

John J. Heldrich Center for Workforce Development

progress update

Determining the Employment and Higher Education Outcomes of New Jersey's County Colleges

New Jersey's 19 county colleges play a crucial role in preparing the state's residents for employment and further education, and for ensuring that the state has a world-class workforce with the skills the state's employers need. The county colleges enroll over 150,000 full- and part-time students in credit programs and another 125,000 in non-credit programs. All together, the county colleges had revenues of nearly \$700 million (in FY 2003). Despite this substantial allocation of resources and the colleges' manifest importance in training the workforce, little is known about the colleges' employment outcomes.

To address this gap in knowledge, the John J. Heldrich Center for Workforce Development at Rutgers, The State University of New Jersey calculated performance outcomes for New Jersey's 19 county colleges for the period 2002 through 2006. This project provides, for the first time, comprehensive information on the labor market outcomes of both county college graduates as well as the students who attend the colleges but exit before earning a degree. Based on its calculations, the Heldrich Center is preparing a series of summary tables for each county college that it will share with the Fund and with the colleges themselves.

Preliminary results attest to the importance of the county colleges in training the workforce.

Graduates of county colleges fare very well in the labor market. By the eighth quarter after graduation, the average county college graduate is earning at a rate of \$40,000 a year.

The data indicate that even those who attend a county college but fail to graduate see their earnings rise. Those who exit without degrees experience earnings growth of almost 14% between the eighth quarter before they enroll and the eighth quarter after they leave the college.

The data do, however, point to a significant earnings premium for graduates. Although the non-graduates experience wage growth compared with what they earned before enrolling, the extent of wage growth is much greater for the individuals who earn associates degrees. Graduates witness earnings growth of nearly 60%, compared with 14% for non-graduate exiting students, between the eighth quarter before enrollment and the

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eighth quarter after exit. In addition, whereas graduates are earning at a rate of \$40,000 a year by the eighth quarter after graduation, those who leave college without a degree are earning at a rate of \$26,000 a year in the eighth quarter after leaving college. In light of the earnings disparity between graduates and non-graduates and the historically low graduation rates of community colleges in New Jersey, perhaps heightened effort should be devoted to strategies that will increase the graduation rate.

In addition to providing valuable new information about the performance of the county colleges, this project has also generated a plethora of information that will be useful for colleges in making programmatic decisions. By indicating the programs and majors at each college with the highest average earnings, the institution-specific reports can help colleges to make decisions about which programs to expand and which to contract. Information on the industries into which program graduates are becoming employed will inform the schools about whether graduates from specific programs are becoming employed in relevant industries.

The Heldrich Center anticipates completing the project and providing the Fund for New Jersey with summary data tables and an analytical report by the end of September 2009. This update summarizes the work completed to date.

Data Used in the Analysis

To calculate the outcomes, the Heldrich Center used two State of New Jersey administrative datasets, the Student Unit Record Enrollment System (SURE) and the Unemployment Insurance (UI) Wage Records.

The New Jersey Commission on Higher Education maintains the SURE data system, which warehouses detailed information

from colleges and universities in the state on students who enroll in and complete degree programs.¹ All 19 county colleges in the state participate in the SURE system. The SURE data file includes the following fields: social security number of student, basic demographic information, date and program of enrollment, date of completion, degree or certificate awarded, and program of study (by classification of instructional program).

Every quarter, the New Jersey Department of Labor and Workforce Development collects wage information from nearly all employers in the state on the wages of their employees. UI wage records include the following information for individuals who are employed: the social security number of the employee, the quarterly earnings paid, the number of weeks worked during the quarter, the individual's employer, and the industry of employment.

Consultation with the Advisory Group

At the start of the project, the Heldrich Center established a formal advisory group to provide consultation and feedback during the course of the project. The advisory group included representatives from the New Jersey Commission on Higher Education, the New Jersey Department of Labor and Workforce Development, the State Employment and Training Commission, the New Jersey Council of County Colleges, and the New Jersey County College Association for Institutional Research and Planning.

During the past year, the Heldrich Center consulted closely with the advisory group, which has provided feedback on the most appropriate measures to calculate and consultation on the methodologies for making these calculations.

1. Thirty-seven of the state's colleges and universities participate in the SURE system, including all public two-year and four-year colleges and universities and six private colleges and universities.

Measures Calculated

Based on feedback from the advisory group, the Heldrich Center calculated the following measures:

- Quarterly employment rates,
- Average earnings in each quarter,
- Industry of employment,
- Enrollment rate in a higher degree program, and
- County of employment.

Advisory group members recommended that because the majority of county college enrollees do not complete an associates degree, it would be best to perform these calculations not only for graduates but also for students who enrolled in the colleges but exited before earning their degrees.

The Heldrich Center calculated these outcomes college-wide and for each credit program the colleges offer.

To illustrate the extent to which the colleges' outcomes have changed over time, the Heldrich Center calculated these measures for the year 2002 and for the year 2006.

Method of Calculation

Heldrich Center researchers matched the SURE records with the UI wage data, by social security number. Researchers then grouped all students together by college and calculated the percentage of all graduates (from 2002, then 2006) who were employed in the eighth quarter after graduation. The researchers also calculated median quarterly earnings for the graduates of each county college. The wages were adjusted for inflation. These calculations were also made for each program at all 19 colleges.

Dissemination

The Heldrich Center will provide all outcome calculations to the Fund for New Jersey. The Center is also working with the county colleges to develop an appropriate and effective data dissemination plan.