

Community-college grads out-earn bachelor's degree holders

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Berevan Omer graduated on a Friday in February with an associate's degree from [Nashville State Community College](#) ^[1] and started work the following Monday in his new job as a computer-networking engineer at a local television station, making about \$50,000 a year.

That's 15 percent higher than [the average starting salary](#) ^[2] for graduates not only from community colleges, but for bachelor's degree holders from four-year universities.

"I have a buddy who got a four-year bachelor's degree in accounting who's making \$10 an hour," Omer says. "I'm making two and a half times more than he is."

Omer, who is 24, is one of many newly minted graduates of community colleges defying history and stereotype by proving that a bachelor's degree is not, as seems widely believed, the only ticket to a middle-class income.



^[3]

Significant numbers of community-college grads are getting better jobs, and earning more

Nashville State Community College

at the start of their careers than people with bachelor's degrees, a trend that surprises even the researchers who have noticed it in wage data that has started to become more available in the last year.

"There is that perception that the bachelor's degree is the default, and, quite frankly, before we started this work showing the value of a technical associate's degree, I would have said that too," says Mark Schneider, vice president of the [American Institutes for Research](#) ^[4], which helped collect the numbers for some of the states that report them.

Omer's friends with bachelor's degrees "aren't learning skills," he says. "They're just learning all this theory. I've got an applied degree. And I'm out there making a good amount of change."

Nearly 30 percent of Americans with associate's degrees now make more than those with bachelor's degrees, according to [Georgetown University's Center on Education and the Workforce](#). ^[5] In fact, new research into earnings shows that, on average, community-college graduates right out of school, as a group, make more than graduates of four-year universities.

The average wage for recent graduates of community colleges [in Tennessee](#) ^[6], for instance, is \$38,948—more than \$1,300 higher than the average wage for recent graduates from the state's four-year institutions.

[In Virginia](#) ^[7], recent graduates of community-college occupational and technical degree programs make an average of \$40,000. That's almost \$2,500 more than recent bachelor's degree recipients.

And while by mid-career many bachelor's degree recipients have caught up in earnings to community-college grads, "the other factor that has to be taken into account is that getting a four-year degree can be much more expensive than getting a two-year degree," Schneider says.

A two-year community-college degree, at present full rates, costs about \$6,262, based on [research by the College Board](#) ^[8]. A bachelor's degree from a four-year, private residential university goes for \$158,072.

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What's driving up the wages of community-college grads is that, in spite of persistent high unemployment, there is high demand for people with so-called "middle-skills" that often require no more than an associate's degree, such as lab technicians, teachers in early-childhood programs, computer engineers, draftsmen, radiation therapists, paralegals, and machinists.

"A good technical-oriented associate's degree program at a good community college is actually turning out graduates whose skills meet the needs of the regional labor market," says Schneider, a former U.S. commissioner of education statistics.

With a two-year community-college degree, air-traffic controllers can make \$113,547, radiation therapists \$76,627, dental hygienists \$70,408, nuclear medicine technologists \$69,638, nuclear technicians \$68,037, registered nurses \$65,853, and fashion designers \$63,170, the online website CareerBuilder.com [reported in January](#) ^[13].

"You come out with skills that people want immediately and not just theory," Omer says.

The Georgetown center [estimates](#) ^[14] that 29 million jobs paying middle-class wages today require an associate's, but not a bachelor's, degree.

"I would not suggest anyone look down their nose at the associate's degree," says Jeff Strohl, director of research at the Georgetown center.

"Sub-baccalaureate education suffers the stigma of the vocational-technical high school," Strohl says. "That's where other people's kids went. People see those programs as tracking into something that's dead end."

In fact, he says, "It's very clear that that perception does not hold up."

The bad news is that not enough associate's degree holders are being produced, even as many graduates with bachelor's degrees appear to be ending up underemployed.

The United States ranks second among industrialized nations, after Norway, in the number of workers over 25 with a bachelor's degree or better, [according to the Organization for Economic Cooperation and Development](#). ^[15] But it's a distant 16th in the proportion of people with associate's degrees and certificates.

Only 10 percent of American workers have the sub-baccalaureate degrees increasingly needed for middle-skills jobs, compared with 24 percent of Canadians and 19 percent of Japanese, the OECD reports.

Learn and Earn

This story is part of a series about workforce development and higher education.

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Over the last 20 years, the number of graduates with associate's degrees in the United States has increased barely three percent. And while the Obama administration has pushed community colleges to increase their numbers of graduates, enrollment at these schools fell 3.1 percent this year, [the National Student Clearinghouse Research Center reports](#) ^[17]. Graduation rates also remain abysmally low.

Meanwhile, many people with bachelor's degrees are working in fields other than the ones in which they majored, according to [a new report](#) ^[18] by the Center for College Affordability and Productivity.

"We have a lot of bartenders and taxi drivers with bachelor's degrees," says Christopher Denhart, one of the report's coauthors.

Still, the salary advantage for associate's degree holders narrows over time, as bachelor's degree recipients catch up, says Schneider.

"It's still true, on average, that the bachelor's degree pays off more than the associate's degree," he says.

Although these figures vary widely by profession, associate's degree recipients, on average, end up making about \$500,000 more over their careers than people with only high-school diplomas, but \$500,000 less than people with bachelor's degrees, the Georgetown center calculates.

As for Omer, he's already working toward a bachelor's degree.

"Down the road a little further, I may want to become a director or a manager, and there's still that stereotype" about associate's degrees, he says.

"A bachelor's degree will get me to that point."

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[2] the average starting salary: <http://www.nacweb.org/salary-survey-data/>

[3] Image: <http://hechingerreport.org/wp-content/uploads/Students-near-S-bldg.jpg>

[4] American Institutes for Research: <http://www.air.org/>

- [5] Georgetown University's Center on Education and the Workforce.:
<http://cew.georgetown.edu/>
- [6] in Tennessee: **<http://www.collegemeasures.org/post/2012/09/Big-Gaps-in-Earnings-for-Tennessee-College-Grads--Study-Shows-Wage-Disparities-Between-Degree-Programs-and-Schools.aspx>**
- [7] In Virginia: **<http://www.collegemeasures.org/post/2012/11/Analysis-Finds-Wide-Wage-Disparities-Among-Virginia-College-Grads.aspx>**
- [8] research by the College Board: **<http://trends.collegeboard.org/college-pricing/figures-tables/average-published-undergraduate-charges-sector-2012-13>**
- [9] As grads seek jobs, universities cut career services:
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- [10] New pressure on colleges to disclose grads' earnings:
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- [12] Impatient employers step in to educate prospective workers:
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- [13] reported in January:
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- [14] estimates: **<http://cew.georgetown.edu/ctefiveways/>**
- [15] according to the Organization for Economic Cooperation and Development.:
<http://www.oecd.org/education/school/educationataglance2011oecdindicators.htm>
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