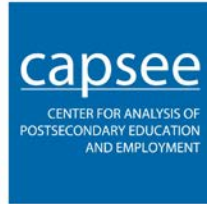
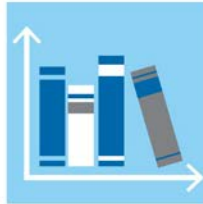


2017 CAPSEE CONFERENCE

MAKING THE RIGHT INVESTMENTS IN COLLEGE



Labor Market Returns to “Some College” Robustness Checks

Clive Belfield
Queens College
City University of New York

Identifying Labor Market Returns for community college students

Matched data:

Full transcripts

Durations/awards at transfer colleges

Quarterly earnings pre-in-post college from UI records

AR, CA, CO, FL, KY, MI, OH, VA, WA

Methods:

Individual fixed effects models over period pre-in-post college
controlling for personal, college, financial attributes

Earnings gains for **Associate degree** over non-completion of college are **high, durable, consistent and robust**

1. Robust across alternative **sample selections**

Sample selections:

Young

Weak labor market attachment

Slow to exit college

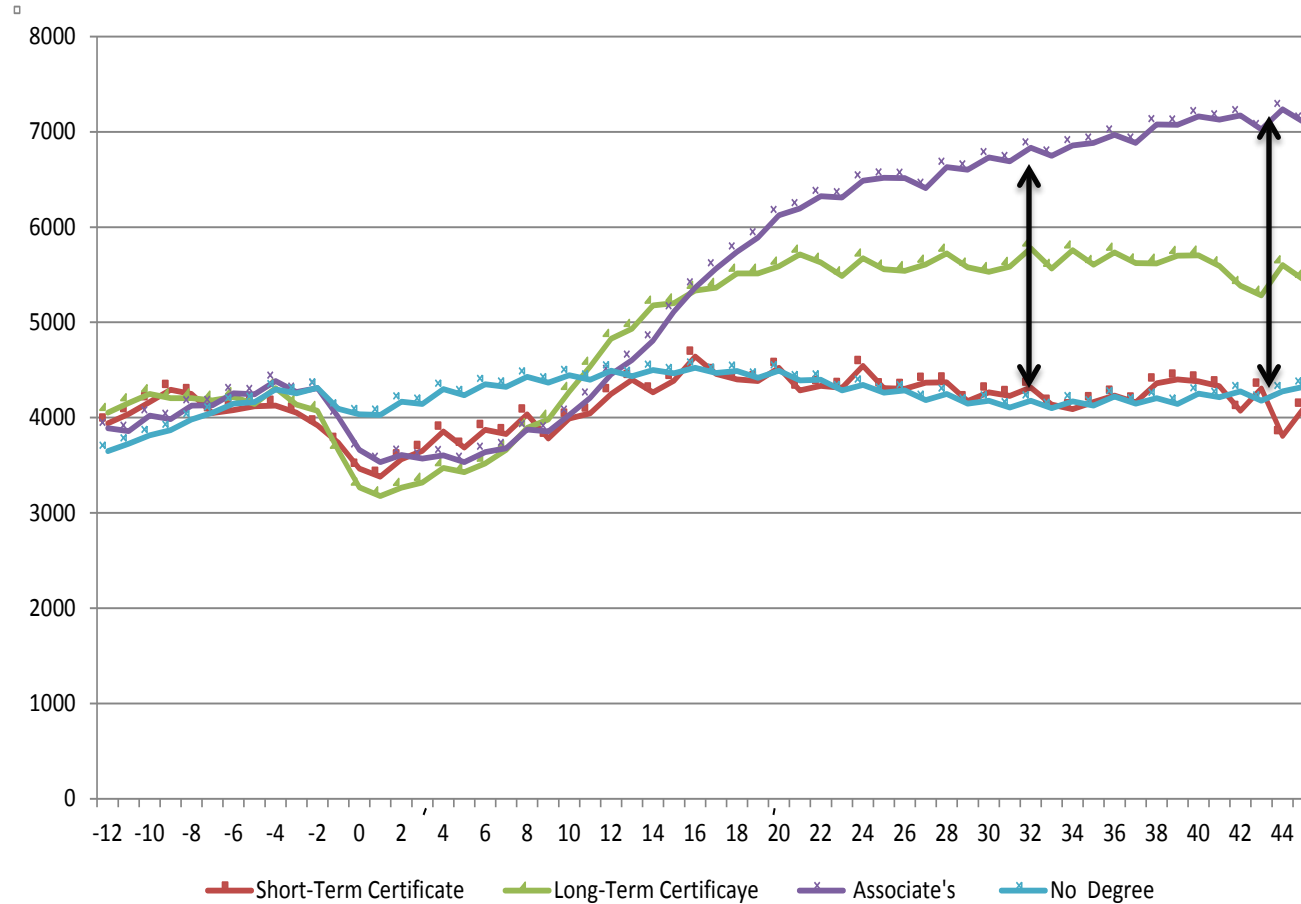
Missing data pre-college entry

Zero earnings

Transfer students

2. Robust across most alternative **functional form** **specifications**

Quarterly Earnings by Quarters since First Entry-Female



Ohio data
Minaya and
Scott-Clayton
(2016)

3. Functional form issues that do not appear to matter:

Adding time interaction covariates

Ashenfelter dip

Post-college indicators

4. Functional form issues that matter:

Time span of data

Individual time **trends**

Associate degree gains appear **higher** when these issues are addressed

5. **Consistent** with results from ordinary least squares estimation

Steady-state best estimate: Quarterly earnings gains Associate degree over non-completion

	OLS	Fixed Effects	(FE-OLS)/OLS
Pooled:			
Virginia	\$2,989	\$2,881	4%
Ohio	\$2,439	\$2,313	-5%
Female:			
Michigan	0.319	0.327	+2%
Kentucky	\$2,290	\$2,363	+3%
North Carolina	\$2,136	\$1,907	-11%
Washington	\$1,051	\$600	-43%
Male:			
Michigan	0.272	0.118	-14%
Kentucky	\$1,349	\$1,484	+10%
North Carolina	\$1,115	\$1,113	0%
Washington	\$914	\$400	-56%

Fixed Effects Models

More **complex** to interpret

Require a lot more **more data**

Yield **consistent** steady-state results

Possibly **understate** returns

Reveal **earnings trajectories**

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