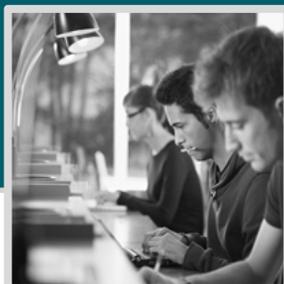
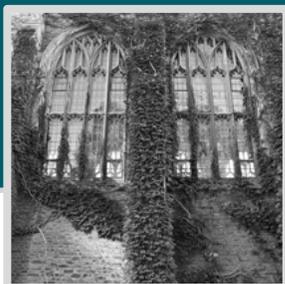


# The Value of an Associate's Degree in Liberal Arts

September 2014



In the following report, Hanover Research examines the personal, educational, and professional value of a liberal arts education, focusing specifically on the value of an associate's degree in liberal arts.

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# EXECUTIVE SUMMARY AND KEY FINDINGS

## INTRODUCTION

Economic difficulties over the past decade have led to questions about the value of a postsecondary liberal arts education. While some argue that students should be encouraged to pursue practical or technical educations,<sup>1</sup> others defend the enduring importance of a liberal arts education.<sup>2</sup> This report aims to assist colleges in evaluating the overall value of a liberal arts education, and specifically the value of an associate's degree in liberal arts.

This report comprises two sections:

- **Section I** considers the general educational and professional value of a liberal arts education.
- **Section II** addresses the educational and professional value of an associate's degree in liberal arts.

## KEY FINDINGS

- **The greatest appeal of the liberal arts associate's degree may be in its facilitation of transfer into a four-year program.** Vocational and professional associate's degree programs tend to offer better employment outcomes than two-year liberal arts programs. However, bachelor's degrees offer better employment outcomes than either type of associate's degree, and completion of a liberal arts associate's degree increases the chances that a transfer student will ultimately complete a four-year degree.
- **By itself, an associate's degree in liberal arts is a helpful, but not strong, labor market entry credential.** At 79 percent employment, liberal arts associate's degree completers are much more likely to find employment than liberal arts certificate completers (67 percent employment) and noncompleters (56 percent employment). However, liberal arts associate's degree completers are only equally likely to find employment as are noncompleters of both liberal arts associate's and bachelor's degree programs. At 83 percent employment, liberal arts bachelor's degree holders are more likely to find employment than associate's degree holders.

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<sup>1</sup> Friedman, Thomas. "How to Get a Job at Google, Part 2." *New York Times*. April, 2014.  
[http://www.nytimes.com/2014/04/20/opinion/sunday/friedman-how-to-get-a-job-at-google-part-2.html?ref=opinion&\\_r=1](http://www.nytimes.com/2014/04/20/opinion/sunday/friedman-how-to-get-a-job-at-google-part-2.html?ref=opinion&_r=1)

<sup>2</sup> Kleiman, Jessica. "Why Getting a Liberal Arts College Education is Not a Mistake." *Forbes*. April, 2014.  
<http://www.forbes.com/sites/work-in-progress/2014/04/28/why-getting-a-liberal-arts-college-education-is-not-a-mistake/>

- **Most associate's degree holders enter jobs in technical or vocational fields.** Healthcare, blue collar jobs, and office and sales support positions together represent around two thirds of the jobs held by associate's degree holders nationwide. Further, most of the earnings boost from an associate's degree comes in fields such as nursing, allied health, construction, or engineering.
- **Associate's degrees in liberal arts may provide marginal income increases.** While associate's degrees generally garner 120 percent of the income gained by those with only high school diplomas, a case study found that associate's degree holders in humanities and social sciences accrue only slight financial gains beyond those without degrees. Those pursuing liberal arts associate's degrees as job market qualifications should consider whether the required investment is financially sound.
- **Liberal arts bachelor degree holders have greater labor market opportunities than associate's degree holders.** The recent economic downturn has led a high proportion of bachelor's degree holders to pursue jobs that require less than a bachelor's degree, putting them in direct competition with associate's degree holders. While those using liberal arts associate's degrees as job market qualifications may find work related to their majors, they typically encounter greater difficulties than bachelor's degree holders in finding both full-time work and career track positions soon after graduation.
- **Completion of a liberal arts associate's degree increases the chances that a transfer student will actually complete a bachelor's degree.** A 2013 study finds that 72 percent of those who transfer with two-year awards go on to complete bachelor's degrees, while only 56 percent who transfer without a two-year award complete bachelor's degrees. This difference is likely due to associate's degree holders transferring larger numbers of credits to four-year institutions than noncompleters.
- **In general, a liberal arts education develops skills and characteristics desired by current employers.** In a recent survey, employers described critical thinking, clear communication, and problem solving as important traits of job candidates. These capacities are traditionally developed in students pursuing liberal arts educations, along with the ability for lifelong learning and a disposition towards ethical behavior, which are also important to employers.
- **Liberal arts students may benefit from specialized job search training.** Graduates entering the labor market may have difficulty translating their broad liberal arts educations into successful job searches. Before labor market entry, liberal arts students should develop skills in:
  - Networking
  - Job searching
  - Job interviewing
  - Resume writing
  - Industry searching
  - Career investigation

## SECTION I: THE VALUE OF LIBERAL ARTS

In this section, Hanover addresses the definition of liberal arts, as well as the general educational and professional value of a liberal arts education. The benefits of a liberal arts education are divided into two main categories: personal and educational, and professional.

### DEFINITION OF LIBERAL ARTS

To consider the value of an education in the liberal arts, it is important to have a clear conception of what a “liberal arts education” refers to. This report recognizes a liberal arts education to consist of a broad program of studies including humanities, physical sciences, mathematics, and social sciences. This type of general education, often including one area of focus, aims to provide a well-rounded formation that develops students’ abilities to think clearly on a variety of topics, communicate well, and draw connections between problems across a variety of disciplines.

This definition follows those provided by the Association of American Colleges and Universities (AACU), a national association dedicated to liberal arts education, as well as the National Center for Education Statistics (NCES), the primary federal entity for education data collection:

- **AACU** – Liberal education is “an approach to college learning that empowers individuals and prepares them to deal with complexity, diversity, and change. This approach emphasizes broad knowledge of the wider world (e.g., science, culture, and society) as well as in-depth achievement in a specific field of interest. It helps students develop a sense of social responsibility; strong intellectual and practical skills that span all major fields of study, such as communication, analytical, and problem-solving skills; and the demonstrated ability to apply knowledge and skills in real-world settings.”<sup>3</sup>
- **NCES** – A program in liberal arts and sciences provides, “a structured combination of the arts, biological and physical sciences, social sciences, and humanities, emphasizing breadth of study.”<sup>4</sup>

Liberal arts programs are most easily distinguished from technical or professional programs, which emphasize development of a focused skill set that is applicable to a specific trade or within a limited setting. Other conceptions of liberal arts may exclude science, technology, engineering, and mathematics (STEM) fields,<sup>5</sup> essentially leaving only the humanities and

<sup>3</sup> “What is a 21<sup>st</sup> Century Liberal Education?” Association of American Colleges and Universities.  
[http://www.aacu.org/leap/what\\_is\\_liberal\\_education.cfm](http://www.aacu.org/leap/what_is_liberal_education.cfm)

<sup>4</sup> “Detail for CIP Code 24.0101 – Liberal Arts and Sciences/Liberal Studies.” National Center for Education Statistics.  
<http://nces.ed.gov/ipeds/cipcode/cipdetail.aspx?y=55&cip=24.0101>

<sup>5</sup> See: Gordon-Reed, Annette. “Critics of the Liberal Arts are Wrong.” *Time*. June, 2013.  
<http://ideas.time.com/2013/06/19/our-economy-can-still-support-liberal-arts-majors/>

social sciences as liberal arts disciplines. This report will note when discussions of liberal arts draw the distinction in this way.

## PERSONAL AND EDUCATIONAL VALUE

### INDIVIDUAL ENRICHMENT

Advocates of liberal arts education will often note a number of **non-quantifiable benefits** that may accrue to students through this broad type of learning. For example:

- **Lifelong learning** – Due to exposure to the content and methods of a variety of disciplines, liberal arts students develop the ability to learn quickly when confronted with new challenges. David Buckingham, dean of enrollment services at Virginia Wesleyan College, notes, “We think that [a student] become[s] a lifelong learner. We also think that because the world is changing so rapidly, it is for the best. The liberal arts degree is an inquiring process. It is about an awareness to learn, and also you are taking courses across the curriculum.”<sup>6</sup>
- **Responsible Social Interaction** – Since liberal arts courses encourage students to think beyond themselves to other peoples, places, and times, students have great opportunities to develop empathy and respect, becoming better citizens, friends, spouses, and parents.<sup>7</sup>
- **Overall Happiness** – A liberal education exposes students to knowledge that is deeply satisfying. Students consider human nature through a variety of academic lenses, which adds meaning and value to their own lives, professions, and lifestyle aspirations.<sup>8</sup> Liberal arts studies also increase a person’s capacity to appreciate literature, music, personality, nature, art, symbolism, wit, historical allusion, or figurative language.<sup>9</sup>

While these benefits are derived from the features and goals of liberal arts programs, it is impossible to directly measure the extent to which a person’s individual life is enriched in these ways. Additionally, these benefits may not be addressed or developed explicitly in any single discipline studied, but may require students to realize these benefits as cumulative effects of the completed program.

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For example, Gordon-Reed notes, “The question of whether our government should promote science and technology or the liberal arts in higher education is not an either-or proposition, although the current emphasis on preparing young Americans for STEM-related fields can make it seem that way” (Op. cit.).

<sup>6</sup> [1] Stamper, Megan. “Today, There Is Value in a Liberal Arts Education.” *Inside Business: The Hampton Roads Business Journal*. 2012. <http://insidebiz.com/news/today-there-value-liberal-arts-education>

[2] Also see Soholt, Alex. “6 Benefits of Liberal Arts Education.” Wheaton College student blog (#MyWheaton). October, 2013. <http://www.wheaton.edu/Student-Life/My-Wheaton/2013/10/6-Benefits-of-Liberal-Arts-Education>

<sup>7</sup> Sigurdson, Richard. “Why Study the Liberal Arts?” University of Northern Iowa. <http://www.uni.edu/reineke/whystudyla.htm>

<sup>8</sup> [1] Nesteruk, Jeffrey. “Happiness and Education.” *Inside Higher Ed*. May, 2005. <http://www.insidehighered.com/views/2005/05/18/nesteruk#sthash.xSSIfUWG.dpbs>

[2] Soholt, Op. cit.

<sup>9</sup> Sigurdson, Op. cit.

### *SUPPORTS STEM SUCCESS*

Recent analysis anticipates that **by 2018 the U.S. workforce will lack sufficient STEM training to fill the country's needs.**<sup>10</sup> Educators are under pressure to expose young students to these fields.<sup>11</sup> Some state governors have also expressed interest in augmenting support for postsecondary STEM programs at the expense of humanities and social sciences programs.<sup>12</sup>

However, some argue that **a broad liberal arts education supports student success in STEM fields.** The variety of viewpoints often encountered during a liberal arts education, along with the focus in each discipline on examination and critical thinking, develop the ability in potential STEM students to “cut through misleading observations and arrive at a defensible interpretation.”<sup>13</sup> This skill is vital for any STEM practitioner.

According to Thomas Cech, a chemistry and biochemistry professor at the University of Colorado Boulder and a Nobel laureate, “just as mathematics is considered to be a good exercise for the brain even for those who will never use calculus in the future, so the study of great books, history, languages, music, and many other non-science fields is likely to hone a scientist’s ability to perceive and interpret the natural world.”<sup>14</sup>

There is also anecdotal evidence that liberal arts institutions produce excellent experts in STEM fields. Liberal arts supporters note the following:<sup>15</sup>

- **STEM Doctorate Production** – Proportionately, graduates of liberal arts colleges earn doctorates in the sciences at nearly twice the rate of graduates of other institutions.
- **STEM Honors** – Even though only 3 percent of college graduates received their education at liberal arts colleges, roughly 20 percent of scientists elected into the National Academy of Sciences in a recent two-year span come from liberal arts institutions.

<sup>10</sup> Bertram, Vince. “The Most Important Resolution: STEM Education.” Thomas B. Fordham Institute. <http://edexcellence.net/commentary/education-gadfly-daily/flypaper/the-most-important-resolution-stem-education>

<sup>11</sup> Ibid.

<sup>12</sup> [1] In Florida, see: Anderson, Zac. “Rick Scott Wants to Shift University Funding Away from Some Degrees.” *Herald-Tribune*. October, 2011. <http://politics.heraldtribune.com/2011/10/10/rick-scott-wants-to-shift-university-funding-away-from-some-majors/>

[2] In North Carolina, see: Kiley, Kevin. “Another Liberal Arts Critic.” *Inside Higher Ed*. January, 2013. <http://www.insidehighered.com/news/2013/01/30/north-carolina-governor-joins-chorus-republicans-critical-liberal-arts#sthash.uHe5CK4m.dpbs>

<sup>13</sup> Christ, Carol. “Myth: A Liberal Arts Education is Becoming Irrelevant.” American Council on Education. 2012. <http://www.acenet.edu/the-presidency/columns-and-features/Pages/Myth-A-Liberal-Arts-Education-Is-Becoming-Irrelevant.aspx>

<sup>14</sup> Christ, Op. cit.

<sup>15</sup> [1] Bulleted items include adapted and copied text from: Ibid.

[2] Also see: Greenwald, Richard. “Liberal Arts II: The Economy Requires Them.” *Inside Higher Ed*. 2010. <http://www.insidehighered.com/views/2010/10/01/greenwald#sthash.FayKcPBS.dpbs>

Greenwald notes that, “the road to research science most often comes through a liberal arts experience.”

## PROFESSIONAL VALUE

### *DEVELOPS IN-DEMAND SKILLS*

A survey of employers released in 2013 reveals that **organizations value employees with skills developed through a liberal arts education.**<sup>16</sup> The report, “It Takes More than a Major: Employer Priorities for College Learning and Student Success,” includes feedback from company owners, CEOs, presidents, and vice presidents on the postsecondary education students need to be successful in the current economy.<sup>17</sup>

The vast majority of surveyed executives (93 percent) find it important for job candidates to have capacities in:<sup>18</sup>

- Critical thinking;
- Clear communication; and
- Problem solving.

Liberal arts education is cited as typically developing these abilities in students.<sup>19</sup> Employers consider the presence of these skills to be more important than an applicant’s undergraduate field of study (93 percent agree in total; 59 percent “strongly agree”).<sup>20</sup> A substantial majority of executives also strongly believe that two- and four-year institutions should place additional emphasis on developing these capacities.<sup>21</sup>

The survey also finds that even though executives place importance on applicants’ skills and knowledge in multiple areas, they place the highest levels of importance in the following:<sup>22</sup>

- **Ethics:** “Demonstrate ethical judgment and integrity” (96 percent “important,” including 76 percent “very important”);
- **Intercultural Skills:** “Comfortable working with colleagues, customers, and/or clients from diverse cultural backgrounds” (96 percent “important,” including 63 percent “very important”); and

<sup>16</sup> “It Takes More than a Major: Employer Priorities for College Learning and Student Success.” Hart Research Associates, for the American Association of Colleges and Universities. Accessed at: [http://www.aacu.org/leap/documents/2013\\_EmployerSurvey.pdf](http://www.aacu.org/leap/documents/2013_EmployerSurvey.pdf)

<sup>17</sup> “It Takes More than a Major,” Op. cit., p. 1.

<sup>18</sup> Bulleted list adapted from: Ibid., p. 4.

<sup>19</sup> E.g., See:

[1] Christ, Op. cit. Christ asserts that, “flexibility, creativity, critical thinking, and strong communication skills (particularly writing) are at the core of liberal arts education.”

Also see these recent editorials by presidents of liberal arts institutions:

[2] Ray, Edward. “The Value of a Liberal Arts Education in Today’s Global Marketplace.” The Huffington Post. July, 2013. [http://www.huffingtonpost.com/edward-j-ray/the-value-of-a-liberal-arts-education\\_b\\_3647765.html](http://www.huffingtonpost.com/edward-j-ray/the-value-of-a-liberal-arts-education_b_3647765.html)

[3] Williamson, Jamie. “Value of Liberal Arts Education: Worth the Private and Public Investment.” The Huffington Post. February, 2014. [http://www.huffingtonpost.com/dr-jamie-comstock/value-of-liberal-arts-edu\\_b\\_4755411.html](http://www.huffingtonpost.com/dr-jamie-comstock/value-of-liberal-arts-edu_b_4755411.html)

<sup>20</sup> “It Takes More than a Major,” Op. cit.

<sup>21</sup> Ibid., p. 8.

<sup>22</sup> Bulleted list copied verbatim from: Ibid., p. 6.

- **Professional Development:** “Demonstrate the capacity for professional development and continued new learning” (94 percent “important,” including 61 percent “very important”).

Additionally, when presented with the AACU’s description of liberal education,<sup>23</sup> almost all executives (94 percent) indicated that it is “very” or “fairly” important for today’s colleges to provide this type of education.<sup>24</sup> Almost three quarters of employers would recommend this type of education to their own child or a young person they know.<sup>25</sup>

### *DEVELOPS TRANSFERABLE SKILLS*

A liberal arts education not only supports job success at a graduate’s first job, it provides a base of capacities that will be applicable to subsequent occupations, regardless of industry. In other words, **a liberal arts education develops transferable skills**. Recent and future college graduates will likely change jobs multiple times during their careers.<sup>26</sup> A liberal arts education prepares graduates to be flexible, i.e., to address workplace challenges by drawing on available tools and insights from a variety of disciplines.<sup>27</sup>

### *SUPPORTS LONG-TERM INCOME GAINS*

A consistently noted disadvantage of a liberal arts education, specifically one that focuses on the humanities and social sciences, is the challenge graduates have in finding gainful employment.<sup>28</sup> A 2014 report released by the AACU, “How Liberal Arts and Sciences Majors Fare in Employment: A Report on Earnings and Long-Term Career Paths,” begins to address this concern on its own terms.<sup>29</sup>

The report, which makes use of 2010-2011 census data, finds that humanities majors make \$5,000 per year less on average when entering the marketplace than those with professional or pre-professional degrees. However, their **long-term annual income eventually surpasses that of those with professional or pre-professional degrees by \$2,000 per year on average** during graduates’ peak earning years (mid- to late-50s).<sup>30</sup>

<sup>23</sup> Provided in the subsection above addressing the definition of liberal arts. Or, see: “What is a 21<sup>st</sup> Century Liberal Education?” Op. cit.

<sup>24</sup> “It Takes More than a Major,” Op. cit., p. 13.

<sup>25</sup> Ibid., p. 14.

<sup>26</sup> [1] Fottrell, Quentin, “Typical U.S. Worker Now Lasts 4.6 Years on Job.” Market Watch. January, 2014.  
<http://www.marketwatch.com/story/americans-less-likely-to-change-jobs-now-than-in-1980s-2014-01-10>

[2] Gordon-Reed, Op. cit.

<sup>27</sup> Gordon-Reed, Op. cit.

<sup>28</sup> E.g., see: Adams, Susan. “New Study: Is No Degree Better than a Liberal Arts Degree?” *Forbes*. May, 2014.  
<http://www.forbes.com/sites/susanadams/2014/05/20/new-study-is-no-degree-better-than-a-liberal-arts-degree/>

<sup>29</sup> Humphreys, Debra and Patrick Kelly. “How Liberal Arts and Sciences Majors Fare in Employment: A Report on Earnings and Long-Term Career Paths.” Association of American Colleges and Universities. Available for purchase at: <http://www.aacu.org/leap/nchems/>

<sup>30</sup> See the following, which address the contents of the report:

[1] Adams, Susan. “Majoring in the Humanities Does Pay Off, Just Later.” *Forbes*. January 2014.  
<http://www.forbes.com/sites/susanadams/2014/01/22/majoring-in-the-humanities-does-pay-off-just-later/>

The report notes, however, that **liberal arts graduates who possess only bachelor's degrees in humanities or social sciences earn less than those with professional degrees.**<sup>31</sup> Those with master's degrees (40 percent of all liberal arts graduates) earn significantly more, which has a sizeable effect on the liberal arts earnings average. Those with degrees in STEM fields consistently have higher incomes than those with humanities degrees.<sup>32</sup>

### *COMMON OCCUPATIONAL FIELDS FOR GRADUATES*

The AACU income study also considers the workplace fields with the strongest representation of graduates with humanities and social sciences degrees. While they can be successful in a variety of professional fields (e.g., business, medicine, and law),<sup>33</sup> **humanities and social sciences majors fill “half of all social services jobs.”**<sup>34</sup> This field includes:<sup>35</sup>

- Counselors;
- Social and human/community service workers;
- Religious workers; and
- Similar social services categories.

These social services occupations are considered “important,” but are relatively low-paying.<sup>36</sup> In contrast, majors in humanities and social sciences fields comprise 26 percent of the education profession's workforce and 26 percent of “all” professions.<sup>37</sup> The AACU report does not establish the motives of liberal arts degree holders who work in social services. They may be drawn to this field as a way to gain access to a wider breadth of professional fields; they may not be able to find work elsewhere; or they may have other reasons.<sup>38</sup>

### *LIMITS TO PROFESSIONAL VALUE*

While liberal arts studies develop in-demand and transferrable skills that can support long-term career success, liberal arts degree holders still face challenges to workplace entry. Challenges arise from the following:

- **The Importance of Professional Training** – While they seek to hire job candidates with skills that can be developed through a course of studies in liberal arts, **employers are most attracted to candidates holding complementary professional**

[2] Grasgreen, Allie. “Liberal Arts Grads Win Long-Term.” *Inside Higher Ed*. January 2014.

<http://www.insidehighered.com/news/2014/01/22/see-how-liberal-arts-grads-really-fare-report-examines-long-term-data#sthash.SGeJrhhJ.dpbs>

<sup>31</sup> Grasgreen, Op. cit.

<sup>32</sup> Ibid.

<sup>33</sup> Greenwald, Op. cit.

<sup>34</sup> Grasgreen, Op. cit.

<sup>35</sup> Bulleted items copied and adapted from: Ibid.

<sup>36</sup> Supiano, Beckie. “How Liberal-Arts Majors Fare Over the Long Haul.” *The Chronicle of Higher Education*. June, 2014.

<http://chronicle.com/article/How-Liberal-Arts-Majors-Fare/144133/>

<sup>37</sup> Grasgreen, Op. cit.

<sup>38</sup> Grasgreen, Op. cit.

**skills or knowledge**, as well. The AACU, a strong supporter of liberal arts education, notes that a majority of executives (55 percent) agree that having both a broad range of skills and field-specific knowledge is important for long-term success.<sup>39</sup> Another recent survey also found that, even though businesses value communication skills, few (2 percent) actively recruit liberal arts majors.<sup>40</sup> Surveyed companies prefer engineering and business majors more strongly, which speaks to the importance employers place on professional training.<sup>41</sup>

- **The Difficulties of Skill Translation and Job Searching** – A liberal arts education does not traditionally include job market preparation. This can hinder job market entry as **liberal arts graduates may be unable to connect their education experiences to job requirements** and effectively present themselves as qualified job candidates.<sup>42</sup> This stands as a particular challenge because they must often look beyond the topics of their coursework to establish a relevant skill set for a given occupation or job description.

Some argue that, whatever students' majors, education institutions must prepare graduates to enter the marketplace by providing training in:<sup>43</sup>

- Networking;
- Job searching;
- Job interviewing;
- Resume writing;
- Industry searching; and
- Career investigation.

<sup>39</sup> "It Takes More than a Major," Op. cit., p. 5.

<sup>40</sup> [1] Hamilton, Walter. "Only 2% of Companies Seeking to Hire Liberal-Arts Majors, Poll Finds." L.A. Times. May, 2014. <http://www.latimes.com/business/la-fi-companies-hiring-liberal-arts-majors-jobs-20140521-story.html>

[2] Fottrell, Quentin. "(More) Bad News for Liberal Arts Majors." Market Watch. May, 2014. <http://www.marketwatch.com/story/more-bad-news-for-liberal-arts-majors-2014-05-21>

<sup>41</sup> [1] Ibid.

[2] Also see: Abel, Jaison, et al. "Are Recent College Graduates Finding Good Jobs?" *Current Issues in Economics and Finance*. 2014. [http://www.newyorkfed.org/research/current\\_issues/ci20-1.pdf](http://www.newyorkfed.org/research/current_issues/ci20-1.pdf)

<sup>42</sup> [1] Weise, Karen. "The Distracting Debate over the Value of a Liberal Arts Degree." *Bloomberg BusinessWeek*. January, 2014. <http://www.businessweek.com/articles/2014-01-23/the-distracting-debate-over-the-value-of-a-liberal-arts-degree>

[2] DeLong, David. "How Liberal Arts Colleges Can Stop Fueling the 'Skills Gap.'" Op. ed. in *Harvard Business Review*. February, 2014. <http://blogs.hbr.org/2014/02/how-liberal-arts-colleges-can-stop-fueling-the-skills-gap/>

<sup>43</sup> Bulleted items adapted primarily from:

[1] DeLong, Op. cit.

Also, see:

[2] LaBombard, Bob. "Liberal Arts Majors can Find Jobs if They Know where and How to Look." Ajc.com. April, 2014. <http://www.ajc.com/weblogs/get-schooled/2014/apr/28/liberal-arts-majors-can-find-jobs-if-they-know-whe/>

[3] Braverman, Beth. "4 Smart Job Strategies for Liberal Arts Grads." The Fiscal Times. March, 2014. <http://www.thefiscaltimes.com/Articles/2014/03/25/4-Smart-Job-Strategies-Liberal-Arts-Grads>

## SECTION II: VALUE OF ASSOCIATE'S DEGREES IN LIBERAL ARTS

In this section, Hanover addresses the educational and professional value of an associate's degree in liberal arts.

### COMPARATIVE VALUE OF THE TWO-YEAR LIBERAL ARTS DEGREE

Available data suggest that **the principal value of the associate's degree in liberal arts is to prepare students to successfully transfer into and complete a bachelor's program.** Graduates of vocational or technical associate's programs typically have better immediate employment outcomes than those of liberal arts associate's programs. Further, the bachelor's degree generally offers better employment outcomes than either type of associate's degree. However, research shows that the completion of an associate's degree, particularly in the liberal arts, can improve a transfer student's chance of ultimately completing the baccalaureate. This may be the most appealing aspect of the liberal arts associate's degree for prospective students.

### ASSOCIATE'S DEGREES: VOCATIONAL VS. LIBERAL ARTS

As an entry-level credential, the associate's degree is generally considered most appropriate for technical occupations, such as radiation therapists and dental hygienists, for which a liberal arts curriculum may not be sufficient.<sup>44</sup> Analysis of Census data by the Georgetown University Center on Education and the Workforce show that healthcare alone employs around 20 percent of all associate's degree holders. Blue collar jobs account for another 20 percent, and jobs in office and sales support employ roughly one quarter of associate's degree holders. Jobs in areas such as STEM (5 percent) or education (4 percent) account for relatively small shares.<sup>45</sup>

Building on this analysis, a recent report published by the American Institutes for Research suggests, "associate's degrees focused on occupational and technical skills have more market value than most other types of associate's degrees."<sup>46</sup> Similarly, another recent

<sup>44</sup> E.g.: [1] "A New Career for a New Year: Jobs in Demand Study." NerdScholar.

<http://www.nerdwallet.com/blog/nerdscholar/2012/jobs-in-demand/>

[2] Berry, Jennifer. "Is an Associate's more Valuable than a Bachelor's?" Yahoo Education.

[http://education.yahoo.net/articles/value\\_of\\_an\\_associate\\_s\\_degree.htm](http://education.yahoo.net/articles/value_of_an_associate_s_degree.htm)

[3] Also, see Carnevale's 2011 report, which notes that associate's programs focusing on technical skills have potential to prepare workers for a workplace that increasingly values bachelor's degrees: Carnevale, Anthony, et al., "Career Clusters: Forecasting Demand for High School Through college Jobs, 2008 – 2018." Georgetown University Center on Education and the Workforce. 2011. p. 54. Accessed at:

<https://georgetown.app.box.com/s/dq4fqvuid4oui7rp8u8k>

<sup>45</sup> Carnevale, A. et al. "Career and Technical Education: Five Ways That Pay." Georgetown University. September 2012. p. 29. <http://cew.georgetown.edu/ctefiveways>

<sup>46</sup> Schneider, M. and Klor de Alva, J. "What's the Value of an Associate's Degree? The Return on Investment for Graduates and Taxpayers." American Institutes for Research. October 3, 2013. p. 27.

study examining earnings boost from community college awards finds that, although associate’s degree holders out-earn those without these awards, **“the earnings benefits of an associate degree varied substantially by type.”**<sup>47</sup> Those with associate’s degrees in humanities and social sciences have only a slight financial advantage over those who did not complete degrees in these fields, seeing average annual earnings gains in 2011 of between \$200 and \$1,800 for those who began their postsecondary educations in 2002.<sup>48</sup> Specific fields that saw the greatest financial gains for degree holders include:<sup>49</sup>

- Nursing;
- Allied health;
- Construction;
- Engineering;
- Mechanics; and
- Protective services.

The report suggests that the greatest financial gains accrue to AS holders. They averaged between \$6,000 and \$10,000 more per year than students who earned no degree. Those with AA degrees earned about \$2,000 more annually than those without these degrees. However, for some populations with AA degrees, the study found “no statistically significant earnings gain over baseline.”<sup>50</sup>

This view is further supported by data from the NCES tracking the employment outcomes of completers of certificates, associate’s degrees, and bachelor’s degrees, segmented by field of study.<sup>51</sup> The NCES study divides participants’ fields of study into two main groups, **occupational** and **academic**. These can be taken to roughly correspond to vocational and professional programs and liberal arts programs, respectively.

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<http://www.air.org/resource/what%E2%80%99s-value-associate%E2%80%99s-degree-return-investment-graduates-and-taxpayers>

<sup>47</sup> Belfield, Clive, et al. “The Medium-Term Labor Market Return to Community College Awards: Evidence from North Carolina.” Center for Analysis of Postsecondary Education and Employment. 2014. p. 9. Accessed at: <http://ccrc.tc.columbia.edu/media/k2/attachments/medium-term-labor-market-return-to-community-college-awards.pdf>

<sup>48</sup> Ibid., p. 15.

<sup>49</sup> Bulleted list copied verbatim from: Ibid., p. 14.

<sup>50</sup> Ibid., p. 9.

<sup>51</sup> Staklis, Sandra and Phoebe Ho. “Occupational and Academic Majors in Postsecondary Education: 6-Year Education and Employment Outcomes, 2001 and 2009.” Publication 2012-256. National Center for Education Statistics. 2012. Accessed at: <http://nces.ed.gov/pubs2012/2012256.pdf>

These data include those who began postsecondary studies in 2003 and were not currently enrolled in 2009 (p.1). Those who attained an associate’s degree during that time and continued to pursue additional postsecondary education are not included in the data.

In the NCES study, **occupational** fields include:<sup>52</sup>

- Business
- Education
- Architecture
- Law enforcement
- Health sciences
- Public service
- IT
- Legal services

The **academic** fields are allied with studies of liberal arts and include:<sup>53</sup>

- Literature
- Physical sciences
- Philosophy
- General studies
- Foreign languages
- Psychology
- Theology
- Humanities

Employment outcomes for completers in each group, and at each award level, are shown below.

**Figure 2.1: Labor Force Data, Associate’s and Bachelor’s Degree Holders**

FIELD OF STUDY	AWARD COMPLETION STATUS	EMPLOYED %/ (FULL-TIME %)*	UNEMPLOYED OR NOT IN LABOR FORCE	OF THOSE EMPLOYED, PERCENT JOB RELATED TO MAJOR
Academic	<b>Certificate</b>			
	Completers	66.6% / (88.0%)	33.4%	-
	Noncompleters	56.0	44.0%	-
	<b>Associate’s Degree</b>			
	Completers	78.6% / (73.3%)	18.4%	36.6%
	Noncompleters	78.6%	21.5%	29.3%
	<b>Bachelor’s Degree</b>			
	Completers	83.4% (82.6%)	16.5%	54.2%
	Noncompleters	79.0%	20.9%	30.3%
Occupational	<b>Certificate</b>			
	Completers	77.7% / (81.5%)	22.4%	68.5%
	Noncompleters	63.5	36.5%	58.5%
	<b>Associate’s Degree</b>			
	Completers	85.9% / (85.0%)	14.1%	71.1%
	Noncompleters	78.1%	21.9%	39.8%
	<b>Bachelor’s Degree</b>			
	Completers	89.4% / (88.3%)	10.7%	76.2%
	Noncompleters	82.3%	17.7%	44.7%

Source: NCES<sup>54</sup>

\* Full-time employment rates reflect the percentage of those employed. Rates are not available for noncompleters.

As these data show, completion of an **academic** associate’s degree generally leads to reasonably favorable outcomes, with almost 80 percent of students employed six years after graduation. However, noncompleters of **academic** associate’s degrees have almost identical employment outcomes, suggesting that liberal arts associate’s degrees have the same general impact on applicant employability as having “some college.”

<sup>52</sup> Bulleted items are adapted from, and a full listing of fields is available at: Ibid., Table 1, p. 6, n.2.

<sup>53</sup> Bulleted items are adapted from, and a full listing of fields is available at: Ibid., n.3.

<sup>54</sup> Ibid., Table 2, pp. 9 - 10. Full-time employment data are drawn from: Ibid., Table 6, p. 27.

Further, additional data, not included in Figure 2.1, indicate that those with associate's degrees in **academic** fields are least likely of any award holders to consider their current jobs as the first steps in careers (44.3 percent). **Academic** bachelor's degree completers are much more likely to believe their current jobs are the beginnings of their careers (58.4 percent).<sup>55</sup> Among **occupational** degrees, both associate's and bachelor's degree completers are more likely to consider their jobs as the beginnings of careers than those with similar **academic** awards (56.0 percent for associate's degrees, 68.9 percent for bachelor's degrees).<sup>56</sup>

By comparison, completers of **occupational** associate's degrees not only have a higher employment rate than completers of **academic** associate's degrees, including a higher rate of full-time employment, but are substantially more likely to be employed in a job related to their major. Bachelor's degree completers also have higher employment rates than associate's degree completers within their comparable field of study group. Even completers of **occupational** certificates have employment numbers that are approximately in line with completers of **academic** associate's degrees.

### *THE BACHELOR'S DEGREE ADVANTAGE*

As the NCES data suggest, bachelor's degree completers generally see more favorable employment outcomes than associate's degree completers in comparable fields. **Bachelor's degree holders also tend to see higher earnings.** Wage data show that, although associate's degree holders have historically out-earned high school graduates by around 20 percent per year, they are themselves out-earned by bachelor's degree holders, who have recently averaged almost double the annual earnings of those with only high school diplomas.<sup>57</sup>

This trend seems likely to continue. Georgetown University's Center on Education and the Workforce notes that "in 2008 the overall share of employment for workers with some college/no degree or an Associate's degree was slightly less than the share for workers with a Bachelor's degree or better," and predicts that this gap will widen through 2018.<sup>58</sup>

Helping to drive this trend will be an effect called "push down," a consequence of the recent economic downturn in which "graduates who have earned a bachelor's degree are not always able to find work in the field for which they trained. Therefore, they take positions that may only require an associate degree or high school diploma."<sup>59</sup> Thus, associate's degree holders are under pressure from overqualified bachelor's degree holders as they must compete with them for entry-level and lower-skilled positions. For instance, 55 to 60 percent of recent graduates with bachelor's degrees in fields such as, "communications,

<sup>55</sup> Ibid., Table 7, p. 29.

<sup>56</sup> Ibid.

<sup>57</sup> Carnevale, Anthony, et al. "The College Advantage: Weathering the Economic Storm." Georgetown University Center on Education and the Workforce. 2012. p. 13. Accessed at: <https://georgetown.app.box.com/s/1fj5qqnkvyp4mnf2mush>

<sup>58</sup> Carnevale, 2011, Op. cit., pp. 52-53.

<sup>59</sup> Blanchard, Jessica. "Is a Liberal Arts Degree Worth the Cost?" Blog post through Brescia University. <http://online.brescia.edu/liberal-arts/is-liberal-arts-degree-worth-cost/>

liberal arts, business, and social sciences,” have jobs that do not require bachelor’s degrees.<sup>60</sup> This may reflect high levels of competition from bachelor’s degree holders for occupations likely suited for associate’s degree holders.

As the economy has recovered from the recession, the bachelor’s degree advantage has persisted. Analysis from Georgetown’s Center on Education and the Workforce finds that, bachelor’s degree holders gained jobs continually from 2007 through 2012 (albeit at much slower rates during the trough of the recession), while those with associate’s degrees had yet to completely recover the jobs lost in the recession by 2012.<sup>61</sup>

### *LIBERAL ARTS ASSOCIATE’S DEGREE AS AN AID TO TRANSFER*

Although associate’s degrees in vocational or professional fields may offer better immediate employment outcomes than two-year liberal arts degrees, the latter award can be an important stepping stone to completing the bachelor’s degree and gaining the attendant employment benefits.

Many community college students may hope to go on to a four-year degree, but completion rates remain relatively low. A 2011 report from the NCES indicates that even though 80 percent of community college students enter with plans of completing a bachelor’s degree, relatively few students overall (12 percent), achieve the award within six years of starting.<sup>62</sup> An equally low percentage attains associate’s degrees within five years of starting (14 percent).<sup>63</sup>

However, a different study finds that **those who transfer from community colleges to four-year institutions with certificates or two-year degrees are much more likely (72 percent) to complete bachelor’s degrees** than those who transfer without an award (56 percent).<sup>64</sup> The increased success for award holders over such a span may be attributed to the greater quantity of credits that associate’s degree or certificate holders can transfer into four year institutions.<sup>65</sup>

The associate’s degree in liberal arts, including the Associate of Arts (AA) and Associate of Science (AS) degrees, may be even better-positioned to increase transfer success than

<sup>60</sup> Abel, Op. cit.

<sup>61</sup> Carnevale, “The College Advantage,” Op. cit., p. 5.

<sup>62</sup> [1] Horn, Laura, and Paul Skomsvold. “Web tables: Community college student outcomes: 1994–2009.” Publication 2012-253. National Center for Education Statistics. 2011. Table 1-A. p. 5. Accessed at: <http://nces.ed.gov/pubs2012/2012253.pdf>

[2] Ibid., Table 5-A, p. 26.

<sup>63</sup> Ibid., Table 5-A, p. 26.

<sup>64</sup> Shapiro, Doug, et al. “Baccalaureate Attainment: A National View of the Postsecondary Outcomes of Students who transfer from Two-Year to Four-Year Institutions.” National Student Clearinghouse Research Center. 2013. p. 47. Accessed at: <http://nscresearchcenter.org/wp-content/uploads/SignatureReport5.pdf>

<sup>65</sup> [1] Ibid.

[2] Also see: “Earning an Associate Degree before Transfer Boosts Students’ Likelihood of Earning Four-Year Degree.” Community College Research Center. April, 2014. <http://ccrc.tc.columbia.edu/press-releases/earning-associate-before-transfer-press-release.html>

vocational awards such as the Associate of Applied Science (AAS), because AA/AS degrees are often designed to facilitate transfer to four-year institutions. As the Community College Research Center (CCRC) notes, “Students who earned [AAS] degrees [...] were less likely than students with 50+ credits but no degree to complete a bachelor’s after transfer.”<sup>66</sup> Research within the City University of New York system, which includes two-year institutions, similarly found that earning an AA/AS degree increases the probability a student will complete a bachelor’s degree, while earning an AAS does not. The researchers attribute this effect largely to articulation policies that ensure AA/AS graduates will be able to transfer most of their credits towards the bachelor’s degree.<sup>67</sup>

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<sup>66</sup> “Earning an Associate Degree before Transfer Boosts Students’ Likelihood of Earning Four-Year Degree,” Op. cit.

<sup>67</sup> Crook, D. et al. “Does Earning an Associate Degree Lead to Better Baccalaureate Outcomes for Transfer Students?” City University of New York. January 2012. p. 14.  
[http://www.cuny.edu/about/administration/offices/ira/opr/papers/associate\\_degree.pdf](http://www.cuny.edu/about/administration/offices/ira/opr/papers/associate_degree.pdf)

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