

Do Degree Completers Who Transfer or Stop Out Earn Less Than Those Who Don't?

SANA FATIMA, ALEXANDRIA RADFORD, AMBER BLOOMFIELD
AMERICAN INSTITUTES FOR RESEARCH

Using data from the New Jersey Education to Earnings Data System (NJEDDS) within the Coleridge Initiative platform,¹ the American Institutes for Research (AIR) conducted a comparative analysis of earnings outcomes for degree completers who transferred, stopped out, or did neither—whom we refer to as “traditional”—on the way to their degree. Here, we focus on the cohort of completers who earned their degree in 2015 so that we can present average quarterly wages² 1, 3, and 5 years after degree completion.³

THE NJEDDS DATA DICTIONARY—and thus this study—defines:

TRANSFER STUDENTS as those who have not been previously enrolled at the institution and either bring or seek to bring college credits from another institution. Transfer students include those who transferred for the preceding summer session. This definition does not include “internal transfers” (i.e., students who transferred within the institution from one status or program to another).

STOPOUTS as students who previously attended the institution but dropped out or stopped out for one or more regular semesters and returned to resume studies. Stopouts may or may not have gone through a formal admission process again. Students who transferred also could have stopped out and vice versa. Such students are counted in each category in which they fall.

TRADITIONAL STUDENTS as those who have not been enrolled previously at the institution at this degree level (either undergraduate or graduate) and who have no earned college credits. Students who transferred out or stopped out are not traditional students.

FIGURE 1 . AVERAGE QUARTERLY EARNINGS OF STUDENTS WHO EARN AN ASSOCIATE DEGREE AT A PUBLIC INSTITUTION⁴ PRIMARILY OFFERING SUCH DEGREES (IN DOLLARS)

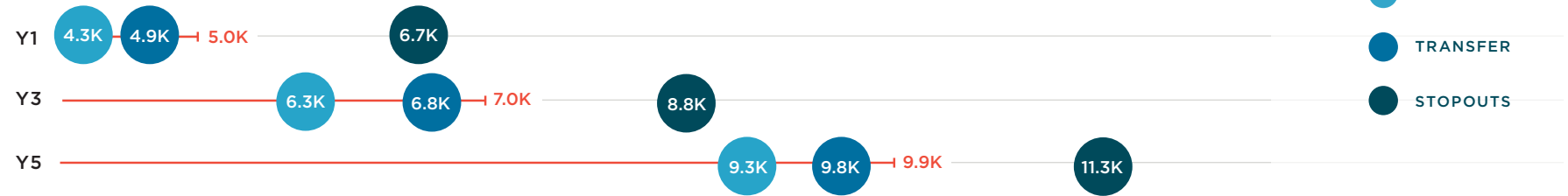


FIGURE 2 . AVERAGE QUARTERLY EARNINGS OF STUDENTS WHO EARN AN ASSOCIATE DEGREE AT A PRIVATE INSTITUTION PRIMARILY OFFERING SUCH DEGREES (IN DOLLARS)

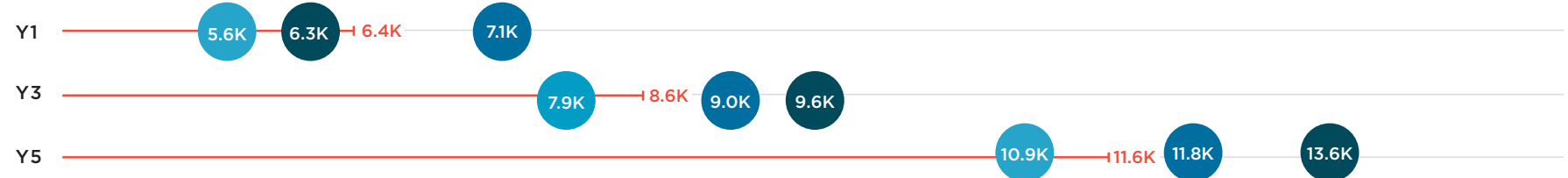


FIGURE 3 . AVERAGE QUARTERLY EARNINGS OF STUDENTS WHO EARN A BACHELOR'S DEGREE AT A PUBLIC INSTITUTION PRIMARILY OFFERING SUCH DEGREES (IN DOLLARS)

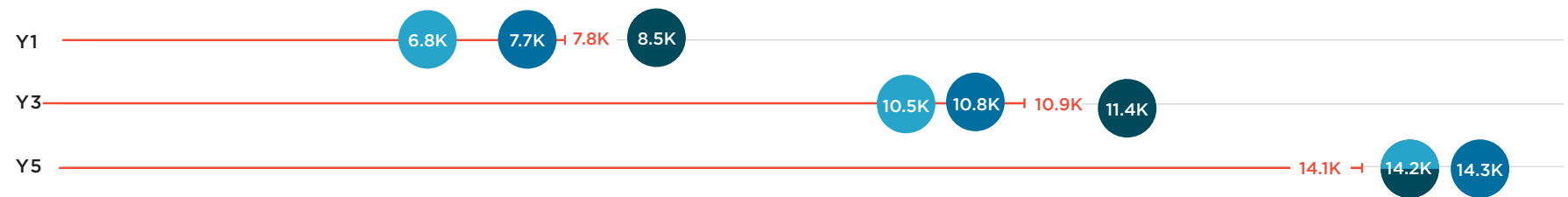
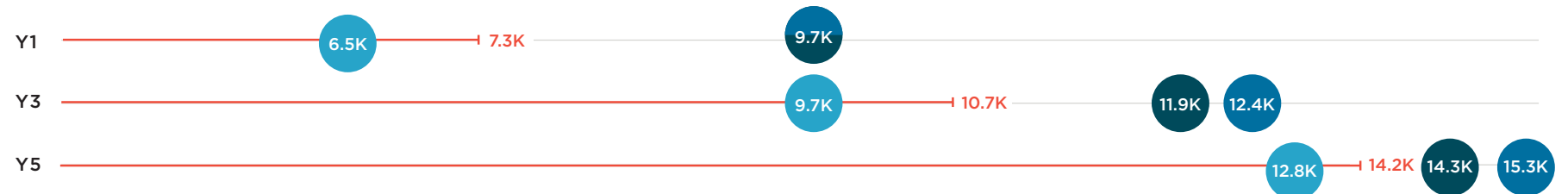


FIGURE 4 . AVERAGE QUARTERLY EARNINGS OF STUDENTS WHO EARN A BACHELOR'S DEGREE AT A PRIVATE INSTITUTION PRIMARILY OFFERING SUCH DEGREES (IN DOLLARS)



¹The data included in this report was from the New Jersey Education to Earnings Data System, a partnership between four agencies: the New Jersey Office of the Secretary of Higher Education, the New Jersey Department of Labor and Workforce Development, the New Jersey Department of Education, and the New Jersey Higher Education Student Assistance Authority. This work was partially funded by a pilot grant from the U.S. Department of Education, Institute of Education Sciences' Statewide Longitudinal Data Systems Grant. All errors and omissions are those of the authors.

²These are earnings for all those employed in unemployment insurance (UI) covered jobs within New Jersey.

³In this infographic, we highlight key findings using simple descriptive statistics, but the general patterns noted held true controlling for student demographics (i.e., race, sex, citizenship), academic characteristics (i.e., GPA, major), and New Jersey county of residence when earnings were measured. We also examined multiple cohorts of associate degree and bachelor's degree recipients who graduated from 2015 to 2019 and found consistent patterns in how these three groups' quarterly wage earnings compared.

⁴NJEDDS data classify institutions by the “primary” degree offered at the institution, as well as control or affiliation (whether the institution is public or private). NJEDDS data combine nonprofit and for-profit private institutions into one category.

KEY FINDINGS

FINDING 1. Degree completers who transferred or stopped out earned more than traditional degree completers who did not transfer or stop out.

This held true for those who earned an associate degree at public (Figure 1) and private institutions (Figure 2) that offer primarily associate degrees. It was also generally true among those who earned a bachelor's degree at public (Figure 3) and private (Figure 4) institutions offering primarily bachelor's degrees.

There is one exception to this pattern: Among completers who earned a bachelor's degree at a public institution that offers primarily such degrees, the earnings gap converged with time. As highlighted in Figure 3, quarterly wages 5 years after degree completion were approximately the same for all three groups of completers.

FINDING 2. Among associate degree completers, those who stopped out typically earned the most. This held true regardless of whether completers were awarded an associate degree at a public or private institution offering primarily associate degrees.

Among associate degree completers, stopouts generally earned more than their transfer and traditional peers. This was true at public and private institutions offering primarily associate degrees, with one exception. Figure 2 reveals that 1 year after earning an associate degree at a private institution offering primarily associate degrees, transfers earned the most.

FINDING 3. Among bachelor's degree completers, whether transfers or stopouts earned the most varied by where their degree was awarded and the year when their quarterly earnings were measured.

As Figure 3 indicates, among bachelor's degree completers at public institutions offering primarily bachelor's degrees, stopouts earned the most 1 and 3 years after receiving their degree, but transfers earned the most 5 years later.

In contrast, Figure 4 reveals that among bachelor's degree completers at private institutions offering primarily bachelor's degrees, transfers and stopouts earned a similarly higher amount than traditional students 1 year later, but transfers earned the most 3 and 5 years later.

FINDING 4. The size of the earnings differential between traditional and transfer students and between traditional and stopout students varied according to where their degree was awarded and the year when their quarterly earnings were measured.

The earnings differential between traditional, transfer, and stopouts 1, 3, and 5 years post award is greatest for bachelor's degree completers who earned their degree at a private institution offering primarily bachelor's degrees. For example, the 5-year earnings differential among bachelor recipients at private institutions primarily offering bachelor's degrees was \$1,500 to \$2,500; the earnings differential for those who earned their degree at public institutions offering primarily bachelor's degrees was around \$100. The earnings differential for associate completers at private and public schools offering primarily associate degrees was \$900 to \$2,700 and \$500 to \$1,500, respectively.

DISCUSSION AND AVENUES FOR FUTURE RESEARCH

This investigation highlights interesting patterns in degree completers' labor market outcomes based on their path to their degree. It suggests that as long as students complete their degree, stopping out or transferring does not negatively affect earnings. Researchers should further explore several possible explanations for this. Employers may not know from resumes and job applications that students stopped out or transferred, so these non-direct routes to a degree would not influence salary decisions. It is also possible that students who stopped out may have acquired work experience during that time and are being compensated accordingly for that experience in their wages. Those who stopped out or transferred and still completed a degree also may have other characteristics and skills—such as grit, drive, and/or ability to navigate transitions—that positively influence earnings.

Future quantitative research should control for work experience and additional postsecondary enrollment and attainment. Future qualitative work should seek to better understand the labor market paths and experiences of traditional, transfer, and stopout degree completers, as well as employer perceptions of these types of completers.