHORT-TERM CREDENTIALS?

For the purposes of this report, we consider short-term credentials to be less than one year of full-time study and long-term credentials to require more than one year, as typically defined by federal data systems. Variations from these definitions are noted, as applicable. While short-term credentials may
include licenses issued by state or federal governments, certificates awarded by postsecondary institutions, and certifications awarded by industry organizations, we focus, where possible, on certificates awarded by both public and private postsecondary institutions following the successful completion of coursework and/or assessments, including for-credit and not-for-credit programs. Because certificate programs have rapidly grown in both offerings and the rate of awards, most of the reviewed research focuses on certificates, and hence is our credential of focus.
The Landscape of Short-Term Credentials

Short-term credentials are a large—and growing—business in higher education. In the first decade of the millennium, the number of short-term certificates awarded by community colleges increased by more than 150 percent across the United States (see Figure 1). By 2010, 41 percent of all credentials awarded by community colleges were non-degree certificates. Since that time, the number of certificates awarded by all public colleges has increased by nearly 30 percent. This trend coincides with overall increases in the postsecondary attainment of Americans. As much as one-quarter of the workforce has a noncredit certificate, license, or another vocational award.

Figure 1 | The Number of Postsecondary Certificates Awarded by Public Colleges has Grown Significantly in Recent Years


It is also critical to consider the types of credentials awarded, to whom, and what value they carry in the labor market. Research has found that bachelor’s degrees are, on average, well worth the investment, and associate degrees also provide a significant return to students in the form of earnings increases. Certificates, generally, show relatively low (albeit positive) returns, with benefits that often wane within a few years of earning the credential. While certificates that prepare workers for certain occupations see particularly positive labor-market value,
many others show no—or even negative—results. Moreover, short job training programs like these may offer “no clear avenue,” according to a 2016 Brookings Institution report, for students to continue their postsecondary education later.\(^9\)

Yet students of color and women are far more likely to earn certificates that carry those relatively lower returns. For instance, certificates make up just one in five of the postsecondary credentials that white students completed, compared with one in three for Black and Hispanic students.\(^10\) And white students are far more likely to earn a degree from a public four-year institution, where bachelor’s degrees are the predominant credential, while Hispanic and Black students are far more likely than white students to earn a degree from for-profit institutions, which award many certificates and often carry even lower labor-market value.\(^11\) This phenomenon—what Anthony Carnevale of the Georgetown Center on Education and the Workforce terms the “white flight to the bachelor’s degree”—highlights the risk that higher education reinforces such inequality by effectively tracking students of color into lower-value programs.\(^12\)

Only recently has research started to grow on certificates, particularly on the labor-market value of such credentials.\(^13\) Instead, much of the research on higher education has studied the value of four-year degrees, missing a sizable portion of the population that enrolls instead in non-degree programs. As workers increasingly opt for subbaccalaureate programs and lawmakers consider policies that would invest more higher education dollars into certificate programs and very-short-term credentials,\(^14\) it is important to understand what the research does—and does not—tell us about the efficacy of that strategy in promoting equity and quality workforce development. Given concerns about equity, one study from the Community College Research Center concluded, “heavy reliance on certificates as a core higher education runs the risk of institutionalizing or at least reinforcing socioeconomic stratification.”\(^15\) Our analysis will review the rigorous research available on certificate programs and identify the significant gaps in our understanding and knowledge of such credentials’ utility in the labor market.
Labor-Market Outcomes

Returns to Certificate Programs Are Mixed, and Do Not Last

For most students, finding a well-paying job is the central reason that they enroll in postsecondary education. Switching jobs or changing careers is particularly a driving factor among older, returning students. Yet across national studies of the labor-market returns of certificate programs, findings are decidedly mixed.

Research has consistently found that long-term certificates do increase workers’ odds of being employed. Studies have found that short-term certificates, however, are varied in their effectiveness at ensuring employment. Moreover, national survey data show that employment rates among certificate-holders (77 percent) are lower than rates among their peers who completed either an associate or bachelor’s degree (84 and 87 percent, respectively).

Earnings increases are also mixed. A recent review of the literature found that, while on average, the earnings increase associated with short-term credentials ranged between 10 and 20 percent—with the larger increase going to adults with only a GED or less—there was large variance in the returns by gender and occupation. The credentials held by women and workers in female-dominated occupations earned substantially less than men and workers in male-dominated occupations. Three separate analyses of the Adult Training and Education Survey found similar disparities along gender and occupational lines, with women earning consistently less than men despite similar levels of training.

Moreover, the short-term credentials associated with the highest earnings are often for occupations that are dominated by men, such as construction assistant, welder, or truck driver. Women are certainly capable of doing these jobs, but they are often not practical or appealing options, particularly for women with children. Truck driving might pay well, but it also involves long periods of time away from home. Construction jobs might be locally available, but construction sites are often not friendly environments for women. The issue is not that women are choosing short-term credentials for low-wage jobs among many other short-term credentials that lead to good jobs because they do not care about the pay. Rather, the short-term credentials and jobs most readily available for, and commonly occupied by, women in this segment of the labor market are, overwhelmingly, for low-wage jobs.

A multi-state study of community college students across several states, conducted by the Center for Analysis of Postsecondary Education and Employment (CAPSEE), found “positive but modest returns,” on average, to completing a certificate program. But the report also notes that other studies have found differing levels of those returns, others have found no impact on
labor-market outcomes, and some have even found negative returns. Another CAPSEE report that explored available research found a consensus that associate degrees provide significant earnings gains, and that, to a lesser extent, long-term certificates also do. However, there was no clear conclusion as to the labor-market value of certificates that require less than a year to complete. Some have found small positive effects, including relative to those with only a high school diploma or equivalent, while others have found negative returns or inconclusive results. A recent New America report found that more than half of earners who have only a very-short-term certificate earn poverty-level wages, with income disparities for minorities and women, while two in five certificate completers reported not being employed at all. Contrasted with the labor-market returns of two- or four-year degree programs, the research consistently shows that, on average, the longer the program, the greater the return. Additionally, a study that looked at both non-credit and for-credit programs found that the labor-market value of non-credit certificates was “consistently lower,” particularly for women and older adult workers.

Other studies that have been conducted within particular states, rather than across national or multi-state data, have been similarly confused. A study of programs in North Carolina and Virginia, for instance, found that short-term certificate programs in both states positively impacted graduates’ earnings, albeit with a relatively small magnitude, with $278 in increased earnings per quarter in North Carolina and $153 in Virginia. Another study of the Kentucky Community and Technical College System found a $300 per-quarter benefit to graduates. But studies have found the returns of certificate programs of less than a year are very small, and sometimes negative, in states that include Arkansas and Virginia. A study of Washington State found that short-term certificates did not have any real impact on either employment status or hours worked per week for their completers, but had negative returns for women.

Even where small earnings increases exist, research suggests that the benefits of short-term certificates fade relatively quickly. Studies of multiple states have shown that the labor-market value of a certificate disappears within several years. For instance, a study in California found that the earnings gains received from a short-term certificate flatten within seven years after leaving the program, and those of long-term certificates begin to fall over the same timeframe, yet the labor-market boost of an associate degree is still strong.

**Workers See Significant Variation in the Value of Certificates across Occupations**

Most of the available research on short-term certificates consistently reaches one common conclusion: The value of certificate programs is highly dependent on the occupation for which the credential is preparing students. Research finds
substantial variations in the labor-market returns to certificates across different fields of study. An evaluation of nationally representative data from the 2016 Adult Training and Education Survey found certificate earners of very-short-term programs in health care make up to $50,000 less in median yearly earnings than individuals with a very short-term certificate in construction trades, for instance. However, state-level evaluations of short-term certificates by field of study may vary substantially from those national data. One multi-state study found that earnings gains were highest across every state in health-related programs. Other research has found that the returns from health-related fields are clearest for long-term certificates (those that take more than a year to complete), whereas pockets of high-value short-term certificates varied considerably across states. And training programs financed through the public workforce system did not impact employment or earnings except when paired with intensive career services, according to a Department of Labor evaluation.

In general, though, research has found that short-term certificates in occupational fields—as contrasted with those in academic fields, like the humanities and social sciences—have a greater impact on graduates’ labor-market returns. However, even occupational fields are variable in their outcomes for graduates. A study of California community college graduates found some fields that had consistently negative returns—education, fine arts, and cosmetology/barbering among them—and others that had small positive returns—including health fields and paralegal programs. A few programs of study, like automotive technology and manufacturing, had stronger positive returns. Similarly, a Florida study found that some technical certificate programs had positive returns for students. Data from other states drive home the importance of these variations. As reported by The Institute for College Access and Success, 90 percent of students in Iowa were employed after enrolling in non-credit, short-term programs, with average earnings of $27,000 per year, yet more than two in five of the students were enrolled in health-related programs, whose alumni earned an average of $17,200. The averages obscure significant disparities in the outcomes of students who attended different programs.

One area in which certificates may have value is in helping workers to change careers, albeit not accompanied by any increase in earnings. Students in certificate and associate degree programs that are occupation-specific tend to be older than students in academic or bachelor’s degree programs and many are training for a new or different career. However, a study of certificate programs in two states found suggestive evidence that while many workers enrolled and switched from low-earning to higher-earning fields, a significant proportion of students also made the opposite switch.
The Labor-Market Value of Certificate Programs Is Uneven Across Students

Additionally, there is evidence to suggest certificate-holders do not experience labor-market outcomes equally, largely due to systemic differences in the field students choose to enroll in, the occupations they enter, the gender and racial pay inequities to which they are subject, and their prior educational attainment. In particular, there are significant disparities by gender. While men are enrolled heavily in higher-earning occupations and experience higher returns to certificate programs, women make much less, even compared with men in the same fields and with the same credentials.\(^{47}\) A study from the Urban Institute confirmed that while “field of study explains some of this [gender wage gap] difference...there are also gender gaps within fields.”\(^{48}\) Even self-reported data on a consumer survey found a much larger reported income among men with certificates or certifications than among women.\(^{49}\) Men are also more likely than women to be employed after completing a certificate, certification, or license, and more likely to have employers pay the cost of their training.\(^{50}\) An exception has been long-term certificates in health fields, for which studies have found a much stronger wage gain for women.\(^{51}\) One study reported that short-term programs were “an extreme case of variation by gender” among community college credentials.\(^{52}\)

Returns also appear to be strongly divergent by race/ethnicity. In California, white and Hispanic men saw stronger returns than Black men to short-term certificates, whereas Black men and women both fared better from long-term certificates.\(^{53}\) A study using the Survey of Income and Program Participation found similarly concerning results; Hispanic workers with certificates earned slightly less than white workers with certificates, but Black workers with certificates had the lowest earnings among workers of any race/ethnicity.\(^{54}\) In general, though, there is startlingly little research on the outcomes of students by race, particularly given that Black students are far more likely to enroll in and complete certificate programs than higher-level, better-paying degree programs.

Unsurprisingly, outcomes may also vary depending on the prior educational backgrounds of certificate completers. A third of those who hold a postsecondary certificate also have an associate degree or higher.\(^{55}\) Research from the Georgetown Center on Education and the Workforce found that workers with both a certificate and a degree see a relatively small added benefit to wages—6 percent for those with an associate degree plus a certificate and 3 percent for those with a bachelor’s degree alongside their certificate.\(^{56}\) Isolating the value of a short-term certificate is critical to understanding their value to workers and employers.
Academic Outcomes

Another potential benefit some have identified in short-term certificates is in aiding students who wish to pursue additional education—offering them stackable credentials in which further learning and each additional educational credential contributes to career progression. Yet even the limited body of research that exists on this subject suggests students rarely use certificate programs in this way.

In total, the share of workers with stackable credentials is small—approximately 2 to 4 percent of the workforce, or 3 to 5 percent of all college students, according to one study.57 The majority of those stackable credentials are among degree-holders who earn a certificate after receiving an associate or bachelor’s degree.58 The use of stackable credentials varies across systems, as well. For instance, Virginia community colleges report that about 3 percent of awards are stacked; in North Carolina, the concentration is greater in certain fields, with 12 percent of general education, health/nursing, and protective services graduates earning stackable credentials.59 There is also some cause for concern: research into health care programs found that students of color were less likely to continue onto longer certificate programs. While a similar share of Black and white students earned short- and very-short-term (12 credit hours or fewer) certificates, 28 percent of white students earned longer-term certificates (more than one year), whereas only 17 percent of Black students and 16 percent of Hispanic students did.60

These relatively small percentages suggest that, even if certificate programs are theoretically stackable, they are rarely stacked in practice. One Brookings Institution report, in which the author spoke with numerous community college representatives, suggested that a barrier to stacking credentials may be institutions themselves, given that “in order for a stackable credential to benefit students, they have to be able to move between the non-credit side of the college, where they earned the initial short-term certificate, and the academic side, where they would continue a longer associate degree.”61 Such coordination can be difficult to arrange, given faculty approval processes, course alignment, and accreditation standards.

Moreover, available data do not suggest that students see a particular benefit to stacking credentials, aside from the benefit to each higher-level credential, though much of the research does not separate certificate-only-holders from those with associate degrees.62 As one study noted, the returns of stackable credentials are “indistinguishable” from those of a single award.63 Another study exploring stackable health care credentials found that, while students who earned certificates saw some labor-market return and those with associate degrees saw significant returns, those who earned very short-term certificates (12
credit hours or fewer) did not. And in programs for certified nursing assistants and community health workers, graduates “had significantly lower earnings than their peers who [enrolled in the programs but] earned no credential.”
Enrollment and Attainment Patterns

The variability of labor-market outcomes for students who complete certificate programs raises particular concern given the makeup of students enrolled in these programs. The share of both Black and Hispanic students is larger in subbaccalaureate programs than in bachelor’s degree programs, despite greater returns from a bachelor’s degree. Those disparities have led to continued gaps in postsecondary attainment, since, while 40 percent of non-Hispanic white American adults have a bachelor’s degree or higher, just 26 percent of Black Americans and 19 percent of Hispanic Americans do. State-specific studies also found that short-term certificate programs, in particular, enrolled a larger share of Black students, and one state reported a larger share of low-income students in short-term certificates. The implications are significant: given inequities in which wealthier and whiter students attend longer-term and higher-credential-level programs that lead to stronger labor-market outcomes, while lower-income students of color disproportionately attend shorter-term and lower-credential-level programs, a Community College Research Center report states, “then growth in certificates will lead to a further stratification of the higher education system.”

Even within short-term certificates, there is significant variation across programs. Women disproportionately enroll in programs that lead to low-earning occupations, for instance (like education, administrative support, and health), as compared with men, who disproportionately enroll in high-earning occupations (like computers, construction, and engineering). Even with the same type of credential—a certificate—the fields in which women most often enroll and graduate lead to lower-wage work and higher rates of unemployment. More students in subbaccalaureate programs are women (60 percent) than men, and women are enrolled in even larger concentrations in service-related fields compared to technical fields.
Gaps in Research

While the body of research on certificate programs has grown in recent years, many questions remain unanswered. Particularly given the rapid growth in short-term programs, and policymakers’ fast-growing interest in vocational programs within the postsecondary education market, these questions have never been more important.

What is the labor-market value of short-term programs?

The most central of those questions is: what is the true labor-market value of short-term certificate programs? The research, as described above, is contradictory, but finds a small return on investment to short-term programs, at best. Past studies have also found that benefit to vary considerably, depending on the occupation for which the program prepares students, with far poorer labor-market outcomes for students of color and women in most fields. If students and policymakers are to make wise decisions about attending and financing postsecondary education, it is essential to learn more about which programs carry labor-market value, from which institutions, and for which students.

That includes ensuring future research is more detailed. For instance, short-term certificates are generally described as those that take less than a year. But there is likely significant variation between very-short-term programs (such as those that take fewer than four months to earn a credential) and short-term programs that take nine or 12 months to complete. One effort to narrow the scope of outcomes data to only very-short-term programs by The Institute for College Access and Success found that states often lumped together data on programs of the same field of study in calculating outcomes, regardless of the length of those programs, or collected too little information from the institution about its programs to reliably identify very-short-term programs that could be compared consistently. Future research should also consider the costs of financing short-term certificate programs, relative to their labor-market value, both to students and (where financed by state or federal subsidies) to taxpayers.

Additionally, it is clear that not all short-term certificates are created equal. Programs in certain fields of study or occupations have very different outcomes across those occupations as well as within occupations and from different providers. Yet available data often collapses those programs, leading to generalizations about fields of study that obscure disparities across programs, such as speaking broadly about allied health fields without separating out the health-based programs that lead to particularly positive outcomes (like registered nursing) from those that lead to poverty-level wages (such as certified nursing assistant). In part, this is a result of the large number and wide range of programs
that institutions offer, resulting in relatively small numbers of graduates from each.\textsuperscript{72}

Further research is also needed to parse the value of short-term certificates based on the prior education of students. Many participants in short-term programs have previously earned a degree and are topping off that education with the short-term credential.\textsuperscript{73} But graduates of an associate or bachelor’s degree program, on average, already earn more than graduates of certificate programs. The labor-market value of stand-alone, short-term certificates is an important question both for policymakers and for prospective students.

In short, it is critical to understand the outcomes of students in these programs. Future research—as well as future policy—should emphasize rigorous analysis of students’ labor-market returns of their programs and transparency into the typical earnings of graduates. This is particularly true in fields where, in contrast to the promise that postsecondary education will serve as a springboard to the middle class, graduates are unable to earn a family-sustaining wage.

**How do outcomes vary by providers?**

Consistent with a substantial body of research that suggests institutions of higher education have very different outcomes for their students,\textsuperscript{74} there is also research that suggests providers have different outcomes.\textsuperscript{75} One report suggests that this could be related to “programs designed around clear local labor needs and with links to local employers.”\textsuperscript{76} This has major implications for higher education, which (unlike many federal workforce programs) the federal government has historically financed without regard to the need for a particular program, the local context of labor-market demands, or the effectiveness of the provider in achieving its intended outcomes.

Additionally, much of the existing research has been pieced together from state data systems, most of which exclude student-level information on for-profit institutions. A TICAS analysis of three states’ data on very-short-term programs—Texas, Missouri, and Iowa—found that only one of those states, Missouri, held any information about its for-profit providers.\textsuperscript{77} Yet data on for-profit institutions suggest that their outcomes for certificate programs are even worse than those at public institutions.\textsuperscript{78} Given that Pell Grants, student loans, and other federal aid are provided to for-profit, nonprofit, and public institutions alike, largely without added restrictions on for-profit colleges, more research into the outcomes of for-profit institutions with very-short-term certificates would provide essential information to policymakers.
What are the implications of short-term certificates on racial equity?

Though the returns of short-term certificates for Black and Hispanic workers remain understudied, available data are enough to give rise to serious concerns that certificates could reify and exacerbate long-standing inequities in higher education. As white students increasingly concentrate in colleges and programs where they can earn degrees that provide substantial returns and staying power in the labor market, the gap in postsecondary educational attainment will widen unless students of color are able to enroll in and complete degree programs at higher rates.\textsuperscript{79} Even among students who enroll in certificate programs, students of color, and women of color, in particular, experience different returns, in part because of higher enrollment in programs that lead to low-earning occupations.

Too much of the literature on postsecondary certificates and short-term programs turns a blind eye to the equity implications of these programs, failing to identify where students of color may only see a fraction of the benefit—or no benefit—as compared with their white peers, and glossing over the systemic inequities that such programs could compound. For instance, while an Urban Institute study notes significant variability in the labor-market value of short-term credentials, it deemphasizes the fact that the variance is highly stable and predictable, with almost all of the benefits of short-term credentials accruing to men or workers in male-dominated occupations. They also do not explore whether people of color experience different or lower returns, although their report does acknowledge that women of color are disproportionately represented among the holders of the least valuable credentials. Policymakers must be cautious not to argue for expanding Pell Grant funding to very-short-term programs despite strong evidence of negative impacts for women, especially without clarity around the racial equity impact.\textsuperscript{80} Greater study is needed into the variation in enrollment in short-term programs by race/ethnicity and gender, the selection of programs that lead to low-wage jobs, and the labor-market value of credentials from those programs. And policymakers must adopt this research agenda to inform their work in supporting postsecondary education, or lawmakers could end up magnifying existing socioeconomic disparities rather than helping mitigate them.
Conclusion

Questions around the value, utility, and implications of short-term programs have rarely been as urgent as they are now. As of this writing, tens of millions of Americans are out of work, thanks to the COVID-19 pandemic and ensuing recession. The economic impacts have not been evenly experienced. Bachelor’s-degree holders were unemployed at about half the rate of those with some college but less than an associate degree (7.4 percent compared with 13.7 percent, as of June 2020), and Black and Hispanic workers with some college have experienced higher unemployment rates than white workers in the same category (17.6 percent for Black and Hispanic workers, and 11.1 percent for white workers, as of June 2020). Lawmakers are desperate for solutions to get Americans back to work and kick-start the economy. And given that workers often respond to widespread unemployment by looking to build new skills, it is widely anticipated that workers will soon flood back to colleges, especially open-access institutions like community colleges and for-profit colleges.

But the research offers good reason to proceed with caution. Particularly as the labor market shifts and evolves, short-term credentials are not always a sure bet for workers and could wind up leaving students of color in particular out time and money without improved prospects for work or income. This landscape analysis provides an overview of that research and highlights the sizable gaps in our knowledge about the impact of short-term programs, in an effort to ensure policymakers know what information they need to make careful decisions about workers’ and students’ futures.
Notes


8 Belfield and Bailey, *The Labor Market Returns to Sub-Baccalaureate College.*


13 Xiu and Trimble, What About Certificates?

14 See, for example, the JOBS Act of 2019, S. 839 and H.R. 3497, 116th Congress.

15 Bailey and Belfield, Stackable Credentials: Awards?

16 This review does not include research on certifications/licenses, as the research available generally pertains to certificates rather than specific industry certifications or professional licenses.


18 Long-term certificates as described here are those requiring one or more years of full-time study. See Xiu and Trimble, What About Certificates?


23 Belfield and Bailey, Does it Pay to Complete Community College?


27 Baum, Holzer, and Luetmer, Should the Federal Government Fund?

28 Xiu and Trimble, What About Certificates?

29 Jepsen, Troske, and Coomes, The Labor-Market Returns to Community College Degrees.


32 Bailey and Belfield, *Stackable Credentials: Labor-Market Value?*

33 Bailey and Belfield, *Stackable Credentials: Labor-Market Value?*

34 Riley Bahr, *The Earnings of Community College Graduates in California*.

35 Albert, *What We Know About Non-Degree Credentials*.

36 Ositelu, *Five Things Policymakers Should Know*.

37 Belfield and Bailey, *The Labor Market Returns to Sub-Baccalaureate College*.

38 As summarized by Xiu and Trimble, *What About Certificates?*


41 Riley Bahr, *The Earnings of Community College Graduates in California*.


44 Zhang and Oymak, *Participants in Subbaccalaureate Occupational Education*.

45 Belfield and Bailey, *The Labor Market Returns to Sub-Baccalaureate College*.

46 Xiu and Trimble, *What About Certificates?*


48 Baum, Holzer, and Luetmer, *Should the Federal Government Fund?*

49 Certified Value: When Do Adults Without Degrees Benefit from Earning Certificates and Certifications? (Strada Education Network, Gallup, and Lumina Foundation, 2019), https://go.stradaeducation.org/certified-value


52 Riley Bahr, *The Earnings of Community College Graduates in California*.

53 Riley Bahr, *The Earnings of Community College Graduates in California*.

54 Carnevale, Rose, and Hanson, *Certificates: Gateway to Gainful Employment*.


56 Carnevale, Rose, and Hanson, *Certificates: Gateway to Gainful Employment*.

57 Bailey and Belfield, *Stackable Credentials: Labor-Market Value?*

58 Bailey and Belfield, *Stackable Credentials: Labor-Market Value?*

59 Bailey and Belfield, *Stackable Credentials: Awards for the Future?*


62 Bailey and Belfield, *Stackable Credentials: Awards for the Future?*

63 Bailey and Belfield, *Stackable Credentials: Labor-Market Value?*

64 Giani and Lee Fox, “Do Stackable Credentials Reinforce Stratification?”

65 Zhang and Oymak, *Participants in Subbaccalaureate Occupational Education*.


67 Xiu and Trimble, *What About Certificates?*

68 Bailey and Belfield, *Stackable Credentials: Awards for the Future?*


70 Zhang and Oymak, *Participants in Subbaccalaureate Occupational Education*.

71 Ahlman, *Short-Term Programs in the Shadows*.

72 Riley Bahr, *The Earnings of Community College Graduates in California*.

73 Bailey and Belfield, *Stackable Credentials: Labor-Market Value?*

74 See, for example, Stephanie Riegg Cellini and Nicholas Turner, *Gainfully Employed? Assessing the Employment and Earnings of For-Profit College*

75 Xiu and Trimble, What About Certificates?

76 Soliz, Preparing America’s Labor Force.

77 Ahlman, Short-Term Programs in the Shadows.

78 Kreighbaum and Smith, “New Federal Earnings Data.”


80 Baum, Holzer, and Luetmer, Should the Federal Government Fund?

81 Georgetown Center on Education and the Workforce (website), Tracking COVID-19 Unemployment and Job Losses, https://cew.georgetown.edu/cew-reports/jobtracker/
This report carries a Creative Commons Attribution 4.0 International license, which permits re-use of New America content when proper attribution is provided. This means you are free to share and adapt New America’s work, or include our content in derivative works, under the following conditions:

• **Attribution.** You must give appropriate credit, provide a link to the license, and indicate if changes were made. You may do so in any reasonable manner, but not in any way that suggests the licensor endorses you or your use.

For the full legal code of this Creative Commons license, please visit [creativecommons.org](http://creativecommons.org).

If you have any questions about citing or reusing New America content, please visit [www.newamerica.org](http://www.newamerica.org).

All photos in this report are supplied by, and licensed to, [shutterstock.com](http://shutterstock.com) unless otherwise stated. Photos from federal government sources are used under section 105 of the Copyright Act.