

HIGHLIGHTS

- 14,289 credentials were awarded at Kentucky public universities in 2012.
- 80% of students completing an Associate degree from a public university were working in KY three years later.
- 75% of students completing a bachelor's degree from a public university were working in Kentucky three years later.
- 30% of out-of-state students graduating with a bachelor's degree were working in Kentucky one year later.
- 28% of STEM grads from UofL and UK attended graduate school.
- Three fourths of the in-state students who left in 2012 were working in Kentucky a year later making an average of \$15,000.
- Students who completed an associate or bachelor's degree in a health or science technology engineering and math (STEM) related field earned more on average five and ten years after graduation than most other majors.

KCEWS

KENTUCKY CENTER FOR
EDUCATION & WORKFORCE STATISTICS

SPECIAL REPORT

JULY 2014

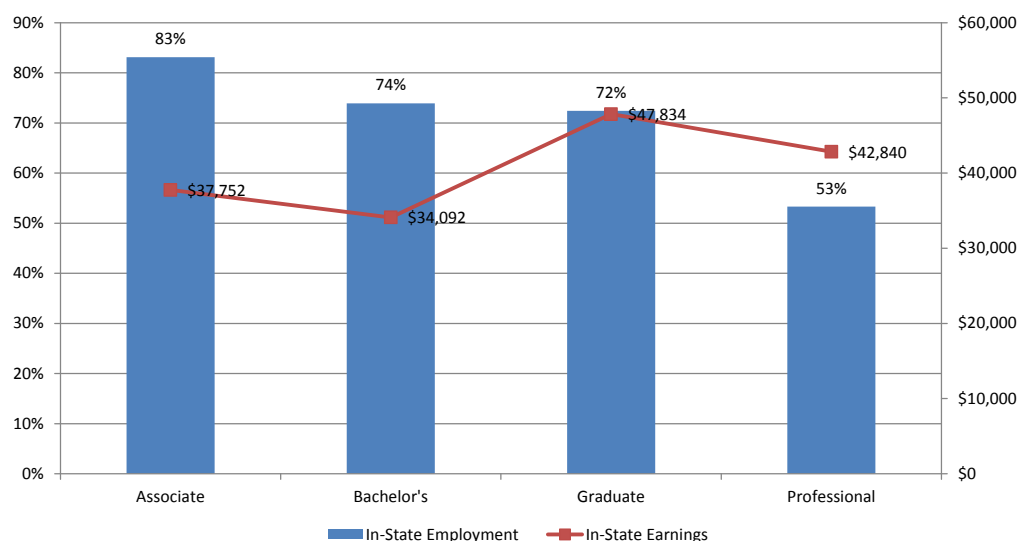
MORE COLLEGE = MORE MONEY

KENTUCKY POSTSECONDARY FEEDBACK REPORTS REVEAL EMPLOYMENT, EARNINGS, AND CONTINUING EDUCATION FOR OUR PUBLIC UNIVERSITY GRADUATES

BY CHARLES MCGREW, PH.D.

A recent study from the Kentucky Center for Education and Workforce Statistics (the Center or KCEWS) entitled *NO COLLEGE = LOW WAGES* brought to light the limited employment and earnings faced by the young Kentuckians who graduate from high school but do not go to college. The new Postsecondary Feedback Reports help to provide some of the rest of the story. The reports are available for each of the public universities as of the writing of this report with individual reports for each of the two-year Kentucky Community and Technical College schools and the not-for-profit independent four-year colleges. Employment outcomes is a piece of the puzzle. The focus of the new report is really what happens after people leave our colleges. They help to answer critical questions about employ-

In-State Employment Rates and Average Earnings for 2008 Graduates from Kentucky Public Comprehensive Universities Five Years Later



The Kentucky Center for Education and Workforce Statistics (KCEWS or "The Center") is a state agency charged with collecting data from education and workforce to conduct research and evaluation to inform decision makers throughout the Commonwealth. The Center maintains and continues to develop the Kentucky Longitudinal Data System (KLDS), Kentucky's P20/W statewide longitudinal data system.

In-State Employment Rates and Average Earnings for 2008 Graduates from Kentucky Public Research Universities Five Years Later



ment and earnings, whether people are transferring or going on to graduate school, and what happens to the people who drop-out and leave without finishing a degree.

By linking education and employment data together the Center has identified the college enrollment and transfer patterns of Kentuckians in-state and out-of-state as well as trends regarding their employment rates and earnings in Kentucky. The employment data is linked through the state's Unemployment Insurance system which includes employment and wage data for an estimated 90 percent of people who work in the state of Kentucky. The Center is working to include information in the near future about people who leave Kentucky and how their employment opportunities and wages compare to those of the people who stay in the Commonwealth.

On average, people who drop-out or leave college after taking at least some courses earn about twice as much in the following year as high school graduates earn in their first year in Kentucky's workforce. The leavers earned more, on average in that first year than high school graduates who had been out of school and in the workforce for three years. People who completed an associate or bachelor's degree, earned on average two to three-times as much three years after col-

lege than the high school graduates who had been working for three years.

As expected some fields like science, technology, engineering and math (STEM) as well as health care, earn more than others. However, all the fields on average produced graduates with earnings considerably higher than the people who didn't attend college. STEM on average also produced more graduates who entered graduate school after completing their bachelor's degrees. While the idea of going to school a few more years may not appeal to everyone, people who completed a graduate or professional degree earned considerably more than people who completed a bachelor's degree.

Employment in Kentucky

More than 80 percent of the students who completed an Associate and approximately 75 percent of those who completed a bachelor's degree from a public university were identified as working in Kentucky three years after graduation. Graduate degree completers were a little less likely to stay in state but still more than 60 percent did. About two-thirds of the professional degree earners from the University of Kentucky and the

University of Louisville stayed in state to work and a little over half of the graduates from the Northern Kentucky University law school did so as well.

Students from Kentucky were more likely to stay in the state to work than students from out-of-state. Overall, more than 80 percent of the Kentucky students who graduated with a bachelor's degree from one of the Commonwealth's public universities were working in Kentucky a year later compared to less than 30 percent of the out-of-state students.

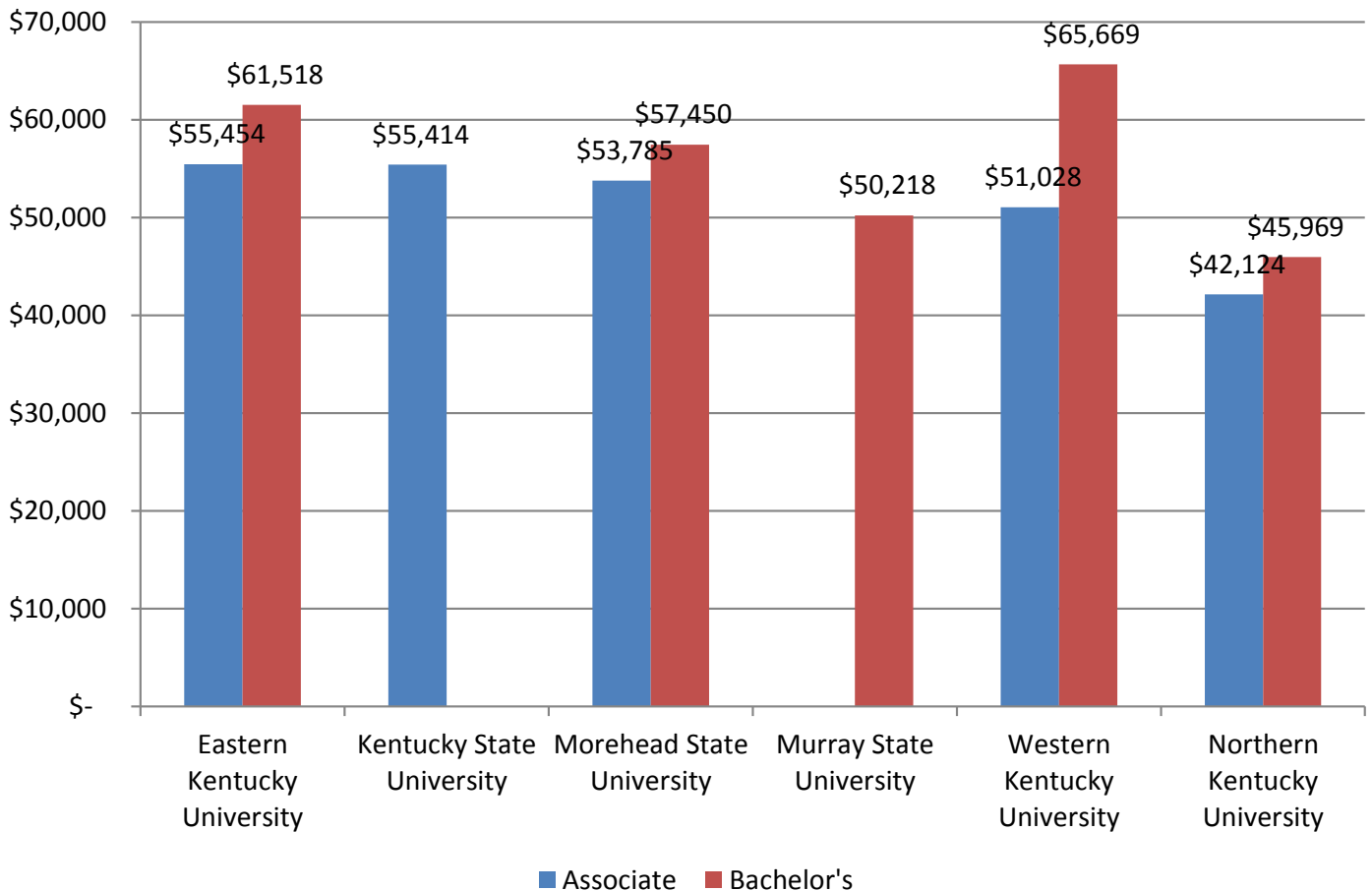
National data indicates that people with more education tend to earn more, be unemployed less, and have more opportunities to be mobile. The fact that we only found 60 to 80 percent of the graduates in Kentucky's workforce means that the majority of others are probably employed somewhere else. Over time we see Kentucky employment rates dropping from the 80s and 90s a year after graduation to rates in the 50s, 60s, and 70s for graduates who have been in the workforce. Kentucky is losing a number of college graduates over time. Ten years after graduation only about half of the high-wage, high-demand fields like STEM bachelor's degree earners appear to still be working in Kentucky. This raises questions about opportunities and wage comparability in Kentucky.

Earnings

On average graduates who completed an associate degree at the public comprehensive universities were earning more than their counterparts who completed a bachelor's degree three and five-years after college. This is only true because the universities only offer specific high-wage, high-demand, two-year programs like Nursing so they cannot be compared to all four-year programs. When comparing associate degree earnings to earnings from graduates with a bachelor's degree in the same field, more education in general translates into more income, which is what most people would expect to see. These reports do not compare wages or employment rates for associate degree programs to those at KCTCS. Those reports as well as reports for graduates from the independent colleges in Kentucky will be released within a few weeks.

All college majors are not created equal in terms of employment opportunities and earnings. Wages vary to a large degree based on graduates' academic programs. For example, students who completed an associate or bachelor's degree in a health or Science Technology Engineering and Math (STEM) related field earned more on average five and ten years after graduation than most other majors. Health and many STEM

In-State Average Earnings for 2008 Graduates from Kentucky Public Universities Five Years Later for Graduates from Health Programs by Credential Level



areas are selective admission programs and many have caps that control the number of students who can be selected.

Kentucky's colleges and universities are located in a variety of regions across the state and each of these regions has its own economic issues and job opportunities. Some of the differences between graduates' earnings from different colleges can be explained by looking at the local economy where the school is located. People who graduate from schools near larger cities such as Louisville and Lexington tend to earn a little more than their counterparts from colleges in more rural settings like Morehead or Murray.

Continuing to Graduate School

People who completed a higher level credential earned more overall than people who only completed a bachelor's degree at Kentucky's public universities. This provides incentive for some to continue their education and pursue a graduate or professional degree. About one out of every five or six bachelor's degree graduates in 2012 entered graduate school in 2013. The majority continued their education at the same school where they earned their bachelor's degree or attended another in-state university. STEM graduates from the public research universities – which includes the University of Kentucky and the University of Louisville – were the most likely to continue their education from any of the public programs with more than 28 percent moving directly into graduate school.

Leaving School Without a Degree

The Postsecondary Feedback Reports also include a snapshot of what happens to students who leave without completing a degree or transferring to another college. The majority of these leavers or "drop outs" were working in Kentucky a year later. Three fourths of the in-state students who left in 2012 were found working in Kentucky a year later. On average they earned close to what someone would make working full-time at minimum wage which is about \$15,000 per year. While this may seem low, this is still considerably more than high school graduates who do not attend college at all earn so the impact of having at least some college is apparent. Still, the wages are far behind those earned by the average person who completed a degree from the same institution.

Summary

The Postsecondary Feedback Reports provide a considerable amount of information about Kentucky's college graduates. The most important thing to learn from these data is that going to college is still the best option in the long term for most people. Once someone has decided what field they want to work in, choosing to go to school longer like completing a bachelor's degree instead of an associate still provides more earning potential on average.

It is no surprise that some fields simply pay more than others. They also tend to be the fields that people consider to be more rigorous and which have more stringent admission requirements like health and STEM. The people who are able to go into one of those fields will probably make more money than if they did something else. Most people simply do not have that choice. Only 27 percent of the 2013 high school graduates met the ACT benchmark for college readiness in science based on their junior year ACT.

As people begin to compare employment and matriculation to graduate school on a university-by-university basis they may begin to make assumptions which are not necessarily true. Much of the variation between employment rates and earnings can be explained by looking at differences in the programs people choose and economic differences between different regions of the state. No matter where someone chooses to go to college in Kentucky, if they complete a degree they will on average earn considerably more than if they did not. Even with the tough economic times, college still appears to be a very good investment.

Methodology

This study was developed by the Kentucky Center for Education and Workforce Statistics using the Kentucky Longitudinal Data System. College graduates were identified from official enrollment records from public and independent colleges and compared to national and proprietary college data from the National Student Clearinghouse to determine transfer and matriculation to advanced studies. Those records were linked with employment and wage data derived from the state Unemployment Insurance system. KCEWS estimates the wage and employment data include about 90% of the people employed in Kentucky. Employment does not include people who join the military, work for the federal government, work in other states, or work in some limited fields which do not participate in the Unemployment Insurance system. All *average* wages presented are median wages for those who were employed from the group.



KENTUCKY CENTER FOR
EDUCATION & WORKFORCE STATISTICS

603 Wilkinson Boulevard, Frankfort, KY 40601

PH: (502) 564-4194 • Email: P20@ky.gov

<http://kcews.ky.gov>